

To,  
The Members,

Your Directors have pleasure in presenting their 35th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2015.

#### 1. FINANCIAL RESULTS:

The Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2015 shows the following results:-

|                                      | 2014-15              | 2013-14              |
|--------------------------------------|----------------------|----------------------|
| <b>Profit before Tax</b>             | <b>1,72,858.12</b>   | <b>33,814.26</b>     |
| Less: Income Tax for current year    | -31,700.00           | -5,333.00            |
| Income Tax for earlier Years         | 0.00                 | -645.00              |
| <b>Profit after Tax for the year</b> | <b>1,41,858.12</b>   | <b>27,836.26</b>     |
| Less: Residual Value                 | 0.00                 | 0.00                 |
| Profit brought from Previous year    | -24,65,341.83        | -24,93,178.09        |
| <b>Closing Balance</b>               | <b>-23,24,183.71</b> | <b>-24,65,341.83</b> |

#### 2. Dividend

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2015.

#### 3. TRANSFER TO RESERVES

No amount was transferred to the reserves during the financial year ended 31st March, 2015.

#### 4. Brief description of the Company's working during the year/State of Company's affair

The company is carrying on the business of income from house property and commission.

#### 5. Change in the nature of business, if any

No Change in the nature of the business of the Company during the year.

#### 6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

#### 7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material order is passed.

**8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

**9. Details of Subsidiary/Joint Ventures/Associate Companies**

The company does not have any subsidiary / joint venture or associate company.

**10. Deposits**

The company has not accepted any deposits during the year.

**11. Statutory Auditors**

M/s N K Jain & Co, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

**12. Auditors' Report**

The auditor of the company has not made any qualification, reservation or adverse remark or disclaimer in his audit report for the relevant financial year.

**13. Share Capital**

**A) Issue of equity shares with differential rights**

No issue of equity shares made during the financial year.

**B) Issue of sweat equity shares**

No issue of sweat equity shares made during the financial year.

**C) Issue of employee stock options**

No issue of employee stock options is made during the financial year.

**D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

This clause is not applicable.

**14. Extract of the annual return**

The extract of the annual return as required in section 92(3) in Form No. MGT – 9 forming part of the Board's report is annexed with this report.

15. The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**A) Conservation of energy:**

Not applicable.

**(B) Technology absorption:**

Not applicable.

**(C) Foreign exchange earnings and Outgo:**

Not applicable.

16. **Corporate Social Responsibility (CSR)**

Not applicable.

17. **Directors:**

**A) Changes in Directors and Key Managerial Personnel**

No change in existing directors since the last AGM of the company. At the forthcoming Annual General Meeting, Sri Dronesh Singhania retires by rotation, but being eligible offers himself for re-appointment.

In terms of section 149(5) of the Companies Act, 2013, the followings have been appointed as Independent Directors of the company:

- i) Mr S N Daga
- ii) Ms Rashmi Bhotika

**B) Declaration by an Independent Director(s) and re- appointment, if any**

A declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is enclosed as Annexure-2.

**C) Formal Annual Evaluation**

AS prescribed in section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee has been authorized to evaluate the performance of every director. While making formal annual evaluation, the Committee has considered followings:

- a) The remuneration and quality of directors to run the company successfully;
- b) Performance of the directors;
- c) Sri R B Agarwal, Director of the company has been authorized to attend general meetings of the company;

No reverse or negative report is received from the Nomination and Remuneration Committee.

18. **Number of meetings of the Board of Directors**

During the year under review, the Board of Directors met seven times. These meetings were held on the following dates:

## KHL PROPERTIES LIMITED

| Sl.No. | Date of Meeting | Directors                                                                                 |
|--------|-----------------|-------------------------------------------------------------------------------------------|
| 01     | 25.07.2014      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 02     | 05.08.2014      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 03     | 30.09.2014      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 04     | 28.10.2014      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 05     | 03.11.2014      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 06     | 13.02.2015      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania                                     |
| 07     | 12.03.2015      | Sri R B Agarwal, Sri J M Bagla, Sri Dronesh Singhania,<br>Sri S N Daga, Ms Rashmi Bhotika |

### 19. Audit Committee

The Audit Committee comprises of the following directors of the company:

1. Mr R B Agarwal, Directors
2. Mr S N Daga, Independent Director
3. Ms Rashmi Bhotika, Independent Director

The Board has accepted all recommendation of the Audit Committee.

### 20. Details of establishment of vigil mechanism for directors and employees

The audit committee of the company oversees the vigil mechanism. The vigil mechanism provides all directors and employees to access audit committee to report their concerns. No complaint is received during the year.

### 21. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following directors of the company:

1. Mr R B Agarwal, Director
2. Mr Dronesh Singhania, Director
3. Mr S N Daga Independent Director
4. Ms Rashmi Bhotika, Independent Director

The policy formulated by nomination and remuneration committee has been accepted by the Board.

### 22. Particulars of loans, guarantees or investments under section 186

As provided in Section 186 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended, from time to time, approval of the shareholders of the Company has been given in EGM dt 28.10.2014 to the Board of Directors of the Company for giving corporate guarantee or providing collateral security of immovable property at Kolkata in connection with the bank loan given to Usbco Steels Pvt Ltd to an amount, the aggregate outstanding of which should not exceed at any given time, an amount of Rs.2560 Lacs, including the existing amount, over and above the limits specified in Sec 186 (2) of the Companies Act 2013.

### 23. Particulars of contracts or arrangements with related parties:

The company has not entered into any contract or arrangement with a related party with respect to items specified in section 188(1) of the Companies Act, 2013.

**24. Managerial Remuneration:**

Disclosure as required in rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of the directors to the median remuneration of employees is nil. The directors of the company are not paid any remuneration except meeting fees. The detail of payment of meeting fees is given below:

|                       |          |
|-----------------------|----------|
| Sri R B Agarwal       | Rs.700/- |
| Sri J M Bagla         | Rs.700/- |
| Sri Dronesh Singhania | Rs.700/- |
| Sri S N Daga          | Rs.100/- |
| Ms Rashmi Bhotika     | Rs.100/- |

- ii) Details of payment as required in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is nil.
- iii) The number of permanent employees on the payroll of the company is 1.
- iv) The average increase of remuneration of employees is normal.
- v) No Key Managerial Personnel are employed during the year.
- vi) The variation in the market capitalization is nil. As there is no change in market quotation of shares of the company during the year, as no trade in shares took place.
- vii) The remuneration has been paid as per remuneration policy of the company.
- viii) No employee of the company employed throughout / part of the financial year was paid monthly salary more than Rs.5 lac per month or Rs.60 lac in aggregate.

**25. Secretarial Audit Report**

A Secretarial Audit Report dt.15.05.2015 given by M/s Acharya S K & Associates, a company secretary in practice is annexed with this report as Annexure-3.

**26. Corporate Governance Certificate**

In terms of circular dated 15.09.2014 of SEBI, amending clause 49 of the Listing Agreement, the Compliance certificate from the auditors regarding compliance of conditions of corporate governance is not applicable to the company.

**27. Risk management policy**

The Board of Directors does not envisage elements of business risk, which in the opinion of the Board may threaten the existence of the company.

**28. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards has been followed;

## KHL PROPERTIES LIMITED

- (b) the directors selected 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 and loss of the company for that period;
- (c) the directors 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;
- (d) the directors prepared the annual accounts on a going concern basis; and
- (e) the directors laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 29. Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors



Place : Kolkata  
Date : 29<sup>th</sup> May, 2015

Signing as per Board resolution passed

### Annexure

1. Extract of Annual Return in Form No.MGT-9
2. Declaration by an Independent Director(s)
3. Secretarial Audit Report





|                                              |       |        |        |         |       |        |        |         |         |
|----------------------------------------------|-------|--------|--------|---------|-------|--------|--------|---------|---------|
| Sub-total (B)(2):-                           | 63825 | 160925 | 224750 | 93.6458 | 73625 | 148925 | 222550 | 92.7292 | -0.9166 |
| Total Public Shareholding (3)=(B)(1)+ (B)(2) | 63825 | 160925 | 224750 | 93.6458 | 73625 | 148925 | 222550 | 92.7292 | -0.9166 |
| Shares held by Custodian for GDRs & ADRs     | 0     | 0      | 0      | 0       | 0     | 0      | 0      | 0       |         |
| Grand Total (A+B+C)                          | 79075 | 160925 | 240000 | 100.000 | 91075 | 148925 | 240000 | 100.000 |         |

#### Shareholding of Promoter-

| Sl. No. | Shareholder's Name   | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % change in shareholding during the year |
|---------|----------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                      | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 1       | Madhavi Kejriwal     | 6300                                      | 2.625                            |                                                  | 6300                                | 2.625                            |                                                  |                                          |
| 2       | Sushila R Kejriwal   | 4800                                      | 2.000                            |                                                  | 4800                                | 2.000                            |                                                  |                                          |
| 3       | Radhe Shyam Kejriwal | 4150                                      | 1.7292                           |                                                  | 6350                                | 2.6458                           |                                                  | 0.9166                                   |

#### Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars                                                                                                                                                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|    |                                                                                                                                                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|    | At the beginning of the year                                                                                                                                                  |                                           |                                  |                                         |                                  |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): |                                           |                                  |                                         |                                  |
|    | At the end of the year                                                                                                                                                        |                                           |                                  |                                         |                                  |

#### Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders                                                                                                                                           | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|    |                                                                                                                                                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|    | At the beginning of the year                                                                                                                                                  |                                           |                                  |                                         |                                  |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): |                                           |                                  |                                         |                                  |

|                        |  |  |  |  |
|------------------------|--|--|--|--|
| At the end of the year |  |  |  |  |
|------------------------|--|--|--|--|

**E) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel                                                                                                              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|    |                                                                                                                                                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|    | At the beginning of the year                                                                                                                                                  |                                           |                                  |                                         |                                  |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): |                                           |                                  |                                         |                                  |
|    | At the end of the year                                                                                                                                                        |                                           |                                  |                                         |                                  |

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

|                                                            | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount                                        |                                  |                 |          |                    |
| ii) Interest due but not paid                              |                                  |                 |          |                    |
| iii) Interest accrued but not due                          |                                  |                 |          |                    |
| <b>Total (i+ii+iii)</b>                                    |                                  |                 |          |                    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition                                                 |                                  |                 |          |                    |
| * Reduction                                                |                                  |                 |          |                    |
| <b>Net Change</b>                                          |                                  |                 |          |                    |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount                                        |                                  |                 |          |                    |
| ii) Interest due but not paid                              |                                  |                 |          |                    |
| iii) Interest accrued but not due                          |                                  |                 |          |                    |
| <b>Total (i+ii+iii)</b>                                    |                                  |                 |          |                    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN. | Particulars of Remuneration                                                          | Name of MD/WTD/ Manager |      |      |      | Total Amount |
|-----|--------------------------------------------------------------------------------------|-------------------------|------|------|------|--------------|
|     |                                                                                      | ----                    | ---- | ---- | ---- |              |
| 1   | Gross salary                                                                         |                         |      |      |      |              |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. |                         |      |      |      |              |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                              |                         |      |      |      |              |

|   |                                                                        |  |  |  |  |  |
|---|------------------------------------------------------------------------|--|--|--|--|--|
|   | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 |  |  |  |  |  |
| 2 | Stock Option                                                           |  |  |  |  |  |
| 3 | Sweat Equity                                                           |  |  |  |  |  |
| 4 | Commission<br>- as % of profit<br>- others, specify...                 |  |  |  |  |  |
| 5 | Others, please specify                                                 |  |  |  |  |  |
|   | Total (A)                                                              |  |  |  |  |  |
|   | Ceiling as per the Act                                                 |  |  |  |  |  |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration                | Name of Directors |      |      |      | Total Amount |
|-----|--------------------------------------------|-------------------|------|------|------|--------------|
|     |                                            | XXXX              | XXXX | XXXX | XXXX |              |
| 1   | Independent Directors                      |                   |      |      |      |              |
|     | Fee for attending board committee meetings |                   |      |      |      |              |
|     | Commission                                 |                   |      |      |      |              |
|     | Others, please specify                     |                   |      |      |      |              |
|     | Total (1)                                  |                   |      |      |      |              |
| 2   | Other Non-Executive Directors              |                   |      |      |      |              |
|     | Fee for attending board committee meetings |                   |      |      |      |              |
|     | Commission                                 |                   |      |      |      |              |
|     | Others, please specify                     |                   |      |      |      |              |
|     | Total (2)                                  |                   |      |      |      |              |
|     | Total (B)=(1+2)                            |                   |      |      |      |              |
|     | Total Managerial Remuneration              |                   |      |      |      |              |
|     | Overall Ceiling as per the Act             |                   |      |      |      |              |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| SN | Particulars of Remuneration                                                         | Key Managerial Personnel |    |     |       |
|----|-------------------------------------------------------------------------------------|--------------------------|----|-----|-------|
|    |                                                                                     | CEO                      | CS | CFO | Total |
| 1  | Gross salary                                                                        |                          |    |     |       |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          |    |     |       |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          |    |     |       |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |    |     |       |
| 2  | Stock Option                                                                        |                          |    |     |       |
| 3  | Sweat Equity                                                                        |                          |    |     |       |
| 4  | Commission                                                                          |                          |    |     |       |
|    | - as % of profit                                                                    |                          |    |     |       |
|    | others, specify...                                                                  |                          |    |     |       |
| 5  | Others, please specify                                                              |                          |    |     |       |
|    | Total                                                                               |                          |    |     |       |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|------------------------------------------------------------|-------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                            |                               |                                    |
| Penalty                             |                              |                   |                                                            |                               |                                    |
| Punishment                          |                              |                   |                                                            |                               |                                    |
| Compounding                         |                              |                   |                                                            |                               |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                            |                               |                                    |
| Penalty                             |                              |                   |                                                            |                               |                                    |
| Punishment                          |                              |                   |                                                            |                               |                                    |
| Compounding                         |                              |                   |                                                            |                               |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                            |                               |                                    |
| Penalty                             |                              |                   |                                                            |                               |                                    |
| Punishment                          |                              |                   |                                                            |                               |                                    |
| Compounding                         |                              |                   |                                                            |                               |                                    |

SHL Properties Ltd.

*gagle*  
Director

Date: 12.03.2015

To  
The Board of Directors  
KHL Properties Ltd  
8 Bentinck Street  
Ground Floor  
Kolkata-700001.

Sir,

**Subject: Declaration in terms of section 149(7) of the Companies Act, 2013**

As per personal discussion with you for my appointment as an Independent director of KHL Properties Ltd under section 149(4) of the Companies Act, 2013, find my following declaration that I meet the criteria of Independence as provided in section 149(6) of the Act:

1. I am not a promoter of the company or any of its holding, subsidiary or associate company;
2. I am not related to promoters or directors of the company, its holding, subsidiary or associate company;
3. I has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors amounting to two percent or more of its gross turnover or total income or fifty lakh rupees, during the two immediately preceding financial years or during the current financial year;
5. Neither myself nor any of my relatives:
  - i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in the three financial years immediately preceding this financial year;
  - ii) Is or has been an employee or proprietor, in any of the three financial years immediately preceding this financial year of:
    - A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - iii) Holds together with my relatives two percent or more of the total voting power of the company; or
  - iv) Is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty five percent of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or holds two percent or more of the total voting power of the company; or
6. I possess qualification as prescribed for appointment of Independent director in the Companies Act, 2013.

Thanking you  
Yours truly

  
Rashmi Bhotika

Date: 12/03/2015

To  
The Board of Directors  
KHL Properties Ltd  
8 Bentinck Street  
Ground Floor  
Kolkata-700001;

Sir,

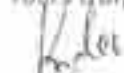
**Subject: Declaration in terms of section 149(7) of the Companies Act, 2013**

As per personal discussion with you for my appointment as an Independent director of **KHL Properties Ltd** under section 149(4) of the Companies Act, 2013, find my following declaration that I meet the criteria of Independence as provided in section 149(6) of the Act:

1. I am not a promoter of the company or any of its holding, subsidiary or associate company;
2. I am not related to promoters or directors of the company, its holding, subsidiary or associate company;
3. I has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors amounting to two percent or more of its gross turnover or total income or fifty lakh rupees, during the two immediately preceding financial years or during the current financial year;
5. Neither myself nor any of my relatives:
  - i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in the three financial years immediately preceding this financial year;
  - ii) Is or has been an employee or proprietor, in any of the three financial years immediately preceding this financial year of-
    - A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - iii) Holds together with my relatives two percent or more of the total voting power of the company; or
  - iv) Is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty five percent of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or holds two percent or more of the total voting power of the company; or
6. I possess qualification as prescribed for appointment of Independent director in the Companies Act, 2013.

Thanking you

Yours truly

  
Srihath Daga

# US Acharya S. K. & Associates

COMPANY SECRETARIES

Shree Sati Business Centre, 7/1 A, Grant Lane, 1st Floor, Room No. 17 & 18, Kolkata - 700 012  
Ph: 2225-7760/61/63, Extn.: 252, Mob.: 98307 19460, Fax: 2225-7765, (033) 4008 4631 (Direct)  
E-mail: subrat\_1232001@yahoo.com/subrat\_1232001@rediffmail.com

Annexure-3 to the Directors' Report

'Annexure-A'

(The Secretarial Audit Report of M/S. KHL Properties Limited for the Financial Year ended 31/03/2015)

To  
The Members  
KHL Properties Limited  
73 Bentinck Street, 1<sup>st</sup> Floor,  
Kolkata-700001

My secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion of existence of adequate board process and compliance management system, commensurate to the size of the company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers and agents of the company during the said audit.
2. I have followed the audit practices and process as were appropriate, to the best of my understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to check as to whether correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the board and by various committees of the company, during the period under review. I have checked the board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the board, of the members of the company and of other authorities, as per provisions of Companies act 2013 and of various statutes as referred in the aforesaid audit report.
4. Where ever required, I have obtained the management representation about the compliances of Laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules regulations, standard, is the responsibility of management. My examination was limited to the verification of compliance procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness or accuracy with which the management has conducted the affairs of the Company.

For Acharya S. K. & Associates  
Company Secretaries

Place : Kolkata  
Date : 15.05.2015



Subrat Kumar Acharya  
Proprietor  
FCS No 6013  
CP No 5903

Shree Sati Business Centre, 7/1 A, Grant Lane, 1st Floor, Room No. 17 & 18, Kolkata -700 012  
Ph. : 2225-7760/61/63, Extn. : 252, Mob. : 98307 19480, Fax : 2225-7765, (033) 4008 4631 (Direct)  
E-mail: subrat\_1232001@yahoo.com/subrat\_1232001@rediffmail.com

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2015

(Pursuant to section 204(1) of the Companies act, 2013 and rules 9 of the Companies (Appointment and Remuneration Of Managerial Personnel) rules, 2014, read with the Guidance Note on Secretarial Audit)  
(Release- 1.2) of the Institute Of Company Secretaries of India)

To  
The Members  
KHL Properties Limited  
73 Bentinck Street, 1<sup>st</sup> Floor  
Kolkata-700001

1. I have conducted the secretarial Audit of KHL Properties Limited having its Registered office at 73 Bentinck Street, 1<sup>st</sup> Floor, Kolkata-700001 and having CIN L70101WB1979PLC032293 (hereinafter called 'the Company') for the financial year ended on 31<sup>st</sup> March, 2015 ("the period under review" herein after). The Aforesaid Secretarial audit has been conducted, pursuant to the provision of section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Read with the Guidance Note on Secretarial Audit (release 1.2) of Institute of Company Secretaries of India, in a manner that provided me a reasonable basis for evaluating the corporate conduct and the process of statutory compliances under various statutes, rules, regulations, guidelines, as indicated here in below in the instant report as such expressing my opinion thereon.
2. On the Basis of verification of the secretarial compliance and on the basis of aforesaid secretarial audit of Company's books, papers minute books, forms and returns filed and other records maintained by the company, as shown to me, during the said audit and based on the information provided by the Company, its officers, agents and authorized representative during the conduct of the aforesaid secretarial audit, I hereby report that in my opinion and to the best of my understanding, the Company has, during the audit, period covering the financial year ended on 31<sup>st</sup> march, 2015, complied with the statutory provisions listed hereunder about the board process and compliance system and in my view the Company has started maintaining adequate board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by KHL Properties Limited for the financial year ended on 31<sup>st</sup> march, 2015 and as shown to me during my audit, according to the provisions of the following laws:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Depositories Act, 1996 and the Regulation and bye Laws framed Thereunder;
  - (iii) The Regulations and guidelines prescribed under the Securities And Exchange Board of India Act, 1992 (SEBI ACT) viz:-
    - a) The Securities and Exchange Board of India ( Prohibition of Insider Trading) Regulations, 1992;
  - iv) and other applicable laws generally applicable to the company.
4. To the best of my understanding, I am of the view that during the period under review the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards, etc. related to company secretarial functions, board process and existence of a compliance management system, as mentioned above.
5. I have checked the standard listing agreement entered by the Company with the Calcutta Stock Exchange of India and to the best of my understanding, I am of the view that the Company has started complying adequately the applicable provision thereof, during the aforesaid period under review.
6. I further report to the best of my understanding that,
  - a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of directors have taken place during the period under review.

# ACHARYA S. K. & ASSOCIATES

## COMPANY SECRETARIES

Shree Sati Business Centre, 7/1 A, Grant Lane, 1st Floor, Room No. 17 & 18, Kolkata -700 012  
Ph. : 2225-7760/61/63, Extn. : 252, Mob. : 98307 19480, Fax : 2225-7765, (033) 4008 4631 (Direct)  
E-mail: subrat\_1232001@yahoo.com/subrat\_1232001@rediffmail.com

- b) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meeting.
- c) Majority decision is carried through and recorded as a part of the minutes.
7. It has been represented to me by the management of the Company that periodic reports on compliance with laws generally applicable to the company are placed before the board at periodic intervals and that there are adequate system and process in the company, commensurate with the size and operations of the company for reporting to the Board of directors of the company and to monitor and ensure compliance with applicable to the area of operation of business and other laws generally applicable to Company.
8. I further State that in respect of compliance with the provisions of Companies Act 2013, during the period under review, I have observations as follows:
- i. That to the best of my understanding, the "Key Managerial personnel" as required to be appointed by companies listed on stock exchange in India, pursuant to section 203 (1) of the Companies act, 2013, have been appointed by the company during the period under scrutiny.
- ii. That I have not come across any report or minute or any other document regarding evaluation of independent directors, pursuant to section 149 read with schedule IV of the companies' act 2013. However, it has been represented to me by the management of the Company that the Board of Directors of the Company is in process of evaluation of the performance of Independent Directors during the year ended 31/03/2015, pursuant to section 149, read with schedule IV of the Companies Act 2013, for the period under review.
- iii. That I have not come across any report or minute or any other document regarding appraisal of performance of Directors, by the Nomination and remuneration Committee, pursuant to section 178 of the Companies Act, 2013. However, it has been represented to me by the management of the Company that the members of the nomination and remuneration committee of the Company are in the Process of evaluation of the performance of the directors, pursuant to section 178 of the Companies Act 2013, for the period under review.
- iv. It has been represented to me by the management of the company that a separate meeting of the independent director of the Company, pursuant to section 149, read with scheduled IV of the Companies Act 2013 has taken place, for the period under review, wherein the independent directors have discussed and finalized, inter alia, the evaluation of the performance of the Directors.
- v. That the internal Auditor Mr. Atish Kumar Shaw has been appointed pursuant to the provisions of section 138 of the Companies Act, 2013.
- vi. As per information available at the website of the Calcutta Stock Exchange, as on 13<sup>th</sup> may, 2015, status of the company is "suspended" and "Non-Compliant". However, I am not able to form an opinion as to whether the said suspension or the non-compliant status was also applicable on the company during the period under scrutiny, or not. It has been explained by the company that necessary action has been taken to get it Compliant with the Calcutta Stock Exchange and all requisite documents, papers and return have been submitted to withdraw suspension and to enable compliant.
9. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Acharya S. K. & Associates  
Company Secretaries

Place : Kolkata  
Date : 15.05.2015



Subrat Kumar Acharya  
Proprietor  
FCS No.6013  
CP No.5903

## **INDEPENDENT AUDITORS' REPORT**

To The Members of KHL Properties Limited

### **1. Report on the Financial Statements:**

We have audited the accompanying financial statements of **KHL Properties Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **2. Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### **3. Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.



**4. 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flow for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e). On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f). With respect to the other matters to be included in the Auditor's Report in accordance with rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the company did not have any pending litigations which may have an impact on the financial position of the company in its financial statement;
    - ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii) the company is not required to transfer any amount to the Investor Education and



**For N K Jain & Co**  
Chartered Accountants  
(Firm Registration No.304078E)

**Nirmal Kumar Jain**  
(Proprietor)  
(Membership No.005976)

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditor's Report to the members of the company on the financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

- 1) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As informed, the fixed assets have been physically verified by the management at the year end and no material discrepancies were noticed on such verification.
- 2) (a) The company has not given any loan to covered in the Register maintained U/s 189 of the Companies Act.
- 3) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of shares, fixed assets and with regard to the sale of shares and services. We have not observed any major weakness in the internal control system during the course of audit.
- 4) The company has not accepted any deposits from public within the meaning of section 73 to 76 of the Companies Act and direction issued by Reserve Bank of India.
- 5) According to the information and explanations given to us, no undisputed amount payable in respect of income-tax, wealth tax, service tax and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- 6) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 7) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- 8) According to the information and explanation given to us, the Company has created an equitable mortgage by way of deposit of title deeds in respect of its immovable property situated at 22, Alipore Road, Kolkata-700027 as security for repayment of Rs.2560.00 Lacs granted by HDFC Bank to USBCO Steels Pvt Ltd.
- 9) No other provision of the said order is applicable in the case of the Company.

**For N K Jain & Co**  
Chartered Accountants  
(Firm Registration No.304078E)



A handwritten signature in black ink, appearing to read "N. K. Jain".

**Nirmal Kumar Jain**  
(Proprietor)  
(Membership No.005976)

**KHL PROPERTIES LIMITED**

Balance Sheet as at 31.03.2015

| Particulars                             | Note No. | (Rs.)<br>Figures as at<br>31/03/2015 | (Rs.)<br>Figures as at<br>31/03/2014 |
|-----------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b><u>I) EQUITY AND LIABILITIES</u></b> |          |                                      |                                      |
| <b>1) Shareholders Fund</b>             |          |                                      |                                      |
| Share Capital                           | 1        | 24,00,000.00                         | 24,00,000.00                         |
| Reserves & Surplus                      | 2        | 18,76,106.29                         | 17,34,948.17                         |
| <b>2) Current Liabilities</b>           |          |                                      |                                      |
| Short Term Borrowings                   | 3        | 1,24,000.00                          | 2,81,105.00                          |
| Other Current Liabilities               | 4        | 34,664.00                            | 28,588.00                            |
| Short Term Provisions                   | 5        | 71,310.00                            | 44,943.00                            |
| <b>TOTAL</b>                            |          | <b>45,06,080.29</b>                  | <b>44,89,584.17</b>                  |
| <b><u>II) ASSETS</u></b>                |          |                                      |                                      |
| <b>1) Non-Current Assets</b>            |          |                                      |                                      |
| Fixed Assets                            |          |                                      |                                      |
| Tangible Assets                         | 6        | 41,21,704.60                         | 41,28,868.60                         |
| Non-Current Investments                 | 7        | 2,42,437.31                          | 2,42,437.31                          |
| Long Term Loans & Advances              | 8        | 52,007.00                            | 52,007.00                            |
| <b>2) Current Assets</b>                |          |                                      |                                      |
| Cash & Cash Equivalents                 | 9        | 28,151.38                            | 24,491.26                            |
| Other Current assets                    | 10       | 61,780.00                            | 41,780.00                            |
| <b>TOTAL</b>                            |          | <b>45,06,080.29</b>                  | <b>44,89,584.17</b>                  |

Additional Information & Notes on Accounts: 15  
As per our report of even date attached.

For N. K. JAIN & CO.  
Chartered Accountants  
(Firm Regn. No. 304078E)

*N. K. Jain*

Proprietor

**N. K. JAIN**

Membership No. 005976

Place: Kolkata  
Date: 29.05.2015

*Jai Bagla*  
Jai Bagla  
DIN No.00548047

*R B Agarwala*  
R B Agarwala  
DIN No.00481271

*Dronesh Singhania*  
Dronesh Singhania  
DIN No.00518762



**KHL PROPERTIES LIMITED**  
**Statement of Profit and Loss for the year ended 31.03.2015**

| Particulars                             | Note No. | (Rs.)<br>Figures as at<br>31/03/2015 | (Rs.)<br>Figures as at<br>31/03/2014 |
|-----------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>                          |          |                                      |                                      |
| Revenue from operation                  | 11       | 3,96,000.00                          | 3,96,000.00                          |
| Other Income                            | 12       | 2,60,714.00                          | 60,097.00                            |
| <b>Total Revenue</b>                    |          | <b>6,56,714.00</b>                   | <b>4,56,097.00</b>                   |
| <b>EXPENSES</b>                         |          |                                      |                                      |
| Employee Benefits Expenses              | 13       | 1,70,085.00                          | 1,44,965.00                          |
| Depreciation & Amortization             |          | 7,164.00                             | 8,200.00                             |
| Other Expenses                          | 14       | 3,06,606.88                          | 2,69,117.74                          |
| <b>Total Expenses</b>                   |          | <b>4,83,855.88</b>                   | <b>4,22,282.74</b>                   |
| Profit before exceptional items and tax |          | 1,72,858.12                          | 33,814.26                            |
| Exceptional Items                       |          | -                                    | -                                    |
| Profit before tax                       |          | 1,72,858.12                          | 33,814.26                            |
| Less: Tax Expenses                      |          |                                      |                                      |
| Current Tax: Current Year               |          | -31,700.00                           | -5,333.00                            |
| Earlier Years                           |          | -                                    | -645.00                              |
| <b>Profit after Tax</b>                 |          | <b>1,41,158.12</b>                   | <b>27,836.26</b>                     |
| Earnings Per Equity Share:              |          |                                      |                                      |
| (1) Basic                               |          | 0.59                                 | 0.12                                 |
| (2) Diluted                             |          | 0.59                                 | 0.12                                 |

**Additional Information & Notes on Accounts:** 15  
As per our report of even date attached.

**For N. K. JAIN & CO.**  
Chartered Accountants  
(Firm Regn. No. 304078E)

*Proprietor*

**N. K. JAIN**

Place: Kolkata  
Date: 29.05.2015 Membership No. 005976

*J M Bagla*  
J M Bagla  
DIN No:00548047

*R B Agarwala*  
R B Agarwala  
DIN No:00481271

*Dronesh Singhania*  
Dronesh Singhania  
DIN No:00518762



NOTES:  
(Annexed to and forming part of the Accounts)

**NOTE - 1**  
**SHARE CAPITAL :**

|                                       | (Rs.)<br>Figures as at<br>31/03/2015 | (Rs.)<br>Figures as at<br>31/03/2014 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>AUTHORISED</b>                     | 1,25,00,000.00                       | 1,25,00,000.00                       |
| 1250000 Equity Shares of Rs.10/- each | <u>1,25,00,000.00</u>                | <u>1,25,00,000.00</u>                |

|                                                    |                     |                     |
|----------------------------------------------------|---------------------|---------------------|
| <b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>            | 24,00,000.00        | 24,00,000.00        |
| 240000 Equity Share of Rs.10/- each fully paid up. | <u>24,00,000.00</u> | <u>24,00,000.00</u> |

Details of the Shareholders holding more than 5% of the aggregate shares in the company:

|                              | 2015  |            | 2014  |            |
|------------------------------|-------|------------|-------|------------|
|                              | Nos   | Percentage | Nos   | Percentage |
| KCIL Limited                 | 15425 | 6.43       | 15425 | 6.43       |
| Kejriwal Enterprises Limited | 42100 | 17.54      | 42100 | 17.54      |

**Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

**NOTE - 2**  
**RESERVES AND SURPLUS:**

|                                                       |                      |                      |
|-------------------------------------------------------|----------------------|----------------------|
| B/F Foreign Exchange Remittance Reserve               | 42,00,290.00         | 42,00,290.00         |
| B/F Surplus in Profit & Loss A/c                      | -24,65,341.83        | -24,93,178.09        |
| Add: Surplus in Profit & Loss a/c during Current Year | 1,41,158.12          | 27,836.26            |
|                                                       | <u>-23,24,183.71</u> | <u>-24,65,341.83</u> |
|                                                       | <u>18,76,106.29</u>  | <u>17,34,948.17</u>  |

**NOTE - 3**  
**SHORT TERM BORROWINGS**

|                            |                    |                    |
|----------------------------|--------------------|--------------------|
| Loans Repayable on Demand: |                    |                    |
| Advances                   | 1,24,000.00        | 2,81,105.00        |
|                            | <u>1,24,000.00</u> | <u>2,81,105.00</u> |

**NOTE - 4**  
**OTHER CURRENT LIABILITIES**

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Other Current Liabilities: |                  |                  |
| Liabilities for Expenses   | 34,664.00        | 28,588.00        |
|                            | <u>34,664.00</u> | <u>28,588.00</u> |

**NOTE - 5**  
**SHORT TERM PROVISIONS**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Provision for Income Tax | 71,310.00        | 44,943.00        |
|                          | <u>71,310.00</u> | <u>44,943.00</u> |



# KHL PROPERTIES LIMITED

## NOTE - 6 : NON CURRENT ASSETS

### Details of Fixed Assets

| Particulars of Assets   | GROSS BLOCK         |                                |                     | DEPRECIATION        |                              |                     | NET BLOCK           |                     |
|-------------------------|---------------------|--------------------------------|---------------------|---------------------|------------------------------|---------------------|---------------------|---------------------|
|                         | As on<br>01.04.2014 | Addition<br>During the<br>Year | As on<br>31.03.2015 | As on<br>01.04.2014 | Depreciation<br>for the Year | As on<br>31.03.2015 | As on<br>31.03.2015 | As on<br>31.03.2014 |
| <u>Tangible Assets</u>  |                     |                                |                     |                     |                              |                     |                     |                     |
| Air conditioner         | 1,56,102.00         | -                              | 1,56,102.00         | 1,50,389.00         | -                            | 1,50,389.00         | 5,713.00            | 5,713.00            |
| Electrical Installation | 1,20,929.00         | -                              | 1,20,929.00         | 1,16,263.00         | -                            | 1,16,263.00         | 4,666.00            | 4,666.00            |
| Furniture & Fixtures    | 49,725.00           | -                              | 49,725.00           | 26,012.00           | 7,164.00                     | 33,176.00           | 16,549.00           | 23,713.00           |
| Generator               | 88,105.00           | -                              | 88,105.00           | 84,879.00           | -                            | 84,879.00           | 3,226.00            | 3,226.00            |
| Land & Building         | 55,56,995.00        | -                              | 55,56,995.00        | 14,70,152.40        | -                            | 14,70,152.40        | 40,86,842.60        | 40,86,842.60        |
| Lift                    | 1,28,665.00         | -                              | 1,28,665.00         | 1,23,957.00         | -                            | 1,23,957.00         | 4,708.00            | 4,708.00            |
|                         | 61,00,521.00        | -                              | 61,00,521.00        | 19,71,652.40        | 7,164.00                     | 19,78,816.40        | 41,21,704.60        | 41,28,868.60        |
|                         |                     |                                |                     |                     |                              |                     |                     |                     |
|                         |                     |                                |                     |                     |                              |                     |                     |                     |
|                         |                     |                                |                     |                     |                              |                     |                     |                     |
|                         |                     |                                |                     |                     |                              |                     |                     |                     |
| <b>TOTAL</b>            | <b>61,00,521.00</b> | <b>-</b>                       | <b>61,00,521.00</b> | <b>19,71,652.40</b> | <b>7,164.00</b>              | <b>19,78,816.40</b> | <b>41,21,704.60</b> | <b>41,28,868.60</b> |
| <b>Previous Year</b>    | <b>61,00,521.00</b> | <b>-</b>                       | <b>61,00,521.00</b> | <b>19,63,452.40</b> | <b>8,200.00</b>              | <b>19,71,652.40</b> | <b>41,28,868.60</b> | <b>41,37,068.60</b> |



(Rs.)  
Figures as at  
31/03/2015(Rs.)  
Figures as at  
31/03/2014

## NOTE - 7

## NON CURRENT INVESTMENTS

## Investments in Equity Instruments: (At Cost)

## In Shares (Quoted)

|                                | Quantity | Rs.                | Quantity | Rs.                |
|--------------------------------|----------|--------------------|----------|--------------------|
| ITC Ltd                        | 370      | 1,35,892.31        | 370      | 1,35,892.31        |
| ITC Ltd (Bonus)                | 740      | -                  | 740      | -                  |
| Super Forging & Steels Ltd.    | 1900     | 1,06,545.00        | 1900     | 1,06,545.00        |
|                                |          | <u>2,42,437.31</u> |          | <u>2,42,437.31</u> |
| Market Value of quoted shares: |          | <u>3,63,498.50</u> |          | <u>3,93,635.00</u> |

## NOTE - 8

## LONG TERM LOANS &amp; ADVANCES

|                  |                  |                  |
|------------------|------------------|------------------|
| Security Deposit | 52,007.00        | 52,007.00        |
|                  | <u>52,007.00</u> | <u>52,007.00</u> |

## NOTE - 9

## CASH &amp; CASH EQUIVALENTS

|              |                  |                  |
|--------------|------------------|------------------|
| Cash at Bank | 7,901.81         | 15,116.69        |
| Cash in Hand | 20,249.57        | 9,374.57         |
|              | <u>28,151.38</u> | <u>24,491.26</u> |

## NOTE - 10

## OTHER CURRENT ASSETS

(Other current assets not incorporated in any above group)

|                        |                  |                  |
|------------------------|------------------|------------------|
| Income Tax             | 21,780.00        | 21,780.00        |
| Tax Deducted at Source | 40,000.00        | 20,000.00        |
|                        | <u>61,780.00</u> | <u>41,780.00</u> |

## NOTE - 11

## REVENUE FROM OPERATION

|               |                    |                    |
|---------------|--------------------|--------------------|
| Rent Received | 3,96,000.00        | 3,96,000.00        |
|               | <u>3,96,000.00</u> | <u>3,96,000.00</u> |

## NOTE - 12

## OTHER INCOME

|                     |                    |                  |
|---------------------|--------------------|------------------|
| Commission Received | 2,00,000.00        | -                |
| Dividend            | 6,660.00           | 5,828.00         |
| Misc Income         | 54,054.00          | 54,269.00        |
|                     | <u>2,60,714.00</u> | <u>60,097.00</u> |

## NOTE - 13

## EMPLOYEE BENEFIT EXPENSES

|           |                    |                    |
|-----------|--------------------|--------------------|
| Bonus     | 13,373.00          | 10,997.00          |
| Leave Pay | 13,373.00          | 10,997.00          |
| Salaries  | 1,43,339.00        | 1,22,971.00        |
|           | <u>1,70,085.00</u> | <u>1,44,965.00</u> |



NOTE - 14  
OTHER EXPENSES

|                              | (Rs.)<br>Figures as at<br>31/03/2015 | (Rs.)<br>Figures as at<br>31/03/2014 |
|------------------------------|--------------------------------------|--------------------------------------|
| Audit fee                    | 2,809.00                             | 1,685.00                             |
| Advertisement                | 15,674.00                            | 11,473.00                            |
| CDSL Charges                 | 6,741.00                             | 6,741.00                             |
| Corporation Tax              | 12,735.00                            | 19,424.00                            |
| Demat Charges                | 1,089.08                             | 965.94                               |
| Electricity & Energy charges | 1,66,190.00                          | 1,55,850.00                          |
| Filing Fees                  | 9,600.00                             | 2,500.00                             |
| General Expenses             | 725.00                               | 650.00                               |
| Legal & Professional Fee     | 40,197.00                            | 22,661.00                            |
| Listing Fee                  | 22,297.80                            | 11,797.80                            |
| Meeting Fees                 | 2,300.00                             | 2,100.00                             |
| Profession Tax               | 2,500.00                             | 2,500.00                             |
| Rates & Taxes                | 1,900.00                             | 15,882.00                            |
| Repairs & Maintenance        | 15,849.00                            | 14,888.00                            |
|                              | <u>3,06,606.88</u>                   | <u>2,69,117.74</u>                   |

## NOTE - 15

## ADDITIONAL INFORMATION &amp; NOTES ON ACCOUNTS:

## A. SIGNIFICANT ACCOUNTING POLICIES :

## 1. Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies(Accounting Standards) Rules, 2006

## 2. Revenue Recognition

Revenues from sale of goods are recognized upon passing of title to the customer which generally coincides with delivery. Other income together with related tax credits and expenditure are accounted for on accrual basis.

## 3. Accounting for Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost include all expenses incurred to bring the assets to its present location and condition. No depreciation has been provided on 'Land & Building' since 1998-99. The total amount involved is Rs. 2398162/- including Rs. 97696/- for the year under review.

## 4. Companies (Particulars of Employees) Rules, 1975

As required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, none of the employees were total remuneration of Rs.6000000/- or more during the year or Rs.500000/- or more per month, where employed for part of the year.

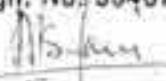
## 5. Payment to Auditors during the Year

|                      |           |
|----------------------|-----------|
| for taxation matters | 4,495.00  |
| for audit fee        | 2,809.00  |
| for other services   | 16,574.00 |

## 6. Others

a. The figures of the previous year has been rearranged and regrouped where ever necessary.

For N. K. JAIN & CO.  
Chartered Accountants  
(Firm Regn. No. 304078E)

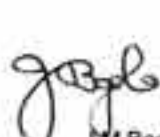
  
Proprietor

N. K. JAIN

Membership No. 005976

Place: Kolkata  
Date: 29.05.2015



  
J M Bagla  
DIN No:00548047

  
R B Agarwala  
DIN No:00481271

  
Dronesh Singhania  
DIN No:00518762

**B. SEGMENT REPORTING :**

The Company is engaged primarily in the business of investment in property and is having mainly rent income and accordingly, there are no separate reportable segments as per Accounting Standard- AS 17- 'Segment Reporting'.

**C. RELATED PARTY DISCLOSURES :**Related Parties

|                             |                       |          |
|-----------------------------|-----------------------|----------|
| a) Subsidiary               | NIL                   |          |
| b) Key Management Personnel | Sri Ram Bilas Agarwal | Director |
|                             | Sri Jag Mohan Bagla   | Director |
|                             | Sri Dronesh Singhania | Director |

The Disclosure of related party transactions during the year and balances as on 31st March, 2015

| Nature of Transactions         | Subsidiaries | Key Management Personnel | Relatives of Key management Personnel | Total    |
|--------------------------------|--------------|--------------------------|---------------------------------------|----------|
| Directors Fees                 | -            | 2,300.00                 | -                                     | 2,300.00 |
| Deposits-                      |              |                          |                                       |          |
| Balance at the end of the year | -            | -                        | -                                     | -        |

**D. Deferred Tax Assets/Liabilities**

In accordance with the Accounting Standard (AS 22) on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the company has recognised net deferred tax liability of Rs. NIL. The Company do not have any depreciation under the I T Act. Hence no provision of Deferred Tax Assets/Liability is required.

**Earning per share as per Accounting Standard AS-20 :-**

|                                                       | 31.03.15  | 31.03.14 |
|-------------------------------------------------------|-----------|----------|
| Profit/(Loss) after Taxation as per Profit & Loss A/c | 141158.12 | 27836.26 |
| Number of equity shares outstanding                   | 2,40,000  | 2,40,000 |
| Basic & diluted EPS (In Rs.)                          | 0.59      | 0.12     |
| (Face value Rs. 10/- each)                            |           |          |

**F. Particulars as per NBFC Directions (as required in terms of paragraph 98B of Non-Bank Financial Companies)**

Prudential Norm (Reserve Bank) Direction's, 1998)

**PARTICULARS:**

(Rs. in Lakhs)

|                                                                                                                     | Amount Outstanding | Amount Overdue |
|---------------------------------------------------------------------------------------------------------------------|--------------------|----------------|
| <b><u>LIABILITY SIDE</u></b>                                                                                        |                    |                |
| (i) Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid :                   |                    |                |
| (a) Debentures :                                                                                                    |                    |                |
| Secured                                                                                                             | -                  | -              |
| Unsecured                                                                                                           | -                  | -              |
| (Other than falling within the meaning of public deposits)                                                          |                    |                |
| (b) Deferred Credits                                                                                                | -                  | -              |
| (c) Terms Loans                                                                                                     | -                  | -              |
| (d) Intercompany Loans and borrowings                                                                               | -                  | -              |
| (e) Commercial Papers                                                                                               | -                  | -              |
| (f) Public Deposits                                                                                                 | -                  | -              |
| (g) Other Loans (Specify nature)                                                                                    | -                  | -              |
| (i) Cash Credit                                                                                                     | -                  | -              |
| (ii) Unsecured Loan                                                                                                 | -                  | -              |
| Break-up (i)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid :             | -                  | -              |
| <b><u>ASSETS SIDE</u></b>                                                                                           |                    |                |
| (iii) Break-up of Loans and advances including bills receivables (Other than those inc. <u>Amount Outstanding</u> ) |                    |                |
| (a) Secured                                                                                                         | -                  | -              |
| (b) Unsecured                                                                                                       | -                  | -              |
| (iv) Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EL/HP activities          | -                  | -              |



|       |                          |      |
|-------|--------------------------|------|
| (V)   | Break up of Investments: |      |
| a)    | Current Investments:     |      |
| 1)    | Quoted:                  |      |
| (i)   | Shares:                  |      |
| (a)   | Equity                   |      |
| (b)   | Preference               |      |
| (ii)  | Debentures and Bonds     |      |
| (iii) | Units of Mutual Funds    |      |
| (iv)  | Government Securities    |      |
| (v)   | Others (please specify)  |      |
| 2)    | Unquoted:                |      |
| (i)   | Shares:                  |      |
| (a)   | Equity                   |      |
| (b)   | Preference               |      |
| (ii)  | Debentures and Bonds     |      |
| (iii) | Units of Mutual Funds    |      |
| (iv)  | Government Securities    |      |
| (v)   | Others (please specify)  |      |
| b)    | Long Term Investments:   |      |
| 1)    | Quoted:                  |      |
| (i)   | Shares:                  |      |
| (a)   | Equity                   | 2.42 |
| (b)   | Preference               | -    |
| (ii)  | Debentures and Bonds     | -    |
| (iii) | Units of Mutual Funds    | -    |
| (iv)  | Government Securities    | -    |
| (v)   | Others (please specify)  | -    |
| 2)    | Unquoted:                |      |
| (i)   | Shares:                  |      |
| (a)   | Equity                   | -    |
| (b)   | Preference               | -    |
| (ii)  | Debentures and Bonds     | -    |
| (iii) | Units of Mutual Funds    | -    |
| (iv)  | Government Securities    | -    |
| (v)   | Others (please specify)  | -    |

## (VI) Borrower group-wise classification of all Leased Assets, Stock-on-hire and Loans and advances.

| Category                       | Amount net of provisions |           | Total |
|--------------------------------|--------------------------|-----------|-------|
|                                | Secured                  | Unsecured |       |
| 1) <u>Related Parties</u>      |                          |           |       |
| a) Subsidiaries                | -                        | -         | -     |
| b) Companies in the same group | -                        | -         | -     |
| c) Other related parties       | -                        | -         | -     |
| 2) Other than Related Parties  | -                        | -         | -     |

## (VII) Investor group-wise classification of all investments (current and long terms) in shares and securities (both quoted and unquoted):

| Category                       | Market Value/Break up or Fair Value or NAV | Book Value (Net of provisions) |
|--------------------------------|--------------------------------------------|--------------------------------|
|                                |                                            |                                |
| 1) <u>Related Parties</u>      |                                            |                                |
| a) Subsidiaries                | -                                          | -                              |
| b) Companies in the same group | -                                          | -                              |
| c) Other related parties       | -                                          | -                              |
| 2) Other than Related Parties  | 3.63                                       | 2.42                           |

(VIII) Other Information : There are no Non-Performing Assets and no Assets have been acquired in satisfaction of debt.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015prepared by Clause 32 of Listing Agreement(s) (As Amended)

|                                                        | <u>Rupees</u><br><u>31/03/2015</u> | <u>Rupees</u><br><u>31/03/2014</u> |
|--------------------------------------------------------|------------------------------------|------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                                    |                                    |
| Net Profit/(Loss) before Tax & Extraordinary Items     | 1,72,858.12                        | 33,814.26                          |
| Add : Adjustment for Depreciation                      | 7,184.00                           | 8,200.00                           |
| Less: Dividend                                         | -6,660.00                          | -5,828.00                          |
| <b>Operating Profit before Working Capital Changes</b> | <b>1,73,362.12</b>                 | <b>36,186.26</b>                   |
| Provision for Tax                                      | 26,367.00                          | -3,067.00                          |
| Direct Tax                                             | -                                  | -                                  |
| Increase in Fixed Assets                               | -                                  | -                                  |
| Increase in Non-Current Assets(Advances)               | -                                  | -                                  |
| Increase in Current Assets                             | -20,000.00                         | -12,735.00                         |
| Decrease in Current Liabilities                        | -1,51,029.00                       | -31,397.00                         |
| Income Tax On Asst.                                    | -31,700.00                         | -5,978.00                          |
| <b>CASH GENERATED FROM OPERATION</b>                   | <b>-2,999.88</b>                   | <b>-16,990.74</b>                  |
| <b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>         |                                    |                                    |
| Dividend Received                                      | 6,660.00                           | 5,828.00                           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                    |                                    |
| <b>TOTAL CASH FLOW</b>                                 | <b>3,660.12</b>                    | <b>-11,162.74</b>                  |
| <b>D. NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>  |                                    |                                    |
| Cash & Cash Equivalents as on March, 31st              | 28,151.38                          | 24,491.26                          |
| Less: Cash & Cash Equivalents as on April, 1st         | -24,491.26                         | -35,654.00                         |
|                                                        | <b>3,660.12</b>                    | <b>-11,162.74</b>                  |

For N. K. JAIN &amp; CO.

Chartered Accountants  
(Firm Regn. No. 304078E)

Proprietor

N. K. JAIN  
Membership No. 005976M Bagla  
DIN No:00548047R B Agarwala  
DIN No:00481271Dronesh Singhania  
DIN No:00518762