

KARAYAN RAJKUMAR MERCHANTS LIMITED.
Statement of Profit and Loss for the year ended 31st March, 2014

PARTICULARS	NOTES	As at 31.03.2014	As at 31.03.2013
INCOME			
Revenue from operations	13	8,445,100.00	60,737,789.17
Other income	14	9,364,874.36	15,473,304.61
Total Revenue (+)		17,809,974.36	76,211,093.78
Expenses:			
Purchase of Stock-in-Trade	15	17,605,280.00	90,400,000.00
Changes in inventories of finished goods and Stock-in-Trade	16	8,381,495.00	13,386,238.00
Employee Benefits Expenses	17	413,703.00	454,095.00
Finance Cost	18	-	1,606,433.00
Depreciation and amortization expense	6	17,198.00	21,139.00
Other expenses	19	429,969.34	430,302.96
Total Expenses		26,847,645.34	79,525,731.96
Profit before exceptional and extraordinary items and tax		(9,037,670.98)	(3,314,638.18)
Exceptional & Extraordinary items			
Profit before tax (-)		(9,037,670.98)	(3,314,638.18)
Tax expense:			
(1) Current tax		1,948,204.00	1,633,995.00
(2) Deferred tax			
Profit/(Loss) for the period (+)		(7,089,466.98)	(1,680,643.18)
Earning per equity share (Basic & Diluted):		(1.42)	(0.34)
Significant Accounting Policies and Other Notes	20		

As per our report of even date
 For SALARPURIA & PARTNERS
 FIRM REGN. NO. 302113E
 CHARTERED ACCOUNTANTS

Kamal Kumar Gupta
 (KAMAL KUMAR GUPTA)

PARTNER
 M.NO.89190

Place : New Delhi
 DATE : 29.05.2014

(V. K. SUREKA)
 MANAGING DIRECTOR

(YOGESH MACHUR)
 DIRECTOR



PROVISIONS	As at 31st March 2014		As at 31st March 2013	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
Income Tax		175,123.00		175,123.00
		175,123.00		175,123.00

NOTES 8 : LOANS AND ADVANCES (Unsecured, considered good) - Loans (including interest) Advances recoverable in cash or in kind or for value to be received. For Capital Contracts For Others (refer Item no. 4 in Note no. 20)	As at 31st March 2014		As at 31st March 2013	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
	27,620,569		115,984,538	
	34,725,000		34,725,000	
	69,650,000		69,650,000	
	131,995,569		220,359,538	

NOTES 9: INVENTORIES (As per inventories taken, valued and certified by the management) Shares & Securities (As per Note 9(1))	as at 31-03-2014		as at 31-03-2013	
		64,443,591.00		72,825,086.00
	64,443,591.00		72,825,086.00	

NOTES 10 : TRADE RECEIVABLE Debts outstanding for a period exceeding six months: Considered good Considered doubtful Less: Provisions Other Debts - Considered good	as at 31-03-2014		as at 31-03-2013	
		8,560,600.00		115,500.00
	417,015.00		417,015.00	
	417,015.00		417,015.00	
	8,560,600.00		115,500.00	

NOTES 11 : CASH AND CASH EQUIVALENT Cash Balance in hand: As per books and certified Balances with Scheduled Banks: In Current Accounts	as at 31-03-2014		as at 31-03-2013	
		107,703.19		22,578.19
	1,334,319.47		14,487,814.45	
	1,442,022.66		14,510,392.64	

NOTES 12 : OTHER CURRENT ASSETS Income Tax payments & Tax Refundable MAT Credit Entitlements	as at 31-03-2014		as at 31-03-2013	
		1,244,655.00		339,662.00
	3,148,097.00		3,148,097.00	
	4,392,752.00		3,487,759.00	

NOTES 13 : REVENUE FROM OPERATIONS Sales of Quoted Shares Sale of Unquoted Shares	Year ended 31.03.2014		Year ended 31.03.2013	
		8,445,100.00		585,014.17
	8,445,100.00		60,152,775.00	
			60,737,789.17	

NOTES 14 : OTHER INCOME Interest (Tax deducted at source Rs.9,04,993/- (Rs.3,39,662/-) Dividend Profit on sales of shares Surrender Value of Keyman Insurance Policy	Year ended 31.03.2014		Year ended 31.03.2013	
		9,049,941.00		3,396,615.00
	107,933.36		396,669.61	
	207,000.00		11,680,000.00	
	9,364,874.36		15,473,304.61	

NOTES 15 : PURCHASE OF STOCK IN TRADE Quoted Shares Unquoted Shares	Year ended 31.03.2014		Year ended 31.03.2013	
		420,000.00		90,400,000.00
	17,185,280.00		90,400,000.00	
	17,605,280.00		90,400,000.00	



	Year ended 31.03.2014	Year ended 31.03.2013
CHANGES IN INVENTORIES OF GOODS AND STOCK IN TRADE		
STOCKS AT COMMENCEMENT OF THE YEAR		
Shares & Securities	72,825,086.00	59,438,648.00
STOCKS AT CLOSE OF THE YEAR		
Shares & Securities	64,443,591.00	72,825,086.00
INCREASE / (DECREASE) IN STOCKS	<u>8,381,495.00</u>	<u>13,386,238.00</u>

NOTES 17 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2014	Year ended 31.03.2013
Salary Wages Bonus & Allowances	353,531.00	393,923.00
Staff and Labour Welfare	60,172.00	60,172.00
	<u>413,703.00</u>	<u>454,095.00</u>

NOTES 18 : FINANCE COST	Year ended 31.03.2014	Year ended 31.03.2013
Interest Paid		
To Financial Institutions		864,434.00
To Others		741,999.00
		<u>1,606,433.00</u>

NOTES 19 : OTHER EXPENSES	Year ended 31.03.2014	Year ended 31.03.2013
Rates & Taxes	21,733.00	21,756.00
Traveling Conveyance & Vehicles Expenses	79,974.00	48,135.00
Miscellaneous Expenses	132,304.34	118,411.96
Legal & Professional charges	168,708.00	215,000.00
Auditors' Remuneration:		
As Audit Fee	20,000.00	20,000.00
Director's Meeting Fee	7,250.00	7,000.00
	<u>429,969.34</u>	<u>430,302.96</u>



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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

- (a) **Basis of Accounting**
The Company follows mercantile system of accounting i.e. all expenses and income are accounted for on accrual
- (b) **Fixed Assets**
Fixed Assets are stated at cost less depreciation.
- (c) **Depreciation**
Depreciation is provided on Straight Line Method in accordance with the rates and basis prescribed in Schedule XIV of the Companies Act, 1956.
- (d) **Investments**
Investments are stated at purchase price.
- (e) **Dividend**
Dividend declared with in the close of the accounting year only are accounted for.
- (f) **Valuation of inventories**
Stock of Shares and Securities are valued at lower of cost or estimated realisable value.
- (g) **Retirement Benefits**
Accrued liability of gratuity payable has been accounted for as per valuation made by the management.
- (h) **Amortisation of Preferential Share Issue Expenses**
Preferential Share Issue Expenses are amortised over a period of ten years.
- (i) **Contingent Liabilities**
Disputed liabilities and claims against the Company including claims by Taxation Authorities pending in appeals are treated as contingent liabilities and are not provided for and are shown by ways of notes.
- (j) **Taxes on Income**
Tax expenses for the relevant period comprises of current tax and deferred tax. Deferred Tax Assets is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year end.

B OTHER NOTES ON ACCOUNTS

- 1 The market value of following quoted investments have been declined substantially. However, in the opinion of the management no provision for diminution in value is required since these investments are of strategic importance to the company. The decline in market value of investments is considered to be temporary:

Name of the Company

Him Ispat Limited	38,000
Kamadgin Synthetics Limited	1,784,374
	<u>1,822,374</u>

- 2 Contingent Liabilities not provided for Corporate Guarantees issued against borrowings by Group Company M/s Jotindra Steel and Tubes Limited as detailed here under:
- a. In Favour of State Bank of Patiala, where the Plot no. C-152 situated at Prakash Industrial estate G.T. Road Ghaziabad belongig to the company has been Equitable mortgage 800,000,000 800,000,000
- b. In Favour of Indian Overseas Bank, for Corporate Guarantee. 150,000,000 150,000,000
- 3 In the opinion of the management, current assets, loans and advances will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The balances of sundry debtors, sundry creditors and loans and advances are however, subject to confirmations and adjustments, if any.
- 4 The Loan and Investment made by the company has exceeded the exposure norms prescribed by the Reserve Bank of India, due to clerical oversight and brought to notice during the previous financial year, the same has been corrected in due course till the signing of the balance sheet.
- 5 The Contingent Provision against Standard Assets @ 0.25% as per Circular No-DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by RBI, made in earlier year is sufficient to meet the requirement as per the notification, hence no more provision is made during the year.
- 6 There has been no employee who have completed five years of continuous service, hence there has been no accrued liability in respect of gratuity as on the balance sheet date.
- 7 Estimated amount of capital contracts remaining to be executed Rs.4,90,50,000.(Previous Year Rs. 4,90,50,000/-) against which advances paid Rs. 3,47,25,000 (previous year Rs.3,47,25,000).
- 8 **Deferred Tax Assets And Liabilities are adjusted on following:**

Particulars	As on	For the year	As on
	31.03.2013	2013-14	31.03.2014
Depreciation	(14,749)	2,952	(11,797)
Provision for Doubtful Debts	128,858		128,858
Unabsorbed Capital Losses	990,244	(732,159)	258,085
Unabsorbed Business Losses	941,058	2,677,411	3,618,469
	<u>2,045,411</u>	<u>1,948,204</u>	<u>3,993,615</u>



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	Current year	Previous
Income tax as per Profit and Loss Account	7,029,467	1,680,543
Number of Equity Shares (Face value) of Rs. 10/- each	4,378,920	4,378,920
and Diluted EPS (in rupees)	1.42	0.34

REPORTING

has been no separately reportable Segment

RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT), AS REQUIRED BY ACCOUNTING STANDARD 'AS-18' ARE GIVEN BELOW:

ii LIST OF RELATED PARTY

(a) Where control exists:-

- (i) Jotindra Steel & Tubes Limited
- (ii) Quality Synthetic Industries Ltd
- (iii) Mauna Udyog Limited
- (iv) Bhanji Ispat Udyog Limited
- (v) J.S.T. Engineering Services Ltd
- (vi) Saroj Metal Works Private Ltd
- (vii) Chakra Exports (P) Ltd
- (viii) Ram Forgings Pvt. Ltd
- (ix) Sushilam Properties (P) Ltd
- (x) V.L. Estates Pvt. Ltd.
- (xi) Aakshi Exports (P) Ltd.
- (xii) Sarika Tube Industries Pvt. Ltd.
- (xiii) Sri Narayan Steel Industries Pvt. Ltd.

- (xiv) Vaishrodia Properties Pvt. Ltd.
- (xv) V.K. Flats Pvt. Ltd.
- (xvi) Owaikash Construction Pvt. Ltd.
- (xvii) Bhanji Fancy Fibers & Fabrics Ltd.
- (xviii) Bhama Properties (P) Ltd.
- (xix) P.D. Metal Industries (P) Ltd.
- (xx) Udayanchal Leasing Exports (P) Ltd.
- (xxi) Parimal Foods India (P) Ltd.
- (xxii) VEE EM InfoCenter (P) Ltd.
- (xxiii) Bhanji Cylinders Pvt. Ltd.
- (xxiv) SKD Estates Pvt. Ltd.
- (xxv) Deepak Hotels (P) Ltd.
- (xxvi) Aaral Estates Pvt. Ltd.
- (xxvii) VBM Estates Pvt. Ltd.

(b) Key Management Personnel

V.K. Sureka (Managing Director)

(c) Relative of key Management personnel (with whom transaction have taken place during the year)

Navneet Kumar Sureka

(d) Other related parties

Srinarayan Rajkumar Firm

iii TRANSACTION WITH RELATED PARTIES

TYPE OF RELATED PARTY	DESCRIPTION OF THE TRANSACTION	VOLUME OF THE TRANSACTIONS		AMOUNT OUTSTANDING			
		Current Year	Previous Year	RECEIVABLE		PAYABLE	
				Current Year	Previous Year	Current Year	Previous Year
Where Control Exists	Sales of Goods / Investments	9,115,797	-	-	-	-	-
	Purchases of Goods / Investments	10,927,541	30,500,000	-	-	-	-
	Interest Received (net of TDS)	2,871,474	1,328,769.00	-	-	-	-
	Interest Paid	-	667,576	-	-	-	-
	Commission Received	-	-	-	-	-	-
	Loan Given	100,000	87,166,999	17,796,362	60,414,633	-	-
	Loan Given received back	50,500,000	27,408,999	-	-	-	-
	Share Application refunded	19,500,000	-	-	-	-	-
	Loan Taken	-	141,691,434	-	-	-	0
Loan Taken repaid	1,400,000	147,690,854	-	-	-	-	
Key Management Personnel	Director Sitting Fee	2,250	2,500	-	-	-	-
	Loan Taken	2,200,000	-	-	-	2,200,000	-
Relative of Key Management Personnel		-	-	-	-	-	-
		-	-	-	-	-	-
Other related parties	Loan Given	-	-	-	-	-	-
	Loan Given received back	-	-	-	-	-	-

NOTE: 1. In respect of above parties, there is no provision for doubtful debts as on 31st March, 2014 and no amount as been written off or written back during the year in respect of debts due from them.

2. Out of above certain transaction requires approval from members and Central Government, which are yet to be taken

10. Figures for the previous year have been regrouped and recast wherever necessary and figures in brackets represent previous year figures.

12. Additional Information:

(a) Quantitative Details:

Name of Goods in Trade	UNIT IS	OPENING STOCKS		PURCHASES		SALES		CLOSING STOCKS	
		QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
Shares & Securities	Nos	1,999,110	72,805,586	334,400	11,003,280	197,500	8,446,100	1,776,010	64,443,351
		(1,385,996)	(55,433,848)	(6,255,000)	(90,420,000)	(6,212,876)	(60,737,789)	(1,803,110)	(72,825,586)

(b) C.I.F. Value of Import

Nil (Nil)

(c) F.O.B. Value of Export

Nil (Nil)

(d) Earnings, Expenditure and remittance on account of dividend in foreign currency

Nil (Nil)

As per our report attached

For SALARPURIA & PARTNERS

FIRM REGN NO 302113E

CHARTERED ACCOUNTANTS

Kamal Kumar Gupta

(KAMAL KUMAR GUPTA)

PARTNER

M.NO.89190

Place: New Delhi

Date: 29.05.2014

(V.K. Sureka)

MANAGING DIRECTOR

(YOGESH MATHUR)

DIRECTOR



to the balance sheet of a non-banking financial company as required in terms of paragraph 9bb of non-banking financial companies prudential norms (reserve bank) directions, 1998

PARTICULARS	(RS. IN LACS)	
	AMOUNT	AMOUNT
LIABILITIES SIDE :		
1 Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) DEBENTURES : Secured	NIL	NIL
: Unsecured (Other than falling within the meaning of public deposits)*	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and Borrowing	0.00	-
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans (Specify Nature)-Loan against Keyman Insurance Policy	0.00	-
* Please see Note 1 below		
2 Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	NIL	NIL
(c) Other public deposits	NIL	NIL
*Please see Note 1 below		
ASSETS SIDE :		AMOUNT OUTSTANDING
3 Break up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		NIL
(b) Unsecured		276.21
4 Break up of Leased Assets and stock on hire and hypothecation loan counting towards EL/HP activities:		
(i) Lease assets including lease rentals under		
(a) Financial Lease		NIL
(b) Operating Lease		NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loan where assets have been		NIL
(b) Loan other than (a) above		NIL
5 Break up of Investments :		
Current Investments		
1. Quoted:		
(i) Shares : (a) Equity (b) Preference		367.31
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		10.00
(v) Others (please specify)		NIL
		NIL



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PARTICULARS

(RS. IN LACS)

ASSETS SIDE :

AMOUNT

2. Unquoted:		
(i) Shares : (a) Equity		267.13
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL

Long Term Investments

1. Quoted:		
(i) Shares : (a) Equity		87.80
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL
2. Unquoted:		
(i) Shares : (a) Equity		226.63
(b) Preference		125.00
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL

6 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	Nil	Nil
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	276.21	276.21
		Total	276.21
			276.21

7 Investor group-wise classification of all investments (Current and long term) in shares and securities both quoted and unquoted): Please see Note 3 below

Category	Amount net of provisions
1. Related Parties **	
(a) Subsidiaries	NIL
(b) Companies in the same group	1,205.64
(c) Other related parties	NIL
2. Other than related parties	53.22
	Total
	1,258.86

** As per Accounting Standard of ICAI (Please See)

* Cost or market value whichever is lower.

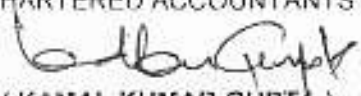



SRI NARAYAN RAJ KUMAR MERCHANTS LIMITED


PARTICULARS		(RS. IN LACS)
B Other Information		AMOUNT
i) Gross Non-Performing Assets:		
(a) Related Parties		NIL
(b) Other than related parties		NIL
ii) Net Non-performing Assets:		
(a) Related Parties		NIL
(b) Other than related parties		NIL
iii) Assets acquired in satisfaction of debt		NIL

Notes:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date
For SALARPURIA & PARTNERS
 FIRM REGN NO.302113E
 CHARTERED ACCOUNTANTS

(KAMAL KUMAR GUPTA)
 PARTNER
 M.NO.89190


(V.K. SUREKA)
 MANAGING DIRECTOR


(YOGESH MATHUR)
 DIRECTOR

Place : New Delhi
 Date : 29.05.2014

