

# SHRADHA PROJECTS LIMITED

## DIRECTORS' REPORT

To  
THE MEMBERS

Your Directors have pleasure in presenting the 21st Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2012 to the shareholders.

## REVIEW OF OPERATION

Some highlights of the performance during the said year are reproduced for your consideration:

|  | CURRENT YEAR         | PREVIOUS YEAR        |
|--|----------------------|----------------------|
| <b>Profit before exceptional items and tax</b> | <b>10,035,998.31</b> | <b>10,705,618.07</b> |
| Exceptional Items                              | 286,274.81           | (210,157.39)         |
| <b>Profit before tax</b>                       | <b>10,322,273.12</b> | <b>10,495,460.68</b> |
| Tax expense:                                   |                      |                      |
| 1) Current tax                                 | -                    | 1,048,141.00         |
| 2) Deferred tax                                | (1,983.00)           | (12,442.00)          |
| <b>Profit(Loss) for the period</b>             | <b>10,324,256.12</b> | <b>9,459,761.68</b>  |

## DIVIDEND

Considering the need for ploughing back the available resources into the business, your directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2012

## OPERATION

The overall performance during the financial year 2011-2012 was satisfactory. Your Company's profit after tax stood Rs. 103.20 Lacs against profit of Rs. 94.60 lacs in the previous year. It is expected that the Company will do better in the coming year.

## OUTLOOK

Your Directors are hopeful of a better performance during the current year in view of strong domestic economy, improved capital market, good corporate results etc.

## PRUDENTIAL NORMS

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFCs with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

## FIXED DEPOSITS

The Company has not accepted and/or renewed any fixed deposit during the period under review.

## DIRECTORS

Shri. B.K.Khandelwal, Director of the Company expired on 01.02.2012 . The Board of Directors of the Company expresses their profound grief on said demise of Shri B.K.Khandelwal . The Board also recorded its appreciation on the exemplary and selfless service rendered by him for the growth and development of the Company, since he joined as a Director of the Company.

Consequent to the death of Shri B.K.Khandelwal , the Board was informed that Shri Amit Kumar Jain was appointed as Additional Director of Company pursuant to sec 260 of the Companies Act, 1956 read with Articles of Association of the Company. Shri Amit Kumar Jain will hold office consequent to the next Annual General Meeting.

# SHRADHA PROJECTS LIMITED

Shri R.S.Vijay Vergiya retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offers himself for reappointment.

Shri Amit Kumar Jain who retires as Additional Director at the conclusion of this Annual General Meeting and offers himself for reappointment under section 257 of the Companies Act, 1956.

## CORPORATE GOVERNANCE

Your Company complies with all the requirements pertaining to Corporate Governance, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate Governance has been included in this report along with a certificate from the auditors of the company regarding compliance of conditions of Corporate Governance. Further, a separate Management Discussion and Analysis report is also given in this report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the company for that period.
- iii) Your directors have 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.
- iv) Your directors have prepared the accompanying Annual Accounts for the year ended 31st, March 2012 on a going concern basis.

## AUDITORS

M/S. Patni & Co., Chartered Accountants, Kolkata, statutory Auditors of your Company hold office until the conclusion of the 21st Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1C) of the Companies Act, 1956.

## AUDITORS REPORT

The Auditors Report read together with the notes to account is self explanatory and do not call for any further explanation under section 217(3) of the Companies Act, 1956.

## PERSONNEL

During the year, no employee was in receipt of remuneration of or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956.

## STATUTORY INFORMATION

Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

1. Part A and B pertaining to conservation and technology absorption are not applicable to the company.
2. Foreign Exchange earnings and outgoes: NIL

## ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude to the company's clients, Bankers, Financial Institutions, Share holders, well wishers and employees, for their valued and timely support.

For and on behalf of the Board

Place : Kolkata

Dated: May 30, 2012

Director

Director

# SHRADHA PROJECTS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1. BREIF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to highest level of transparency, accountability and equity in all facets of its operation and all its interaction with stakeholders, lenders, Government and other business associates proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

### 2. BOARD OF DIRECTORS

The Company has optimum combination of Independent and non-executive directors who are experts in different disciplines of corporate working i.e. finance, legal, technical, administrative etc.

During this year the Board had eleven meetings on 18.04.2011, 14.05.2011, 21.06.2011, 08.07.2011, 03.08.2011, 05.09.2011, 08.11.2011, 18.11.2011, 03.12.2011, 13.02.2012 & 22.03.2012. All relevant information as required under clause 49 of the listing agreement was placed before the Board from time to time.

| Name of Director                    | Type        | Executive/ Non-executive | No.of Meeting Attended | No. of other Director-ship * | Whether Attend Last AGM | Other Board Committee Membership |
|-------------------------------------|-------------|--------------------------|------------------------|------------------------------|-------------------------|----------------------------------|
| Mr. S.K. Khaitan                    | Promoter    | Non-executive            | 8                      | 2                            | Yes                     | Nil                              |
| Mr. S.L.Gupta                       | Independent | Non-executive            | 11                     | 2                            | Yes                     | Nil                              |
| Mr. R.S.Vijay Vergiya               | Independent | Non-executive            | 8                      | 2                            | Yes                     | Nil                              |
| Mr. B.K.Khandelwal #                | Independent | Non-executive            | 10                     | 2                            | Yes                     | Nil                              |
| Mr. Amit Jain (Additional Director) | Independent | Non-executive            | 1                      | 0                            | N.A                     | Nil                              |

\* Excluding Private Company.

# Mr. B.K.Khandelwal deceased on 01.02.2012

### 3. CODE OF CONDUCT

The Board has adopted the code of conduct for all its Directors and Senior Management. Members of the Board and Senior Management personnel have affirmed compliance with the Company's code of conduct. A declaration signed by Director Mr. S.L.Gupta to this effect is annexed with this report.

### 4. AUDIT COMMITTEE

The Audit Committee functioned in respect of all matters provided in clause 49 of the listing agreement and section 292A of the Companies Act, 1956. The Audit Committee at present comprise of three Non-executive Directors. Shri S.L.Gupta is the Chairman of the committee. Other members of the committee are Shri S.K. Khaitan , Shri Amit Kumar Jain & Shri B.K.Khandelwal (Deceased on 01.02.2012)

The Audit Committee met four times during the year i.e. on 03.08.2011, 05.09.2011, 08.11.2011 and 13.02.2012 which are attended by Shri S. L. Gupta (4 meetings), Shri B. K. Khandelwal (3 meetings) & S. K. Khaitan (2 meetings). Besides the committee members Financial Adviser and Statutory Auditors were also present at the meeting.

The broad terms of reference of the Committee includes. :-

To hold periodic discussion with statutory auditors and internal auditors concerning the accounts, internal audit system, scope of audit and observations of the auditor/internal auditors

To review compliance with internal control system.

To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

## SHRADHA PROJECTS LIMITED

To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.

To review periodically statements of transactions with related parties in the ordinary course of business.

To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board.

To make recommendation to the Board on any matter relating to the financial management of the Company.

### 5. SHAREHOLDERS GRIEVANCE COMMITTEE

The Company has constituted a Shareholder grievance committee to look into the various issues of the investors such as non-receipt of Annual Report, Transfer of Shares, etc. This committee presently comprise of Directors Shri Amit Kumar Jain and Shri S.L. Gupta. Shri S. L. Gupta, Independent Non-executive director, is the Chairman of the committee.

No Shareholders Complaints were received during the year 2011-2012.

### 6. REMUNERATION COMMITTEE

The company has not appointed any Committee of Directors styled as “Remuneration Committee” as this is a Non-mandatory requirement.

### 7. CEO CERTIFICATION

S.L.Gupta Director of the Company has certified the Board particulars as stipulated vide clause 49V of the Listing Agreement.

### 8. DETAILS OF LAST 3 ANNUAL GENERAL MEETING

A: Information about last three Annual General Meeting

| Year | Date       | Time       | Location of Registered Office   |
|------|------------|------------|---|
| 2009 | 27.08.2009 | 10.00 A.M. | 46C, Rafi Ahmed Kidwai Road, 3 <sup>rd</sup> floor, Kolkata – 700 016 |
| 2010 | 02.08.2010 | 11.00 A.M. | 46C, Rafi Ahmed Kidwai Road, 3 <sup>rd</sup> floor, Kolkata – 700 016 |
| 2011 | 29.09.2011 | 1.30 P.M.  | 46C, Rafi Ahmed Kidwai Road, 3 <sup>rd</sup> floor, Kolkata – 700 016 |

- B: i ) No Special resolution was passed in the previous three Annual General Meetings.  
ii) No special resolution was proposed through postal ballot last year.

### 9. DISCLOSURE

No transaction of material nature has been entered into by the company with Directors, Management and their relative's etc. that may have potential conflict with the interest of the Company. Transactions with the related parties are disclosed in Note No. 2.30 in Notes to Financial Statement.

There is no non-compliance by the company on any matters related to Capital market. Hence the question of penalties or strictures being imposed by SEBI or The Stock Exchanges does not arise.

During the year, there has been no change in Accounting Standard.

The Company has in place mechanism to inform Board Members about the Risk Management and minimization procedure and periodical reviews to ensure that risk is controlled by the Executive Management.



## SHRADHA PROJECTS LIMITED

### 10. MEANS OF COMMUNICATION

The unaudited Quarterly results of the Company are regularly submitted to the Stock Exchanges and published in News Papers in accordance with the Listing Agreement.

### 11. SHAREHOLDER INFORMATION

#### A. Annual General Meeting

Date- 29<sup>th</sup> Day of September, 2012

Time - 3:30 P.M.

Venue- 46C, Rafi Ahmed Kidwai Road, 3rd floor, Kolkata – 700 016

#### B. Financial Calendar (April - March)

##### Financial Reporting:

|                                    |  |
|------------------------------------|--|
| Quarter ending June 30, 2012.      | : On or before 15 <sup>th</sup> August, 2012   |
| Quarter ending September 30, 2012. | : On or before 15 <sup>th</sup> November, 2012 |
| Quarter ending December 31, 2012.  | : On or before 15 <sup>th</sup> February, 2013 |
| Quarter ending March 31, 2013.     | : On or before 30 <sup>th</sup> May, 2013      |

#### C. Book Closure

The Register of members and Share Transfer Book will remain closed from 22<sup>nd</sup> day of September to 29<sup>th</sup> day of September, 2012 (both days inclusive) on account of Annual General Meeting.

#### D. Dividend

No dividend is recommended for the year.

#### E. Listing at Stock Exchanges

1. The Calcutta Stock Exchange Association Ltd.
2. Jaipur Stock Exchange Ltd.

#### F. Stock Code

1. The Calcutta Stock Exchange Association Ltd. : 12626
2. Jaipur Stock Exchange Ltd. : 1036

#### G. ISIN Number: INE851D01012

#### H. Depository Connectivity: NSDL and CDSL

#### I. STOCK MARKET DATA

Monthly high & low prices of Equity shares of the Company quoted at The Calcutta Stock Exchange during the year 2011-2012.

| Month        | Calcutta Stock Exchange Limited |     |        |
|--------------|---------------------------------|-----|--------|
|              | High                            | Low | Volume |
| April'11     | --                              | --  | --     |
| May'11       | --                              | --  | --     |
| June'11      | --                              | --  | --     |
| July'11      | --                              | --  | --     |
| August'11    | --                              | --  | --     |
| September'11 | --                              | --  | --     |
| October'11   | --                              | --  | --     |
| November'11  | --                              | --  | --     |
| December'11  | --                              | --  | --     |
| January'12   | --                              | --  | --     |
| February'12  | --                              | --  | --     |
| March'12     | --                              | --  | --     |
| Total        | --                              | --  | --     |

## SHRADHA PROJECTS LIMITED

### 12. REGISTRAR & TRANSFER AGENTS

Name

Niche Technologies (P) Ltd.  
(For Physical & Demat Shares)

Address

71, Canning Street, Kolkata – 700 001

### 13. SHARE TRANSFER SYSTEM

Transfer of Shares are registered and processed by the Registrars & Share Transfer Agents within 15 days from the date of receipt , if the relevant documents are completed in all respect

### 14. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

| No of Equity Shares held | No of Shares Holders | % of Shares Holders | No of Shares Held | % of Share Holding |
|--------------------------|----------------------|---------------------|-------------------|--------------------|
| Upto 500                 | 1027                 | 54.74               | 221090            | 3.40               |
| 501 - 1000               | 771                  | 41.09               | 541210            | 8.32               |
| 1001 – 5000              | 49                   | 2.61                | 132895            | 2.04               |
| 5001 - 10000             | 10                   | 0.53                | 71060             | 1.09               |
| 10001-50000              | 11                   | 0.58                | 209000            | 3.21               |
| 50001-100000             | 2                    | 0.10                | 124900            | 1.92               |
| 100001 & above           | 6                    | 0.31                | 5200259           | 79.99              |
| Total                    | 1876                 | 100.00              | 7712414           | 100.00             |

### 15. SHAREHOLDING PATTERN AS ON 31.03.2012

| Category                 | No of Shares Held | % of Share Holding |
|--------------------------|-------------------|--------------------|
| Indian Promoters         | 4371549           | 56.68              |
| Institution Investors    | -                 | -                  |
| Private Corporate Bodies | 2348035           | 30.45              |
| Resident Individuals     | 992830            | 12.87              |
| Total                    | 7712414           | 100.00             |

### 16. DEMATERIALIZATION OF SHARES

3,246,519 shares have been dematerialized upto 31.03.2012.

### 17. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE:

46C, RAFI AHMED KIDWAI ROAD,  
3<sup>RD</sup> FLOOR, KOLKATA - 700 016

### INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below :

- NAME : R.S. Vijay Vergiya  
AGE : 56 Years  
QUALIFICATION : M.Com,FCA,FCS  
EXPERTISE : He has vast experience in secretarial matters and trade policies.  
OTHER DIRECTORSHIP \* : Tribhuvan Properties Ltd.

\* Excluding Private Company

# SHRADHA PROJECTS LIMITED

2. NAME : Amit Kumar Jain  
AGE : 45 Years  
QUALIFICATION : B.Com.  
EXPERTISE : He has vast experience NBFC business.  
OTHER DIRECTORSHIP \* : Nil

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management of SHRADHA PROJECTS LIMITED is pleased to present its report analysing the company's operation. The report contains expectation of the Company's business based on the current market trends.

## **INDUSTRY STRUCTURE AND DEVELOPMENT OPPORTUNITIES AND THREATS, REFERENCE OUTLOOKS AND RISKS AND CONCERN**

Company intends to maintain its focus on Capital Market operations. Company is exposed to specific risk that are particular to its business and the environment within which it operates like interest rate volatility, market risk and credit risk. Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk Management practice.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal Control System Commensurate with its size and nature of business. While operating, managers ensure compliance within their areas. The management regularly reviews all the operations and reports and has also set up an Audit Committee to keep better control on the system.

## **FINANCIAL & OPERATION PERFORMANCE**

During the financial year 2011-2012, the performance of the company was satisfactory. The detail highlight of the performance are produced in the Directors Report.

## **DEVELOPMENT IN HUMAN RESOURCES**

The Company continued with its policy of Human Resources Development and retention. There is regular interaction and periodical review are carried out with the staff where a sense of challenge is inculcated amongst the employees in view of the increased competitiveness in the market-place today.

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## **CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company.

Futher certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2012.

Date: May 30, 2012  
Place : Kolkata

S.L.Gupta  
Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO  
THE MEMBER OF  
SHRADHA PROJECTS LIMITED

We have examined the compliance of conditions of Corporate Governance by SHRADHA PROJECTS LIMITED for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PATNI & Co.**  
Firm's Reg. No 320304E  
CHARTERED ACCOUNTANTS

Place: Kolkata  
Date: May 30, 2012

Pavel Pandya  
(Partner)  
Membership No. 300667

# SHRADHA PROJECTS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21<sup>st</sup> Annual General meeting of the Members of SHRADHA PROJECTS LIMITED will be held at its Registered office, 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA - 700 016, on Saturday the 29th day of September, 2012 at 3.30 P.M. to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March' 2012 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.S.Vijay Vergiya who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/S Patni & Co. Chartered Accountants, Kolkata and fix their remuneration.

### AS SPECIAL BUSINESS

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

“ Resolved that Shri Amit Kumar Jain who was appointed as an Additional Director of the Company by the Board of Directors under Article 112 of the Articles of Association of the Company with effect from 13.02.2012 and who holds office under the said Articles and pursuant to Sec. 260 of the Companies Act, 1956 upto the date of this Annual General Meeting, and who is eligible for re-appointment under the relevant provisions of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

For and on behalf of the Board

Registered Office :  
46C, Rafi Ahmed Kidwai Road,  
3rd floor, Kolkata – 700 016

S.L.Gupta  
Director

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### NOTES:

1. A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a Member of the Company. Proxies, in order to be effective must be received at 46C, Rafi Ahmed Kidwai Road, 3rd floor Kolkata – 700 016, not less than forty-eight hours before this Annual General Meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the meeting.
3. The Register of Members & Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> day of September to 29<sup>th</sup> day of September 2012 (both days inclusive).

For and on behalf of the Board

Registered Office :  
46C, Rafi Ahmed Kidwai Road,  
3rd floor, Kolkata – 700 016

S.L.Gupta  
Director

# SHRADHA PROJECTS LIMITED

REGISTERED OFFICE : 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016

## PROXY FORM

I/We .....

Of ..... being the member/members of SHRADHA PROJECTS LIMITED

hereby appoint ..... of .....or

failing him .....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on the 29<sup>th</sup> Day of September, 2012, and at any adjournment thereof.

Signed by the said ..... this ..... day of .....2012

Reg. Folio No. ....

Affix Re 1/-  
Revenue  
Stamp

Signature of Share Holder

**NOTE :** The proxy must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

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# SHRADHA PROJECTS LIMITED

REGISTERED OFFICE : 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016

|               |                      |
|---------------|----------------------|
| DPID* :       | REG. FOLIO NO. :     |
| CLIENT ID.* : | NO. OF SHARES HELD : |

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at 21<sup>st</sup> Annual General Meeting of the Company held at 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016 AT 3:30 P.M. on Saturday, the 29<sup>th</sup> Day of September, 2012.

|  |  |
|--|--|
| NAME(S) OF THE MEMBER(S)<br>(IN BLOCK LETTERS) |  |
| NAME OF THE PROXY<br>(IN BLOCK LETTER)         |  |
| SIGNATURE OF THE MEMBER(S)/ PROXY              |  |

### NOTES:

Please complete and sign the attendance slip and handover at the entrance of the meeting hall. Only Member or their proxies with this attendance slip will be allowed entry to meeting.

\* Applicable for Investors holding shares in electronic form.

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# PATNI & CO.

CHARTERED ACCOUNTANTS

H.O. 1, INDIA EXCHANGE PLACE, 2<sup>nd</sup> FLOOR, R. NO. 219, KOLKATA – 700 001, PHONE: 2230 0556/57, 2231 4111/4112  
FAX – 2231 4193, E-mail: octal1@cal2.vsnl.net.in/patni.co@rediffmail.com

**JAIPUR OFFICE:**

GANAPATI PLAZA, M. I. ROAD  
4<sup>TH</sup> FLOOR, R. NO. – 421, JAIPUR – 302 001  
PHONE: 237 4836

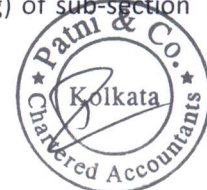
**NEW DELHI OFFICE :**

4D/14, OLD RAJINDER NAGAR  
BASEMENT, NEW DELHI – 110 060  
PHONE: 2582 6174

## AUDITOR'S REPORT

TO  
THE MEMBERS OF  
**SHRADHA PROJECTS LIMITED**

1. We have audited the attached Balance Sheet of **SHRADHA PROJECTS LIMITED** at 31st March, 2012 and the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and to the best of our knowledge and according to the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the company;
  - c. the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company;
  - d. in our opinion, the Statement of Profit & Loss , Balance Sheet and Cash Flow Statement dealt with by this report Comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the Directors of the Company as at 31st March, 2012 and taken on record by the board of directors, we report that none of the Directors is disqualified from being appointed as Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



# PATNI & CO.

CHARTERED ACCOUNTANTS

H.O. 1, INDIA EXCHANGE PLACE, 2<sup>nd</sup> FLOOR, R. NO. 219, KOLKATA – 700 001, PHONE: 2230 0556/57, 2231 4111/4112  
FAX – 2231 4193, E-mail: octal1@cal2.vsnl.net.in/patni.co@rediffmail.com

**JAIPUR OFFICE:**

GANAPATI PLAZA, M. I. ROAD  
4<sup>TH</sup> FLOOR, R. NO. – 421, JAIPUR – 302 001  
PHONE: 237 4836

**NEW DELHI OFFICE :**

4D/14, OLD RAJINDER NAGAR  
BASEMENT, NEW DELHI – 110 060  
PHONE: 2582 6174

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies & Notes on Account thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.

in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2012

and

in so far as it relates to the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date.

and

in so far as it relates to the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : 1, India Exchange Place, Kolkata – 700 001

Date : May 30 , 2012



For PATNI & CO.  
Firm Reg.No 320304E  
Chartered Accountants

Pavel Pandya  
(Partner)  
Membership No. 300667



# PATNI & CO.

## CHARTERED ACCOUNTANTS

H.O. 1, INDIA EXCHANGE PLACE, 2<sup>nd</sup> FLOOR, R. NO. 219, KOLKATA – 700 001, PHONE: 2230 0556/57, 2231 4111/4112  
FAX – 2231 4193, E-mail: octal1@cal2.vsnl.net.in/patni.co@rediffmail.com

### JAIPUR OFFICE:

GANAPATI PLAZA, M. I. ROAD  
4<sup>TH</sup> FLOOR, R. NO. – 421, JAIPUR – 302 001  
PHONE: 237 4836

### NEW DELHI OFFICE :

4D/14, OLD RAJINDER NAGAR  
BASEMENT, NEW DELHI – 110 060  
PHONE: 2582 6174

## ANNEXURE TO THE AUDITOR'S REPORT

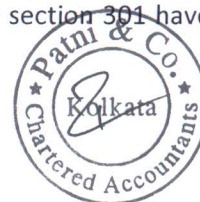
(This is the Annexure referred to in our Report of even date)

- i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- ii) The Stock of inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion the procedures of physical verification of inventory followed by the Management are reasonable and adequate to the size of the company and the nature of its business. The Company is maintaining proper records of inventory. No discrepancies have been noticed on physical verification of stock as compared to book records.
- iii) The Company had granted unsecured loan to 4 parties covered in the register required to be maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 250.03 Lacs.

In our opinion, the rate of interest and other terms and conditions of loan given by the company to companies, firms or other parties listed in the register required to be maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company. The parties to whom loan have been given are regular in payment of interest. There are no specific stipulations with regard to repayment of loans. As there is no stipulation with regard to repayment of loan, so we are unable to make any comment whether any outstanding amount is overdue or not.

The company had taken unsecured loan from 3 parties covered in the register required to be maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 178.29 Lacs. In our opinion, the rate of interest and other terms and conditions of loan taken by the company from companies, firms or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company. The company is regular in the payment of interest. There is no specific stipulations which regard to repayment of loans.

- iv) In our opinion, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control system.
- v) a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.



# PATNI & CO.

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4<sup>TH</sup> FLOOR, R. NO. – 421, JAIPUR – 302 001  
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BASEMENT, NEW DELHI – 110 060  
PHONE: 2582 6174

b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained U/s 301 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) The company has not accepted any deposits from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956 for any of its products.
- ix) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There are no undisputed statutory dues as referred to above as at 31<sup>st</sup> March, 2012 outstanding for a period of more than six months from the date they became payable.  
b) According to the records of the Company, there are no statutory dues, which have not been deposited on account of any dispute.
- x) The Company has no accumulated loss. The company has not incurred cash loss in the current financial year and has not incurred any cash loss in the immediately preceding financial year.
- xi) The Company has not taken any loan from Bank or Financial Institution and the Company has no Debenture Holders.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- xiv) Based on our examination of the records and evaluation of the internal control, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the shares, securities, debentures and other investments are held in name of the company, or are in the process of being transferred in the company's name.
- xv) The Company has given Guarantee towards a Loan taken by Group Company from Allahabad Bank SME Branch.

In our opinion the terms of the contract are not prejudicial to the interest of the company.

- xvi) The Company has not availed any term loan facilities.





# PATNI & CO.

CHARTERED ACCOUNTANTS

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**NEW DELHI OFFICE :**

4D/14, OLD RAJINDER NAGAR  
BASEMENT, NEW DELHI – 110 060  
PHONE: 2582 6174

- xvii) On an overall examination of the financial statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) According to the records of the Company, the Company has not issued any debentures.
- xx) During the period covered by our audit report, the Company has not raised any money by public issue.
- xxi) During the checks carried out by us, any fraud on or by the company has not been noticed or reported during the year under report.

Place : 1, India Exchange Place  
Kolkata – 700 001

Date : May 30 , 2012



For PATNI & CO.  
Firm Reg.No 320304E  
Chartered Accountants

Pavel Pandya  
(Partner)  
Membership No. 300667

**SHRADHA PROJECTS LIMITED**  
Balance Sheet as at 31st March, 2012

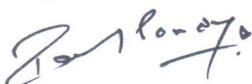
| (Amount in ₹)   |          |                       |                       |
|---|----------|-----------------------|-----------------------|
| Particulars   | Note No. | As at 31st March 2012 | As at 31st March 2011 |
| <b><u>EQUITY AND LIABILITIES</u></b>                                      |          |                       |                       |
| <b><u>Shareholder's Funds</u></b>   |          |                       |                       |
| Share Capital   | 2.1      | 77,124,140.00         | 65,004,140.00         |
| Reserves and Surplus  | 2.2      | 365,106,446.64        | 354,782,190.52        |
| Share Application Money Pending Allotment<br>(Including Capital Suspense) | 2.3      | -                     | 12,120,000.00         |
| <b><u>Non-Current Liabilities</u></b>                                     |          |                       |                       |
| Deferred Tax Liabilities (Net)  | 2.4      | 44,820.00             | 46,803.00             |
| Other Long Term Liabilities   | 2.5      | 600,000.00            | 600,000.00            |
| <b><u>Current Liabilities</u></b>   |          |                       |                       |
| Short-Term Borrowings   | 2.6      | 2,973,365.00          | 1,132,600.00          |
| Trade Payables  | 2.7      | -                     | 286,274.81            |
| Other Current Liabilities   | 2.8      | 2,734,097.00          | 32,956.00             |
| Short-Term Provisions   | 2.9      | 4,864,019.94          | 4,717,565.62          |
| <b>Total</b>  |          | <b>453,446,888.58</b> | <b>438,722,529.95</b> |
| <b><u>ASSETS</u></b>  |          |                       |                       |
| <b><u>Non-Current Assets</u></b>  |          |                       |                       |
| <b><u>Fixed Assets</u></b>  |          |                       |                       |
| Tangible Assets   | 2.10     | 5,641,913.10          | 5,758,391.00          |
| Non-Current Investments   | 2.11     | 188,515,960.04        | 221,833,480.04        |
| Long Term Loans And Advances  | 2.12     | 40,797,498.79         | 38,799,382.99         |
| <b><u>Current Assets</u></b>  |          |                       |                       |
| Inventories   | 2.13     | 47,130,140.36         | 55,621,131.36         |
| Trade Receivables   | 2.14     | 90,000.00             | 768,600.00            |
| Cash And Bank Balances  | 2.15     | 10,408,328.99         | 4,509,133.26          |
| Short-Term Loans And Advances   | 2.16     | 160,863,047.30        | 111,432,411.30        |
| <b>Total</b>  |          | <b>453,446,888.58</b> | <b>438,722,529.95</b> |
| <b>Significant Accounting Policies</b>                                    | <b>1</b> |                       |                       |
| <b>Notes on Financial Statements</b>                                      | <b>2</b> | -                     | -                     |

The notes referred to above form an integral part of the Financial Statement

As per attached report on even date

For Patni & Co.

Firm Reg. No. 320304E  
Chartered Accountants



Pavel Pandya  
(Partner)

Membership No.300667



On behalf of the board

**SHRADHA PROJECTS LTD**

 Director  
 Director

Place : Kolkata

Date : May 30, 2012

## SHRADHA PROJECTS LIMITED

### Statement of Profit and Loss for the year ended 31st March, 2012

(Amount in ₹)

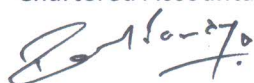
| Particulars   | Note No  | 2011-12              | 2010-11               |
|---|----------|----------------------|-----------------------|
| <b>INCOME</b>   |          |                      |                       |
| Revenue from operations   | 2.17     | 14,282,811.05        | 159,206,179.36        |
| Other Income  | 2.18     | 12,939,978.63        | 8,687,548.89          |
| <b>Total Revenue</b>  |          | <b>27,222,789.68</b> | <b>167,893,728.25</b> |
| <b>EXPENDITURE</b>  |          |                      |                       |
| Purchase of Stock-in-Trade  | 2.19     | 5,819,255.98         | 51,155,937.12         |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 2.20     | 8,490,991.00         | 104,048,567.75        |
| Employee benefit expense  | 2.21     | 740,238.00           | 617,305.00            |
| Financial costs   | 2.22     | 202,452.55           | 10,118.28             |
| Depreciation and amortization expense   | 2.23     | 116,477.90           | 211,896.37            |
| Other Expenses  | 2.24     | 1,817,375.94         | 1,144,285.66          |
| <b>Total Expenses</b>   |          | <b>17,186,791.37</b> | <b>157,188,110.18</b> |
| <b>Profit before Exceptional Items and Tax</b>                                |          | <b>10,035,998.31</b> | <b>10,705,618.07</b>  |
| Exceptional Items   | 2.25     | 286,274.81           | (210,157.39)          |
| <b>Profit before tax</b>  |          | <b>10,322,273.12</b> | <b>10,495,460.68</b>  |
| Tax expense:  | 2.26     |                      |                       |
| 1) Current tax  |          | -                    | 1,048,141.00          |
| 2) Deferred tax   |          | (1,983.00)           | (12,442.00)           |
| <b>Profit(Loss) for the period</b>  |          | <b>10,324,256.12</b> | <b>9,459,761.68</b>   |
| Earning per equity share:   | 2.27     |                      |                       |
| 1) Basic (Equity Share Face Value Rs. 10/- each)                              |          | 1.47                 | 1.46                  |
| 2) Diluted (Equity Share Face Value Rs. 10/- each)                            |          | 1.47                 | 1.46                  |
| <b>Significant Accounting Policies</b>  | <b>1</b> |                      |                       |
| <b>Notes on Financial Statements</b>  | <b>2</b> |                      |                       |

The notes referred to above form an integral part of the Financial Statement

As per attached report on even date

For Patni & Co.

Firm Reg. No. 320304E  
Chartered Accountants



Pavel Pandya  
(Partner)


Membership No.300667



On behalf of the board  
**SHRADHA PROJECTS LTD**



Director



Director

Place : Kolkata

Date : May 30, 2012



## SHRADHA PROJECTS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

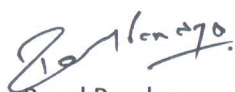
|   | 2011-2012<br>₹  | 2010-2011<br>₹  |
|---|-----------------|-----------------|
| <b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                 |                 |
| Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items | 10,322,273.12   | 10,495,460.68   |
| Add/Less Adjustment for:  |                 |                 |
| 1. Depreciation   | 116,477.90      | 211,896.37      |
| 2. Dividend on Shares (Investment)                              | (11,034,219.83) | (5,535,661.30)  |
| 3. Loss on Sale of Fixed Asset                                  | -               | 210,157.39      |
| 4. Sundry Balance Written Off                                   | 105,480.00      | 25,912.00       |
| 5. Loss on Sale of Investment                                   | 456,921.21      | -               |
| 6. Liabilities Written Back                                     | (286,274.81)    | -               |
| 7. Provision on Standard Asset                                  | 149,240.32      | 248,468.62      |
| 8. Profit on Sale of Investment                                 | -               | (61,688.44)     |
| <b>Operating Profit before Working Capital Changes</b>          | (170,102.09)    | 5,594,545.32    |
| Add/Less:- Adjustment for:                                      |                 |                 |
| 1. Inventories  | 8,490,991.00    | (8,427,724.25)  |
| 2. Loans & Advances   | (51,128,678.70) | (75,180,069.56) |
| 3. Trade Payables   | -               | (174,632.00)    |
| 4. Trade Receivable   | 678,600.00      | 6,893,947.71    |
| 5. Current Liabilities  | 2,701,141.00    | (56,065.00)     |
| 5. Provisions   | (2,786.00)      | 27,880.00       |
| <b>Cash Generated from Operation</b>                            | (39,430,834.79) | (71,322,117.78) |
| Direct Taxes Paid (Net of Refunds)                              | 405,553.10      | (29,162.00)     |
| <b>Net Cash used in Operating Activities</b>                    | (39,836,387.89) | (71,351,279.78) |
| <b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                 |                 |
| Purchase of Investments   | (10,400,000.00) | (44,722,942.59) |
| Sale of Investments   | 43,260,598.79   | 6,624,316.74    |
| Net Asset Acquired on Amalgamation                              | -               | 109,975,705.03  |
| Dividend on Shares (Investment)                                 | 11,034,219.83   | 5,535,661.30    |
| Sale of Fixed Assets  | -               | 800,000.00      |
| <b>Net Cash used in Investment Activities</b>                   | 43,894,818.62   | 78,212,740.48   |
| <b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                 |                 |
| Increase/(Decrease) in Unsecured Loan                           | 1,840,765.00    | (4,993,712.00)  |
| <b>Net Cash used in Financing Activities</b>                    | 1,840,765.00    | (4,993,712.00)  |
| <b>Net Increase in cash &amp; cash equivalents(A+B+C)</b>       | 5,899,195.73    | 1,867,748.70    |
| Cash and cash equivalents (Opening Balance)                     | 4,509,133.26    | 2,641,384.56    |
| Cash and cash equivalents (Closing Balance)                     | 10,408,328.99   | 4,509,133.26    |

This is the Cash Flow Statement referred to in our report of even date

For Patni & Co.

Firm Reg. No. 320304E

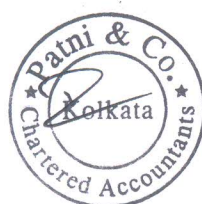
Chartered Accountants



Pavel Pandya

(Partner)

Membership No.300667



For and on Behalf of the Board

**SHRADHA PROJECTS LTD**



Director



Director

Place : Kolkata

Date : May 30, 2012

## SHRADHA PROJECTS LIMITED

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) Method of Accounting

The Accounts have been prepared in accordance with Historical Cost Basis as a going concern and are consistent with generally accepted accounting principles. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. However, Bonus is accounted on Cash Basis.

#### B) Fixed Assets

All Fixed Assets are stated at acquisition cost less depreciation.

#### C) Depreciation

Depreciation on Fixed Assets has been provided on written down value method at the rates prescribed under Schedule XIV of the Companies Act 1956 except office building of Rs. 47,14,582/- for which depreciation has been provided on straight-line method at the rate prescribed under schedule XIV of the Companies Act, 1956. Premium paid on Leasehold Land is amortized over a period of Lease.

#### D) Investments

Investments are long term in nature and are stated at cost of acquisition. In the opinion of the management, provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

#### E) Inventories

Shares and Securities purchased for trading purpose are shown as stock in trade under the head current assets and are valued at lower of cost or market price. Jewellery & Painting are valued at cost.

#### F) Retirement Benefit

Gratuity is charged to Profit & Loss Account on the basis of contribution made to the Khaitan Group of Industries ( Trust ) maintained by LIC of India.

#### G) Taxation

- a) Provision for taxation has been made as per current rules & regulations of the Income Tax Act, 1961.
- b) Deferred tax liabilities or assets are recognized using the future tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realized. Such assets/ liabilities are reviewed as at each Balance Sheet date, to reassess realization.





# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|  | 2011-12<br>₹          | 2010-11<br>₹          |
|--|-----------------------|-----------------------|
| <b>2.1 SHARE CAPITAL</b>                                   |                       |                       |
| <b>Authorised Share Capital</b>                            |                       |                       |
| 1,02,40,000 Equity Shares of ₹ 10 each (Prev. Year         |                       |                       |
| 1,00,00,000 Equity Shares of ₹ 10 each                     | 102,400,000.00        | 100,000,000.00        |
| 24,90,000 Preference Shares of ₹ 10 each ( Prev. Year      |                       |                       |
| 24,90,000 Preference Shares of ₹ 10 each)                  | 24,900,000.00         | 24,900,000.00         |
| 1,000 Preference Shares of ₹ 100 each ( Prev. Year 1,000   |                       |                       |
| Preference Shares of ₹ 100 each)                           | 100,000.00            | 100,000.00            |
|  | <u>127,400,000.00</u> | <u>125,000,000.00</u> |
| <b>Issued, Subscribed and Paid-up</b>                      |                       |                       |
| 77,12,414 Equity Shares of ₹ 10 each (Prev. Year 65,00,414 |                       |                       |
| Equity Shares of ₹ 10 each)                                | 77,124,140.00         | 65,004,140.00         |

**2.1.1** (12,12,000 Equity shares issued pursuant to scheme of amalgamation without payment being received in cash in

**2.1.2 Terms attached to equity shares**

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

**2.1.3 Reconciliation of Shares :**

| <u>Equity Shares</u>                             | <u>No. of Shares</u> | <u>No. of Shares</u> |
|--|----------------------|----------------------|
| At the beginning of the period                   | 6,500,414            | 6,500,414            |
| Add: Issued during the period                    |                      |                      |
| For consideration other than cash (Amalgamation) | 1,212,000            | -                    |
| Outstanding at the end of reporting date         | <u>7,712,414</u>     | <u>6,500,414</u>     |

**2.1.4 Details of Shareholders holding more than 5% shares**

| <u>Name the Shareholders</u>             | <u>No. of Shares</u> | <u>% held</u> | <u>No. of Shares</u> | <u>% held</u> |
|--|----------------------|---------------|----------------------|---------------|
| Majestic Packaging Co. Pvt. Ltd.         | 2,626,529            | 34.06         | 2,626,529            | 40.41         |
| Shailesh Kumar Khaitan                   | 1,178,150            | 15.28         | 1,178,150            | 18.12         |
| Khaitan Chemical & Fertilizers Pvt. Ltd. | 948,000              | 12.29         | -                    | -             |
| Arati Marketing Pvt Ltd                  | 838,875              | 10.88         | 838,875              | 12.90         |
| Swapna Khaitan                           | 397,105              | 5.15          | 397,105              | 6.11          |

**RESERVE AND SURPLUS**

**a) Capital Redemption Reserve**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Opening Balance      | 336,000.00        | 336,000.00        |
| Add: During the Year | -                 | -                 |
| Closing Balance      | <u>336,000.00</u> | <u>336,000.00</u> |

**b) Securities Premium**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Opening Balance  | 108,878,000.00        | -                     |
| Add: During the Year( Transferred from Transferor Company) | -                     | 108,878,000.00        |
| Closing Balance  | <u>108,878,000.00</u> | <u>108,878,000.00</u> |

**c) Reserve Fund**

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Opening Balance      | 27,456,500.00        | 25,456,500.00        |
| Add: During the Year | 2,070,000.00         | 2,000,000.00         |
| Closing Balance      | <u>29,526,500.00</u> | <u>27,456,500.00</u> |





# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|   | 2011-12<br>₹   | 2010-11<br>₹    |
|---|----------------|-----------------|
| <b>d) Amalgamation Reserve</b>  |                |                 |
| Opening Balance   | 116,781,974.67 | 127,701,594.67  |
| Less: During the Year (Goodwill Adjusted on Merger)   | -              | (10,919,620.00) |
| Closing Balance   | 116,781,974.67 | 116,781,974.67  |
| <b>e) State Govt. Capital Subsidy</b>   |                |                 |
| Opening Balance   | 250,000.00     | 250,000.00      |
| Add: During the Year  | -              | -               |
| Closing Balance   | 250,000.00     | 250,000.00      |
| <b>f) Surplus/ (Deficit)</b>  |                |                 |
| Opening Balance   | 101,079,715.85 | 93,619,954.17   |
| Add: During the Year  | 10,324,256.12  | 9,459,761.68    |
|   | 111,403,971.97 | 103,079,715.85  |
| Less: Transfer to Reserve Fund  | 2,070,000.00   | 2,000,000.00    |
| Closing Balance   | 109,333,971.97 | 101,079,715.85  |
| <b>Total (a+b+c+d+e+f)</b>  | 365,106,446.64 | 354,782,190.52  |
| <b>2.3 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>  | -              | 12,120,000.00   |
| <p>( This amount relates to Capital suspense ,which arose on the amalgamation of Captain Vinimay Pvt. Ltd. with the company. The same was not allotted to the shareholders of the transferor company during 2010-2011 due to pending legal proceeding. Hence the amount was shown under Share Application Money in previous year. Shares were allotted to the shareholders of the transferor company on 18.11.2011)</p> |                |                 |
| <b>2.4 DEFERRED TAX LIABILITIES (NET)</b>   |                |                 |
| On Depreciation   | 44,820.00      | 46,803.00       |
| <b>2.5 OTHER LONG TERM LIABILITIES</b>  |                |                 |
| Security Deposit for Office   | 600,000.00     | 600,000.00      |
| <b>2.6 SHORT TERM BORROWINGS</b>  |                |                 |
| <b>Loans and Advances (Unsecured)</b>   |                |                 |
| From Related Parties  | 2,973,365.00   | 1,132,600.00    |
|   | 2,973,365.00   | 1,132,600.00    |
| <b>2.7 TRADE PAYABLES</b>   | -              | 286,274.81      |
| <b>OTHER CURRENT LIABILITIES</b>  |                |                 |
| Rent Payable  | 6,000.00       | 6,000.00        |
| TDS payable   | 21,340.00      | 5,460.00        |
| Payable to Staff  | 100.00         | -               |
| Demat Charges Payable   | 332.00         | -               |
| Profession Tax payable  | 200.00         | 160.00          |
| Other Payables  | 2,706,125.00   | 21,336.00       |
|   | 2,734,097.00   | 32,956.00       |
| <b>2.9 SHORT TERM PROVISIONS</b>  |                |                 |
| Contingent Provisions Against Standard Assets   | 397,708.94     | 248,468.62      |
| Provision for Income Tax  | 4,466,311.00   | 4,466,311.00    |
| Provision for Fringe Benefit Tax  | -              | 2,786.00        |
|   | 4,864,019.94   | 4,717,565.62    |

2.9.1 Contingent Provision against Standard Assets have been provided @ .25% of Total Standard Assets (Loans)



## SHRADHA PROJECTS LIMITED

### Note No. 2.10 - Fixed Assets

#### Tangible Assets

| <b>Gross Block</b>       |                   |                     |                      |                   |                     |
|--------------------------|-------------------|---------------------|----------------------|-------------------|---------------------|
|                          | Land              | Buildings           | Furniture & Fixtures | Ivory Items       | Total               |
| <b>Cost/ Valuation</b>   |                   |                     |                      |                   |                     |
| At 1st April 2010        | 584,528.00        | 9,341,343.77        | 290,809.67           | 257,759.75        | 10,474,441.19       |
| Additions                | -                 | -                   | -                    | -                 | -                   |
| Disposals                | -                 | 3,287,378.77        | -                    | -                 | 3,287,378.77        |
| <b>As at March 2011</b>  | <b>584,528.00</b> | <b>6,053,965.00</b> | <b>290,809.67</b>    | <b>257,759.75</b> | <b>7,187,062.42</b> |
| Additions                | -                 | -                   | -                    | -                 | -                   |
| Disposals                | -                 | -                   | -                    | -                 | -                   |
| <b>As at March 2012</b>  | <b>584,528.00</b> | <b>6,053,965.00</b> | <b>290,809.67</b>    | <b>257,759.75</b> | <b>7,187,062.42</b> |
| <b>Depreciation</b>      |                   |                     |                      |                   |                     |
|                          | Land              | Buildings           | Furniture & Fixtures | Ivory Items       | Total               |
| <b>At 1st April 2010</b> | 20,401.74         | 3,197,738.87        | 275,855.82           | -                 | 3,493,996.43        |
| Charge for the year      | 2,589.22          | 206,600.50          | 2,706.65             | -                 | 211,896.37          |
| Disposals/Reversal       | -                 | 2,277,221.38        | -                    | -                 | 2,277,221.38        |
| <b>As at March 2011</b>  | <b>22,990.96</b>  | <b>1,127,117.99</b> | <b>278,562.47</b>    | <b>-</b>          | <b>1,428,671.42</b> |
| Charge for the year      | 2,589.22          | 111,671.68          | 2,217.00             | -                 | 116,477.90          |
| Disposals/Reversal       | -                 | -                   | -                    | -                 | -                   |
| <b>As at March 2012</b>  | <b>25,580.18</b>  | <b>1,238,789.67</b> | <b>280,779.47</b>    | <b>-</b>          | <b>1,545,149.32</b> |
| <b>NET BLOCK</b>         |                   |                     |                      |                   |                     |
| <b>As at March 2011</b>  | <b>561,537.04</b> | <b>4,926,847.01</b> | <b>12,247.20</b>     | <b>257,759.75</b> | <b>5,758,391.00</b> |
| <b>As at March 2012</b>  | <b>558,947.82</b> | <b>4,815,175.33</b> | <b>10,030.20</b>     | <b>257,759.75</b> | <b>5,641,913.10</b> |

a) Land includes Rs. 352,093 (Prev. Year 352,093) which relates to Leasehold Land, the premium paid on lease is amortised over the period of lease. Premium amortised during the year is Rs. 2,589.22 (Prev. Year Rs. 2,589.22)

b) Building includes Open Terrace Rs. 50,000 over which no depreciation is provided.

Building includes office building worth Rs.47,14,582 over which depreciation is provided under Straight Line

c) Method.





# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|               |   | 2011-12           |                      | 2010-11          |                       |
|---------------|---|-------------------|----------------------|------------------|-----------------------|
|               |   | ₹                 |                      | ₹                |                       |
| <b>2.11</b>   | <b>NON-CURRENT INVESTMENTS</b>  |                   |                      |                  |                       |
|               | <b>(Non Trade)</b>  |                   |                      |                  |                       |
|               | <b>(i) Investment in Equity Instruments</b>   |                   |                      |                  |                       |
|               | <b>a) Quoted Shares &amp; Securities (At Cost less provision for other than temporary diminution)</b> |                   |                      |                  |                       |
| <b>F.V.</b>   | <b>Script</b>   | <b>Qty.</b>       | <b>Amount</b>        | <b>Qty.</b>      | <b>Amount</b>         |
| <b>(in ₹)</b> |   |                   |                      |                  |                       |
| 10            | Chambal Fertilizer Ltd  | 600               | 7,578.00             | 600              | 7,578.00              |
| 1             | Coromandal International Ltd. (Bonus)*  | 10                | -                    | 10               | -                     |
| 1             | Coromandal International Ltd.*  | 10                | 3,184.50             | 10               | 3,184.50              |
| 10            | Dharmasi Morarj   | 1                 | 5.50                 | 1                | 5.50                  |
| 1             | Gujrat Fluro Chemical Ltd.  | 100               | 11,535.00            | 100              | 11,535.00             |
| 10            | Gujrat State Fertilizer Corporation Ltd.  | 10                | 2,235.00             | 10               | 2,235.00              |
| 10            | Gujrat State Petronet Ltd.  | 10                | 914.50               | 10               | 914.50                |
| 1             | Jubilant Life Science Ltd.  | 10                | 3,395.50             | 10               | 3,395.50              |
| 1             | Khaitan Chemicals & Fertilizers Ltd.**  | 45,763,640        | 96,477,116.93        | 4,576,364        | 96,477,116.93         |
| 10            | Mega Soft   | 25                | 4,800.00             | 25               | 4,800.00              |
| 5             | Nirma   | 10                | 1,821.00             | 10               | 1,821.00              |
| 10            | Octal Credit Capital Ltd  | 5,000             | 288,000.00           | 5,000            | 288,000.00            |
| 1             | Orient Paper & Inds   | 100               | 15,756.00            | 100              | 15,756.00             |
| 2             | Radico Khaitan Ltd.   | -                 | -                    | 70,545           | 8,975,354.34          |
| 10            | Rama Phosphate Ltd  | 1                 | 4.50                 | 1                | 4.50                  |
| 10            | Tata Chemical Ltd.  | 10                | 3,234.50             | 10               | 3,234.50              |
|               | <b>Total (a)</b>  | <b>45,769,537</b> | <b>96,819,580.93</b> | <b>4,652,806</b> | <b>105,794,935.27</b> |

(The Market Value of quoted investments as on 31.3.2012 is ₹ 689,800,489/- and as on 31.3.2011 is ₹ 554,368,766/- )

\* Coromandal International Ltd.(Formerly Coromondal Fertilizers Ltd.)

\*\* Khaitan Chemical & Fertilizers Ltd. (F.V Change from ₹ 10/- to ₹ 1/-)

|               |   |                     |                       |                     |                       |
|---------------|---|---------------------|-----------------------|---------------------|-----------------------|
|               | <b>b) Unquoted Shares &amp; Securities (At Cost less provision for other than temporary diminution)</b> |                     |                       |                     |                       |
| <b>F.V.</b>   | <b>Script</b>   | <b>Qty.</b>         | <b>Amount</b>         | <b>Qty.</b>         | <b>Amount</b>         |
| <b>(in ₹)</b> |   |                     |                       |                     |                       |
| 10            | Accord Infra Properties (P) Ltd.  | 35,000.00           | 3,500,000.00          | 35,000.00           | 3,500,000.00          |
| 10            | Arati Developer (P) Ltd   | 155,000.00          | 2,900,000.00          | 155,000.00          | 2,900,000.00          |
| 10            | Arati Marketing (P) Ltd.  | 412,675.00          | 971,000.00            | 412,675.00          | 971,000.00            |
| 10            | Arati Real Estates (P) Ltd.   | 21,600.00           | 2,100,000.00          | 21,600.00           | 2,100,000.00          |
| 10            | B.O.Constructions Pvt. Ltd.   | 175,000.00          | 7,000,000.00          | 175,000.00          | 7,000,000.00          |
| 10            | Fancy Developers (P) Ltd  | 155,000.00          | 2,900,000.00          | 155,000.00          | 2,900,000.00          |
| 10            | Garia Builders (P) Ltd  | 155,000.00          | 2,900,000.00          | 155,000.00          | 2,900,000.00          |
| 10            | Garia Properties (P) Ltd  | 155,000.00          | 2,900,000.00          | 155,000.00          | 2,900,000.00          |
| 10            | Khaitan Commercial Services (P) Ltd   | 887,000.00          | 8,930,000.00          | 887,000.00          | 8,930,000.00          |
| 10            | Khaitan Paper Packaging (P) Ltd   | 252,500.00          | 3,815,205.00          | 252,500.00          | 3,815,205.00          |
| 10            | Lilac Properties (P) Ltd.   | 35,000.00           | 3,500,000.00          | 35,000.00           | 3,500,000.00          |
| 10            | Manoj Fincom (P) Ltd  | 74,500.00           | 7,450,000.00          | 74,500.00           | 7,450,000.00          |
| 10            | Ravina Export Pvt. Ltd.   | 250.00              | 25,000.00             | 250.00              | 25,000.00             |
| 10            | Shobhan Enterprises (P) Ltd.  | 204,000.00          | 9,700,000.00          | 204,000.00          | 9,700,000.00          |
| 10            | Shradha Infra Realty Pvt. Ltd.  | 88,000.00           | 4,400,000.00          | -                   | -                     |
| 10            | Shradha Technopack Pvt. Ltd.  | 56,000.00           | 6,000,000.00          | -                   | -                     |
| 10            | The Majestic Packaging Pvt. Ltd.  | 568,910.00          | 15,703,970.11         | 568,910.00          | 15,703,970.11         |
| 10            | Tribhuvan Properties Ltd.   | -                   | -                     | 321,266.00          | 34,169,999.66         |
| 10            | Vibra Tech Infrastructure (P) Ltd.  | 35,000.00           | 7,000,000.00          | 35,000.00           | 7,000,000.00          |
|               | <b>Total (b)</b>  | <b>3,465,435.00</b> | <b>91,695,175.11</b>  | <b>3,642,701.00</b> | <b>115,465,174.77</b> |
|               | <b>(a+b)</b>  |                     | <b>188,514,756.04</b> |                     | <b>221,260,110.04</b> |
|               | <b>(ii) Investment in Mutual Funds (Quoted)</b>   | <b>Qty.</b>         | <b>Amount</b>         | <b>Qty.</b>         | <b>Amount</b>         |
|               | UTI Mutual Fund   | 100.00              | 1,204.00              | 100.00              | 1,204.00              |
|               | SBI Blue Chip Fund-Growth   | -                   | -                     | 42,826.80           | 572,166.00            |
|               |   | <b>100.00</b>       | <b>1,204.00</b>       | <b>42,926.80</b>    | <b>573,370.00</b>     |
|               | <b>Total (i+ii)</b>   |                     | <b>188,515,960.04</b> |                     | <b>221,833,480.04</b> |

( The NAV of mutual funds as on 31.03.2012 is ₹ 1204/- and as on 31.03.2011 is ₹ 624,458/-)



# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|   | 2011-12<br>₹  | 2010-11<br>₹  |
|---|---------------|---------------|
| <b>2.12 LONG TERM LOANS AND ADVANCES</b>                      |               |               |
| <u>Other Loans and Advances (Unsecured , Considered good)</u> |               |               |
| Advance Against Property *                                    | 34,026,951.00 | 32,432,406.00 |
| Prepaid Expenses  | 558.40        | 2,540.70      |
| Prepaid Taxes   | 6,736,611.89  | 6,331,058.79  |
| Deposits  | 33,377.50     | 33,377.50     |
|   | 40,797,498.79 | 38,799,382.99 |

\* Company has booked flats and plots with various builders ,balance installment payable on these properties as on 31.03.2012 is ₹ 19.75 Lacs

|                                      | Qty               | Amount               | Qty               | Amount               |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|
| <b>2.13 INVENTORIES</b>              |                   |                      |                   |                      |
| <u>Stock-in-Trade</u>                |                   |                      |                   |                      |
| <b>i) In Quoted Shares</b>           |                   |                      |                   |                      |
| Asian Hotels (East) Ltd              | 5,000.00          | 1,446,000.00         | 5,000.00          | 1,446,000.00         |
| Power Grid Corporation Ltd.          | 776.00            | 69,840.00            | 776.00            | 69,840.00            |
| <b>Total (i)</b>                     | <b>5,776.00</b>   | <b>1,515,840.00</b>  | <b>5,776.00</b>   | <b>1,515,840.00</b>  |
| <b>ii) In Unquoted Shares</b>        |                   |                      |                   |                      |
| Accurate Ashray (P) Ltd.             | -                 | -                    | 2,800.00          | 1,400,000.00         |
| Global Dried Flowers (P) Ltd.        | -                 | -                    | 600.00            | 60,000.00            |
| Improve Tradecom (P) Ltd.            | -                 | -                    | 850.00            | 425,000.00           |
| Irish Commercial (P) Ltd.            | -                 | -                    | 3,000.00          | 300,000.00           |
| J.K. Mosun & Sons Jewellers (P) Ltd. | -                 | -                    | 400.00            | 100,000.00           |
| Jagannath Biscuits India (P) Ltd.    | -                 | -                    | 15,600.00         | 156,000.00           |
| Klene Park Ltd.                      | -                 | -                    | 14,110.00         | 1,411,000.00         |
| Liberal Vinimay (P) Ltd.             | -                 | -                    | 954.00            | 477,000.00           |
| Nib Steels (P) Ltd.                  | -                 | -                    | 7,500.00          | 1,500,000.00         |
| Nilima Marketing (P) Ltd.            | -                 | -                    | 200.00            | 100,000.00           |
| Nu Core Exports (P) Ltd.             | -                 | -                    | 7,200.00          | 720,000.00           |
| Raj Kavira Mercantile (P) Ltd.       | -                 | -                    | 6,320.00          | 632,000.00           |
| Shobhan Enterprise (P) Ltd           | 260,000.00        | 15,600,000.00        | 260,000.00        | 15,600,000.00        |
| Star Griha (P) Ltd.                  | -                 | -                    | 1,000.00          | 100,000.00           |
| Sunima Steel Marketing (P) Ltd.      | -                 | -                    | 923.00            | 184,600.00           |
| Sure Commerce (P) Ltd.               | -                 | -                    | 6,875.00          | 1,100,000.00         |
| <b>Total (ii)</b>                    | <b>260,000.00</b> | <b>15,600,000.00</b> | <b>328,332.00</b> | <b>24,265,600.00</b> |
| <b>iii) Jewellery &amp; Painting</b> |                   |                      |                   |                      |
| Jewellery & Painting *               | -                 | 30,014,300.36        | -                 | 29,839,691.36        |
| <b>Total (iii)</b>                   | <b>-</b>          | <b>30,014,300.36</b> | <b>-</b>          | <b>29,839,691.36</b> |
| <b>Total (i) + (ii) + (iii)</b>      |                   | <b>47,130,140.36</b> |                   | <b>55,621,131.36</b> |

\* Due to practical difficulties quantitative details of Jewellery cannot be given.

|                                      |           |            |
|--------------------------------------|-----------|------------|
| <b>2.14 TRADE RECEIVABLES</b>        |           |            |
| <u>(Unsecured , considered good)</u> |           |            |
| Debts Less Than 6 Months             | 90,000.00 | 768,600.00 |
|                                      | 90,000.00 | 768,600.00 |

|                                    |               |              |
|------------------------------------|---------------|--------------|
| <b>2.15 CASH AND BANK BALANCES</b> |               |              |
| <u>Balances with banks</u>         |               |              |
| On Current Account                 | 8,536,822.56  | 2109238.77   |
| <u>Other Bank Balances</u>         |               |              |
| Term deposit                       | 1,856,478.17  | 2,049,888.73 |
| Cash in hand                       | 15,028.26     | 350,005.76   |
|                                    | 10,408,328.99 | 4,509,133.26 |



# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|   | 2011-12<br>₹          | 2010-11<br>₹          |
|---|-----------------------|-----------------------|
| 2.15.1 The Company has taken lien facility on Current Account maintained with HDFC (Kolkata) against Fixed Deposit of ₹ 15.00 Lacs (excluding Accrued Interest of ₹ 0.87 Lacs ) |                       |                       |
| 2.15.2 Term Deposit Includes Interest Accrued but not due   |                       |                       |
| 2.15.3 Term deposit (Maturity - more than 3 months but less than 12months)  | 137,340.64            | 1,796,757.31          |
| Term deposit (Maturity - more than 12months)  | 1,719,137.53          | 253,131.42            |
| <b>2.16</b>   |                       |                       |
| <b>SHORT TERM LOANS AND ADVANCES</b>  |                       |                       |
| <b><u>Unsecured, Considered Good</u></b>  |                       |                       |
| Loan to Related Parties   | 157,895,989.00        | 96,804,698.00         |
| Loans to Others   | 1,187,586.00          | 14,446,999.00         |
| Advances to Staff   | 28,460.00             | 44,330.00             |
| Advances to Related Parties   | 1,744,030.00          | 134,402.00            |
| Prepaid Expenses  | 1,982.30              | 1,982.30              |
| Others  | 5,000.00              | -                     |
|   | <u>160,863,047.30</u> | <u>111,432,411.30</u> |





# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|   | 2011-12<br>₹    | 2010-11<br>₹   |
|---|-----------------|----------------|
| <b>2.17 REVENUE FROM OPERATIONS</b>   |                 |                |
| <b>Sale</b>   |                 |                |
| Share & Securities  | 14,004,149.44   | 154,811,299.25 |
| <b>Interest</b>   |                 |                |
| Interest on Loan (TDS ₹ 1,232,434/-, Previous Year ₹ 666,566/-)             | 12,351,941.00   | 6,737,679.00   |
| Interest on Fixed Deposits ( TDS ₹ 17,462.09 , Previous Year ₹ 14,973.76/-) | 154,262.67      | 129,904.28     |
| <b>Other financial services</b>   |                 |                |
| Profit/(Loss) on Future & Options   | (12,229,876.24) | (2,471,145.00) |
| Specuation Profit   | 2,334.18        | (1,558.17)     |
|   | 14,282,811.05   | 159,206,179.36 |
| <b>2.18 OTHER INCOME</b>  |                 |                |
| <b>Other Non-Operating Income</b>   |                 |                |
| Dividend on Stock   | 24,091.00       | 31,895.15      |
| Dividend on Non Current Investment  | 11,034,219.83   | 5,535,661.30   |
| Lease Rent (TDS ₹ 234,540/- , Previous Year ₹ 234,540/-)                    | 2,126,380.00    | 2,126,380.00   |
| Profit/(Loss) on Sale of Investment   | (456,921.21)    | 61,688.44      |
| Interest on IT refund   | 205,686.01      | 6,930.00       |
| Profit on Sale of Rights  | -               | 660,300.00     |
| Interest on Refund on Flat Booking ( TDS ₹ NIL, Previous Year ₹ 26,369/-)   | -               | 264,694.00     |
| Prior Period Income   | 6,523.00        | -              |
|   | 12,939,978.63   | 8,687,548.89   |
| <b>2.19 PURCHASE OF STOCK IN TRADE</b>                                      |                 |                |
| Purchase of Shares & Securities   | 5,644,646.98    | 51,155,937.12  |
| Purchase of Jewellery   | 174,609.00      | -              |
|   | 5,819,255.98    | 51,155,937.12  |
| <b>2.20 (INCREASE) / DECREASE IN THE INVENTORIES OF STOCK-IN-TRADE</b>      |                 |                |
| Inventories at the beginning of the year                                    | 55,621,131.36   | 47,207,699.11  |
| Add: Received in Amalgamation   | -               | 112,462,000.00 |
|   | 55,621,131.36   | 159,669,699.11 |
| Inventories at the end of the year  | 47,130,140.36   | 55,621,131.36  |
|   | 8,490,991.00    | 104,048,567.75 |
| <b>EMPLOYEE BENEFITS EXPENSES</b>   |                 |                |
| Salary & Bonus  | 732,738.00      | 610,910.00     |
| Contribution to Gratuity Fund   | 7,500.00        | 6,395.00       |
|   | 740,238.00      | 617,305.00     |
| <b>2.22 FINANCE COSTS</b>   |                 |                |
| Interest Expenses   | 202,452.55      | 10,118.28      |
|   | 202,452.55      | 10,118.28      |
| <b>2.23 DEPRECIATION AND AMORTIZATION EXPENSES</b>                          |                 |                |
| Depreciation and Amortization   | 116,477.90      | 211,896.37     |
|   | 116,477.90      | 211,896.37     |



# SHRADHA PROJECTS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

|  | 2011-12<br>₹  | 2010-11<br>₹ |
|--|---------------|--------------|
| <b>2.24 OTHER EXPENSES</b>   |               |              |
| a) Rates and taxes, excluding, taxes on income   | 357,516.00    | 139,648.00   |
| b) <u>Payment to Auditors</u>  |               |              |
| i) As Audit Fees   | 16,854.00     | 17,045.00    |
| ii) As Tax Audit Fees  | 3,371.00      | 3,500.00     |
| iii) In Other Capacity   | 11,030.00     | 13,236.00    |
| c) Rent  | 6,000.00      | 37,400.00    |
| d) Insurance Charges   | 1,982.30      | 3,438.20     |
| e) Miscellaneous expenses  | 769,383.32    | 192,712.84   |
| f) Income/ FBT Tax For Earlier Years   | 63.00         | 27,880.00    |
| g) Sundry Balances Written Off   | 105,480.00    | 25,912.00    |
| h) Professional Fees   | 396,456.00    | 435,045.00   |
| i) Provision on Standard Asset   | 149,240.32    | 248,468.62   |
|  | 1,817,375.94  | 1,144,285.66 |
| <b>2.25 EXCEPTIONAL ITEMS</b>  |               |              |
| Profit / (Loss) on Sale of Fixed Asset   | -             | (210,157.39) |
| Liabilities No Longer Required Written Back *  | 286,274.81    | -            |
|  | 286,274.81    | (210,157.39) |
| * Liabilities towards Religare Securities has been written back as in the opinion of the Management it was no longer required. |               |              |
| <b>2.26 TAX EXPENSES</b>   |               |              |
| a) <u>Current Tax</u>  |               |              |
| Provision for Taxation   | -             | 1,048,141.00 |
| b) <u>Deferred Tax</u>   |               |              |
| Deferred Tax Asset   | (1,983.00)    | (12,442.00)  |
| <b>2.27 EARNING PER SHARE (BASIC/DILUTED)</b>  |               |              |
| Net Profit as per Profit & Loss Statement  | 10,324,256.12 | 9,459,761.68 |
| Weighted Average Number of Equity Shares   | 7,005,414     | 6,500,414    |
| Earning per Share (Basic/ Diluted)   | 1.47          | 1.46         |



## SHRADHA PROJECTS LIMITED

### 2. Notes on Financial Statements for the Year ended 31st March, 2012

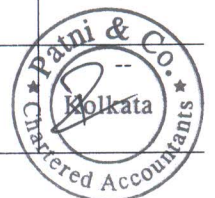
2.28 The Company has complied with the prudential norms as per NBFC's (Reserve Bank) Directions 1998 with regard to Income Recognition, Assets Classification, Accounting Standard and Provision for Bad & Doubtful Debts as applicable to it.

2.29 **Related Party Disclosure :**

Related party disclosures as required by AS-18 – 'Related Party Disclosure' are given below:

(Amount in ₹ Lacs )

| Name of the Party                  | Relationship                     | Nature of Transaction | Volume of Transaction |        | Outstanding as on |              |
|------------------------------------|----------------------------------|-----------------------|-----------------------|--------|-------------------|--------------|
|                                    |                                  |                       | 11-12                 | 10-11  | 31.03.2012        | 31.03.2011   |
| Khaitan Chemical & Fertilizer Ltd. | KMP having Significant Influence | Loan Given            | 100.00                | 100.00 | 100.00(Dr.)       | 100.00(Dr.)  |
|                                    |                                  | Rent Received         | 23.45                 | 23.45  | 0.90(Dr.)         | 7.69 (Dr.)   |
|                                    |                                  | Interest Rec.         | 19.79                 | 5.47   | --                | --           |
|                                    |                                  | Sale of Asset         | --                    | 8.00   | --                | --           |
|                                    |                                  | Purchases             | --                    | 84.00  | --                | --           |
| Indus Valley World School          | KMP having Significant Influence | Loan Given            | 577.20                | 544.07 | 1130.37 (Dr.)     | 795.36 (Dr.) |
|                                    |                                  | Interest Received     | 95.24                 | 48.55  | --                | --           |
|                                    |                                  | Advances              | .05                   | --     | .05 (Dr)          | --           |
| The Majestic Pack. Co. (P) Ltd.    | KMP having Significant Influence | Loan Given            | 7.32                  | 143.35 | 0.22 (Dr.)        | 44.72(Dr.)   |
|                                    |                                  | Interest Received     | 0.24                  | 2.45   | --                | --           |
| Tribhuvan Properties Ltd.          | KMP having Significant Influence | Loan Given/Taken      | --                    | --     | 26.77(Dr.)        | 0.45(Dr.)    |
|                                    |                                  | Interest Received     | --                    | 0.50   | --                | --           |
|                                    |                                  | Interest Paid         | 0.72                  | --     | --                | --           |
|                                    |                                  | Advances              | --                    | 0.16   | --                | --           |
| Khaitan Paper & Packaging (P) Ltd. | KMP having Significant Influence | Loan Given            | 520.30                | 274.65 | 33.31(Dr)         | 7.64 (Dr)    |
|                                    |                                  | Interest Recd         | 2.97                  | 3.05   | --                | --           |
| Arati Marketing (P) Ltd.           | KMP having Significant Influence | Loan Given/Taken      | --                    | --     | 4.68 (Dr.)        | 11.33(Cr.)   |
|                                    |                                  | Interest Received     | --                    | 1.74   | --                | --           |
|                                    |                                  | Interest Paid         | 0.35                  | --     | --                | --           |
| Arati Developers (P) Ltd           | KMP having Significant Influence | Advance               | 4.40                  | --     | 2.20 (Dr.)        | --           |





## SHRADHA PROJECTS LIMITED

|                            |                                  |                    |        |      |            |            |
|----------------------------|----------------------------------|--------------------|--------|------|------------|------------|
| Arati Real Estates (P) Ltd | KMP having Significant Influence | Advance            | 14.26  | 1.34 | 8.80 (Dr.) | 1.34 (Dr.) |
| Shradha Technopack (P) Ltd | KMP having Significant Influence | Advance            | 1.75   | --   | 1.75 (Dr.) | --         |
| Shailesh Khaitan           | KMP                              | Sale of Investment | 160.50 | --   | --         | --         |
| Swapna Khaitan             | Relative of KMP                  | Sale of Investment | 128.40 | --   | --         | --         |
| Utsav Khaitan              | Relative of KMP                  | Sale of Investment | 54.85  | --   | --         | --         |

### 2.30 Information about Primary Business Segment:

(₹ in Lacs )

| Particulars  | 2011-2012 |          |        |                 | 2010-2011 |          |        |                 |
|--|-----------|----------|--------|-----------------|-----------|----------|--------|-----------------|
|  | Shares    | Loan     | Rent   | Total           | Shares    | Loan     | Rent   | Total           |
| <b>A: REVENUE</b>  |           |          |        |                 |           |          |        |                 |
| Total Revenue  | 123.78    | 123.52   | 21.26  | 268.56          | 1,579.68  | 67.38    | 21.26  | 1,668.32        |
| <b>B: RESULT</b>   |           |          |        |                 |           |          |        |                 |
| Segment Result   | (19.32)   | 121.49   | 21.26  | 123.43          | 27.63     | 67.28    | 21.26  | 116.17          |
| Less: Unallocated Corporate Expenses net of unallocated income | --        | --       | --     | 20.25           | --        | --       | --     | 11.22           |
| Operating Profit   | --        | --       | --     | 103.18          | --        | --       | --     | 104.95          |
| Less: Tax Expenses   | --        | --       | --     | (0.02)          | --        | --       | --     | 10.36           |
| Net Profit   | --        | --       | --     | <b>103.20</b>   | --        | --       | --     | <b>94.59</b>    |
| <b>C: OTHER INFORMATION</b>                                    |           |          |        |                 |           |          |        |                 |
| Segment Assets   | 2,056.32  | 1,608.28 | 388.42 | 4,053.02        | 2,476.15  | 1,113.86 | 373.59 | 3,963.60        |
| Unallocated Corporate Assets                                   | --        | --       | --     | 436.79          | --        | --       | --     | 378.96          |
| <b>Total Assets</b>  | --        | --       | --     | <b>4,489.81</b> | --        | --       | --     | <b>4,342.56</b> |
| Segment Liabilities  | --        | 29.73    | --     | 29.73           | --        | 11.33    | --     | 11.33           |
| Unallocated Corporate Liabilities                              | --        | --       | --     | 37.77           | --        | --       | --     | 12.17           |
| <b>Total Liabilities</b>                                       | --        | --       | --     | <b>67.50</b>    | --        | --       | --     | <b>23.50</b>    |
| Depreciation   | --        | --       | --     | 1.16            | --        | --       | --     | 2.12            |
| Non-cash Expenses other than depreciation                      | --        | --       | --     | 2.59            | --        | --       | --     | 2.74            |

2.31 Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2012.

2.32 1/5<sup>th</sup> (Approx) of the Net Profit after tax has been transferred to Reserve as per as per section 45(IC) of the RBI Act, 1934.

### 2.33 Details of Contingent Liability :

The Company has given Corporate Guarantee towards a Loan of ₹ 950 Lacs raised by Garia Builders Pvt. Ltd. from Allahabad Bank (SME Branch) on the jointly held property of 5 Companies viz.

1. Garia Builders (P) Ltd.
2. Fancy Developers (P) Ltd.
3. Arati Developers (P) Ltd.
4. Garia Properties (P) Ltd.
5. Arati Real Estates (P) Ltd



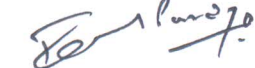
## SHRADHA PROJECTS LIMITED

### 2.34 Presentation and disclosure of financial statements.

During the year ended 31st March, 2012 the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statement. The adoption of Revised Schedule VI does not impact recognition and measurement of principle followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statement. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

As per our report of even date.

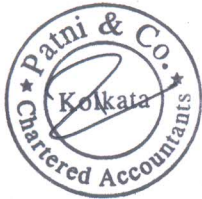
For **PATNI & CO.**  
Firm Reg.No 320304E  
CHARTERED ACCOUNTANTS



Pavel Pandya  
(Partner)  
M.No - 300667

Place: Kolkata

Date: May 30, 2012



On behalf of the Board

**SHRADHA PROJECTS LTD**



Director



Director

# SHRADHA PROJECTS LIMITED

REGISTERED OFFICE : 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016

## PROXY FORM

I/We .....

Of ..... being the member/members of SHRADHA PROJECTS LIMITED

hereby appoint ..... of .....or

failing him .....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 20<sup>th</sup> Annual General Meeting of

the Company to be held on the 29<sup>th</sup> Day of September, 2012, and at any adjournment thereof.

Signed by the said ..... this ..... day of .....2012

Reg. Folio No. ....

Affix Re 1/-  
Revenue  
Stamp

Signature of Share Holder

**NOTE :** The proxy must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

# SHRADHA PROJECTS LIMITED

REGISTERED OFFICE : 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016

|               |                      |
|---------------|----------------------|
| DPID* :       | REG. FOLIO NO. :     |
| CLIENT ID.* : | NO. OF SHARES HELD : |

## ATTENDANCE SLIP

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

I/We hereby record my/our presence at 21<sup>st</sup> Annual General Meeting of the Company held at 46C, RAFI AHMED KIDWAI ROAD, 3<sup>RD</sup> FLOOR, KOLKATA – 700 016 AT 3:30 P.M. on Saturday, the 29<sup>th</sup> Day of September, 2012.

|  |  |
|--|--|
| NAME(S) OF THE MEMBER(S)<br>(IN BLOCK LETTERS) |  |
| NAME OF THE PROXY<br>(IN BLOCK LETTER)         |  |
| SIGNATURE OF THE MEMBER(S)/ PROXY              |  |

### NOTES:

Please complete and sign the attendance slip and handover at the entrance of the meeting hall. Only Member or their proxies with this attendance slip will be allowed entry to meeting.

\* Applicable for Investors holding shares in electronic form.