

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	KANUNGO FINANCIERS LTD
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit Qualification	None
4.	Frequency of Qualification	Not Applicable
5.	To be signed by- CEO/ Managing Director CFO Auditor of the Company Audit Committee Chairman’’	

FOR, SDP & ASSOCIATES...
CHARTERED ACCOUNTANT
FIRM REG. NO. 322176E

Sd/-
PARTNER
(CA SANDEEP MOOSADDEE)
MEM. No.54318

DATE : 14.08.2013
PLACE: AHMEDABAD

FOR, KANUNGO FINANCIERS LTD

Sd/- Sd/-
DIRECTOR DIRECTOR

DATE: 14.08.2013
PLACE: AHMEDABAD

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF KANUNGO FINANCIERS LIMITED WILL BE HELD ON 30TH SEPTEMBER, 2013 AT 1.00 P.M. AT REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 and Balance sheet as at that date together with Directors Report and Auditors Report thereon.
- 2) To appoint Mr. Savita Mangla, Director who retires by rotation and being eligible offers herself for reappointment.
- 3) To consider and if thought it, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 139 (2) and 142(1) of the Companies Act 1956 the retiring Auditors **M/s. SDP & Associates, Chartered Accountants**, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting til the conclusion of the next Annual General Meeting at such Remuneration as may be determined by the Board of Directors of the Company.”

DATE : 31st AUGUST, 2013
PLACE: KOLKATA

BY ORDER OF THE BOARD

SD/-
CHAIRMAN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 25.09.2013 TO 30.09.2013 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

DATE : 31st AUGUST, 2013
PLACE: KOLKATA

BY ORDER OF THE BOARD

SD/-
CHAIRMAN

Kanungo Financiers limited
1, Gibson lane, Room No 102
Kolkata - 700069

DIRECTOR'S REPORT

Dear Members

Your directors have pleasure in presenting the **Annual Report** of your Company, along with the audited statement of accounts for the year ended **31st March, 2013**.

1 Financial Results

Profit Before Finance Cost, Depreciation and Taxation	(229,452.68)
Finance Cost	-
Depreciation	-
Profit Before Taxation	(229,452.68)
Tax Expense	-
Profit After Tax	(229,452.68)

2 Dividend

Your directors have not recommended any dividend on equity shares for the year under review.

3 Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars relating to conservation of energy are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible. There was no technology absorption and no foreign exchange earnings or outgo during the year under review. Hence the information as required under Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

4 Particulars of Employees

Particulars of employees u/s. 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 as amended by Companies (Particular of Employees) Amendment Rules, 2011 has not been given as the Company has no such employees on its roll during the period under review.

5 Directors Responsibility Statement

Pursuant to the provisions of section 217 (2AA) of the Companies Act, 1956, with respect to the Directors

- a) **Applicability of Accounting Standards** : The Annual accounts of the company have been prepared in
- b) **Adherence to the Relevant Accounting Policies** : The accounting policies have been strictly adhered to
- c) **Exercising of the due care & skill** : The directors have taken proper and sufficient care for the
- d) **Going Concern Basis** : That the annual accounts have been prepared on a going concern basis

6 Auditors

M/s. SDP & Associates, Chartered Accountants, the statutory auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The company has received letter from them to the effect that their reappointment, if made would be within the prescribed limit under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act. The Notes on financial statements referred to in the Auditor's report are self explanatory and do not call for any further comment.

7 Acknowledgement

Your director place on record their grateful thanks for the co-operation received from the employees and all the concerned of the company during the period.

For and on behalf of the Board

For Kanungo Financiers Ltd.

Director


Director

Place : Kolkata

Date : 31-08-2013

KANUNGO FINANCIERS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overall Review

The Company has started business activities again. The company have plan for the bright future. The growth of the company will be in upward directions

2. Financial Review

During the year the company has continue business activities and has incurred loss of Rs. 2.2945 Lacks.

3. Risk and Concern

Bullish trend in Equity Markets, Commodities and Real estate will affect volume and profitability of Government Securities business. Changes in rate of Interest will affect Company's Profitability.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.



SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s "Kanungo Financiers Limited".

Report on the Financial Statements

We have audited the accompanying financial statements of M/s "Kanungo Financiers Limited", which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

Opinion

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

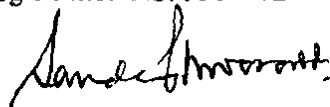
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on 31st March 2013.
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on 31st March, 2013

Report on other Legal and Regulatory Requirements

1. As per Companies (Auditor's Report) Order, 2003 ('the Order'), as amended by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give an Annexure on the matters specified in paragraph 4 and 5 of the said Order.
2. As per Section 227(3) of the Act, we report that :
 - a. we have obtained all the Information and explanations which are best to our knowledge and belief were necessary for the purpose of our Audit;
 - b. in our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of these books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in referred into sub-section (3C) of Section 211 of the Companies Act, 1956 and;
 - e. on the basis of written representation received from the directors as on 31st March 2013, and taken on records by the Board of Directors, none of the Directors are disqualified as on 31st March 2013, from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

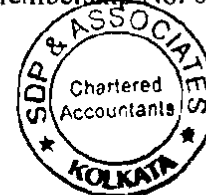
Place: Kolkata
Date: 14.3.2013

For SDP & Associates
Chartered Accountants
Firm Registration No: 322176E



CA Sandeep Moosadde
Partner

Membership No: 054318





SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

RE.: M/S. KANUNGO FINANCIERS LIMITED

Annexure to the Auditor's Report

- I) a) As per the explanation and information given to us, the company does not have any fixed asset. so we are not required to comment on the said clause
- II) a) As explained, the inventory has been verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedure of verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed during verification.
- III) a) In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of the clause 4(iii) (a to d) of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the Company.
- b) The company had taken unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum during the year was ₹ 6,90,070/- and the year end balance was ₹ 6,74,500/-





SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

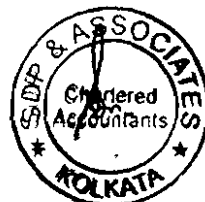
Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

- c) In our opinion and according to the information and explanation given to us, the loan is interest free. However, the terms and condition of such loan taken by the Company are not prima facie prejudicial to the interest of the Company.
- d) In our opinion and according to the information and explanation given to us, the Company does not have any agreement regarding the repayment schedule of principal as well as interest and the same is accrued on an annual basis.
- IV) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of inventory and fixed assets and for sale of goods & services.
During the course of our audit we have not noticed any continuing failure to correct major weaknesses in internal control system.
- V) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under the section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices that are reasonable having regard to the prevailing market prices at the relevant time.
- VI) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits in contravention of the provisions of section 58 and 58AA or any other relevant provisions of the Act and the rules framed there under.
- VII) As the paid up capital and reserves of the Company does not exceed ₹ 50 lakhs as at the commencement of the F.Y. and as its average annual turnover does not exceed ₹ 5 crores for a period of three consecutive F.Y. immediately preceding the F.Y. concerned, we are not required to comment on the said clause.
- VIII) The maintenance of cost records are not prescribed under section 209 (i) (d) of the Companies Act, 1956 for any products of the Company and as such we are not required to comment on the same.





SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

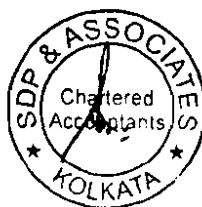
Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

- IX) a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Wealth Tax, cess and other material statutory cases. dues applicable to it. However there has been a slight delay in a few cases. No undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at last day of the financial year for a period of more than six months from the date they became payable.
- b) In our opinion and according to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Wealth Tax, Cess that have not been deposited on account of any dispute.
- X) The Company has accumulated losses of more than fifty percent of its networth at the end of the financial year. The Company has incurred cash losses of ₹ 2,29,452.68 during the financial year covered by our audit and the immediately preceding financial year is Nil.
- XI) In our opinion and according to the information & explanations given to us, the Company does not owe any dues to a financial institution, banks or debenture holders. so we are unable to comment on the Clause 4(xi) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004.
- XII) According to the information and explanations given to us and records produced before us. the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII) In our opinion, the company is not a chit fund or a nidhi / mutual benefit society / fund. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the Company.
- XIV) In respect of dealing/trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. As per the Management, the shares and other securities have been held by the company in its own name.



SDP & ASSOCIATES

Chartered Accountants

46C, Chowringhee Road, Flat No. 14G

Everest House, Kolkata - 700 071

Ph. : 91-33-3053 5007-10, 2288 2944-46

Fax : 91-33-3053 5006

E-mail : sandeep@sdpa.in

Visit us at www.sdpa.in

- XV) According to the information & explanations given to us the Company has not given guarantee for loans taken by others from banks or financial institutions.
- XVI) The company has not taken any term loans during the year, so the provisions of the clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XVII) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- XVIII) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any of the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX) According to the information and explanations given to us, the company did not issue any debentures during the year.
- XX) According to the information and explanations given to us, the Company has not raised any public issues during the year.
- XXI) Based on the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

46C Chowringhee Road,
Everest House Flat No-14G
Kolkata - 700071.

For SDP & ASSOCIATES
Chartered Accountants
Firm Registration No-322176E

Sandeep Moosadde

(CA. Sandeep Moosaddee)

Partner

M. No.54318.

Dated : The 14th day of August 2013.



M. KANUNGO FINANCIERS LTD.

1, Ghose Lane, Room No.102

Kolkata - 700 069

Balance Sheet as at 31st March, 2013

	Particulars	Notes	(Amount in ₹)	
			As on 31.03.2013	As on 31.03.2012
I.	Equity & Liabilities			
A.	Shareholder's Fund:			
	Share Capital	2	2,400,000.00	2,400,000.00
	Reserves & Surplus	3	(2,961,859.32)	(2,732,406.64)
B.	Current Liabilities:			
	Short Term Borrowings	4	867,500.00	753,000.00
	Trade payables	5	388,974.20	639,303.20
	Other Current Liabilities	6	6,800.00	3,135.00
	TOTAL		701,414.88	1,063,031.56
II.	Asset			
A.	Non- Current Assets:			
	<i>Fixed Assets</i>			
	Tangible Assets	7	-	-
	Less: Impairment		-	232.51
	Long-term loans and advances	8	2,780.00	2,780.00
B.	Current Assets:			
	Inventories	9	501,460.00	502,030.00
	Trade receivables	10	130,460.32	451,103.32
	Cash and Bank Balances	11	31,060.56	71,464.24
	Short-term loans and advances	12	35,654.00	35,654.00
	TOTAL		701,414.88	1,063,031.56
	Significant Accounting Policies	1		

The accompanying notes are an integral part of these financial statements

Signed in Terms of our
attached report of even date
For SDP & Associates
Chartered Accountants
Firm Registration No.322176E

Sandeep Moosaddee

(C.A. Sandeep Moosaddee)

Partner

M.No. 54318

Date: 14.8.2013

Place: Kolkata

For and on Behalf of the Board

For Kanungo Financiers Ltd.

Deep
Director

Director

For Kanungo Financiers Ltd.

Kanungo
Director

Director



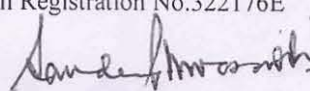
M/s. KANUNGO FINANCIERS LTD.
1, Gibson Lane, Room No.102
Kolkata - 700 069

Statement of Profit & Loss for the year ended 31st March, 2013

	Particulars	Notes	(Amount in ₹)	
			For the year ended 31.3.2013	For the year ended 31.3.2012
I.	Revenue from operation	13	160,920.00	1,170,670.00
II.	Other Income	14	292,308.75	270,115.00
III.	Loss from Derivative Dealings		-	-
IV.	TOTAL (I+II+III)		453,228.75	1,440,785.00
V.	Expenses			
	Purchases of Stock-in-Trade	15	103,988.00	862,621.00
	Changes in inventories of Stock-in-Trade	16	570.00	1,920.00
	Employee benefit expenses	17	210,000.00	210,000.00
	Depreciation		-	-
	Other Expenses	18	368,123.43	352,469.97
	TOTAL EXPENSES		682,681.43	1,427,010.97
	Profit before exceptional and extraordinary items and tax (III-IV)		(229,452.68)	13,774.03
	Less: Exceptional Items		-	-
	Profit before extraordinary items and tax		(229,452.68)	13,774.03
	Less: Extraordinary Items		-	-
	Profit Before Taxation		(229,452.68)	13,774.03
	Less: Tax Expenses			
	Current Tax		-	2,620.00
	Short Provision for earlier years		-	-
	Deferred tax		-	-
	Profit After Taxation		(229,452.68)	11,154.03
	Earning Per Share (Basic)	19	-0.96	0.05
	Earning Per Share (Diluted)		-0.96	0.05
	Significant Accounting Policies	1		

The accompanying notes are an integral part of these financial statements

Signed in Terms of our
attached report of even date
For SDP & Associates
Chartered Accountants
Firm Registration No.322176E


(C.A. Sandeep Moosaddee)
Partner

M.No. 54318
Date : 14.8.2013

Place: Kolkata



For and on Behalf of the Board

For Kanungo Financiers Ltd.


Director

Director

For Kanungo Financiers Ltd.


Director

Director

M/s. KANUNGO FINANCIERS LTD.

1, Gibson Lane, Room No.102

Kolkata - 700 069

Cash Flow Statement for the year ended 31 March, 2013

(Amount in ₹)

Particulars	As on 31.03.2013	As on 31.03.2012
I. Net Profit Before Tax and Extraordinary items	(229,452.68)	13,774.03
<u>Adjustments for non-cash and non-operating items:</u>		
Sundry balance written off	-	232.51
	-	232.51
Operating Profit/(Loss) Before Working Capital Changes:	(229,452.68)	14,006.54
<u>Adjustments for working capital changes:</u>		
(Increase)/Decrease in Inventory	570.00	1,920.00
Increase/(Decrease) in Trade payables	(250,329.00)	34,199.05
Increase/(Decrease) in Other Current Liabilities	3,665.00	2,169.00
(Increase)/Decrease in Trade receivables	320,643.00	274,698.00
	74,549.00	312,986.05
Cash Flow from Operating activities before tax:	(154,903.68)	326,992.59
Less: Income Tax paid	-	31,410.00
Cash Flow from Operating Activities: (A)	(154,903.68)	358,402.59
II. Cash Flow from Investing Activities:	-	-
Net Cash Flow from Investing activities (B)	-	-
III. Cash Flow from Financing Activities:		
Increase/(Decrease) in Loans Taken	114,500.00	340,000.00
Net Cash Flow from Financing Activities (C)	114,500.00	340,000.00
Net Cash Flow during the year (A+B+C)	(40,403.68)	18,402.59
Opening Cash and Cash equivalents	71,464.24	53,061.65
Closing Cash and Cash Equivalents	31,060.56	71,464.24

Notes

- The above cash flow statement has been prepared under the Indirect Method as set out in AS-3 on Cash Flow Statement.
- Cash and Cash Equivalents Comprise:

	As on 31.03.2013	As on 31.03.2012
Balance with Scheduled Banks In Current Account	-	-
Cash in hand (As certified by the management)	18,575.86	661.86
In Fixed Deposits as Margin Money against borrowings	12,484.70	70,802.38
	31,060.56	71,464.24

Signed in Term Of our
Attached report of even date
For SDP & Associates
Chartered Accountants
Firm Registration No.322176E

For and on Behalf of the Board of Directors

For Kanungo Financiers Ltd.

For Kanungo Financiers Ltd.

Sandeep Moosadde

[Signature]
Director

[Signature]
Director

(C.A. Sandeep Moosadde)
Partner
M.No. 54318
Date: 14.8.2013
Place: Kolkata



Director

Director

M/s. KANUNGO FINANCIERS LTD.

1, Gibson Lane, Room No.102

Kolkata - 700 069

te 1

SIGNIFICANT ACCOUNTING POLICIES :

1.1 System of Accounting

The accompanying financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006*, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical convention as a going concern.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

1.2 Use of estimates:

The presentation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.30 Revenue

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

- i. Sales are accounted for on basis of actual despatch of goods to the customers.
- ii. Items of Income/Expenditure are recognised on accrual basis and on mercantile basis. Provisions are made for all known losses and liabilities.
- iii. Income from picture shall be recognised when the right to receive the same is established as per the terms of agreement entered into by the parties.

1.40 Fixed Assets - Tangible and Intangible

Tangible Fixed Assets

Tangible Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring assets to their location and working condition inclusive of incidental expenses and financing cost till commencement of production and are net of cenvat/vat credit.

In case of revaluation of fixed asset, any revenue surplus is credited to revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of Profit and loss account. A revaluation deficit is recognised in the statement of Profit and Loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

1.50 Depreciation on Tangible Fixed Assets

Depreciation on Fixed Assets have been provided on Straight Line method (SLM)/Written down value (WDV) basis at the rates and in the manner laid down in Schedule (XIV) of the Companies Act, 1956 on prorata basis for the period of use of the assets. No depreciation is provided on credit of taxes and duties availed on purchase of capital goods.

1.60 Impairment of Tangible and Intangible Assets

An asset is considered as impaired in accordance with Accounting Standard (AS)-28 on 'Impairment of Assets', when at balance sheet date there are indications that the recoverable amount of fixed assets is lower than its carrying amount. In such cases a provision is made for the impairment losses i.e. carrying amount is reduced to the recoverable amount and is recognised in Statement of Profit & Loss. Post impairment depreciation is provided on the revised carrying value of the asset over its useful remaining life.



Borrowing Costs:

Borrowing cost includes interest, ~~amortization~~ of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from ~~foreign currency~~ borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are directly ~~attributable~~ to the acquisition or construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets for the period prior to the commencement of commercial ~~production or installation~~. All other costs are charged to revenue.

1.80 Inventories

Stock of shares, cassettes and magnetic films are valued at cost or market price whichever is lower. Stock of stationery, publicity material, print and materials purchased for sets are not considered for inventory purpose and expenses of those accounts are charged as revenue.

1.90 Investments

Investments are valued at cost of acquisition.

1.11 Employee Benefits

Liability in respect of employee benefits is provided and/or funded and charged to the Statement of Profit and Loss as follows:

Short Term Employee Benefits

Short -Term employee benefits are recognized in the Statement of Profit and Loss of the year in which the related services is rendered.

Long Term Employee Benefits

Gratuity:

Gratuity is accounted for on cash basis.

Leave Encashment:

Leave encashment is accounted for on cash basis.

Defined Contribution Plan

Provident Fund/Family Pension

No contribution to Provident Fund made since the law relating to applicability of the provisions relating to Provident Fund was not applicable for the period.

1.12 Tax Provision

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for corporate dividend tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

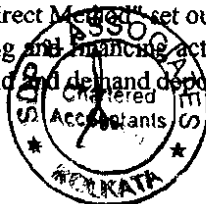
The deferred tax for timing difference between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date in accordance with Accounting Standard AS-22 on "Accounting for taxes on income". Deferred Tax Asset arising mainly on account of brought forward losses and unabsorbed depreciation is recognised, only if there is a virtual certainty of its realisation, as per management's estimate of future taxable income. Deferred tax asset on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each balance sheet date, carrying amount of deferred asset/liability shall be reviewed and the necessary adjustment to asset or liability shall be made.

1.13 Earnings per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard AS-20 on 'Earnings per Share'. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

1.14 Cash Flow Statement

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard (AS)-3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.



Miscellaneous

Miscellaneous Expenditure is written off to the Statement of Profit & Loss in the year in which it is incurred in accordance with Accounting Standard "AS-26" on "Accounting for Intangible Assets"

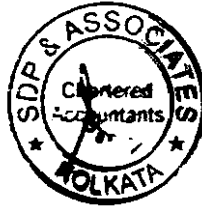
1.16 Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has a present obligation as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the Company.

The company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

1.17 Other Accounting Policies

These are consistent with generally accepted accounting principles.



Notes to the Balance Sheet

		(Amount in ₹)	
		As on 31.03.2013	As on 31.03.2012
Note - 2			
Share Capital			
A. Authorised Capital			
240,000 (P.Y. 240000) Equity Shares of ₹ 10/- each		2,400,000.00	2,400,000.00
		2,400,000.00	2,400,000.00
B. Issued, Subscribed & Paid up Capital			
240,000 (P.Y. 240000) Equity Share of ₹ 10/- each fully paid		2,400,000.00	2,400,000.00
		2,400,000.00	2,400,000.00

C. Statement of Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

		As on 31.03.2013	As on 31.03.2012
Outstanding at the beginning of the year		240,000	240,000.00
Add: Issued during the year:		-	-
		240,000	240,000.00
Less: Bought Back During the year			-
		240,000	240,000.00

D. Rights, preferences and Restrictions attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E. List of Share holders holding more than 5% shares in the company

Sl No	Name Of Shareholder	As on 31.03.2013		As on 31.03.2012	
		No. Of Shares		No. Of Shares Held	
		Held	% age		%age
1	Savita Rani Mangala	47100	19.63	47100	19.63
2	Tapati Sen	15010	6.25	15010	6.25

		(Amount in ₹)	
		As on 31.03.2013	As on 31.03.2012
Note - 3			
Reserves & Surplus			
Surplus in Statement of Profit & Loss			
As per last Balance Sheet		(2,732,406.64)	(2,743,560.67)
Add: Profit during the year		(229,452.68)	11,154.03
Closing Balance		(2,961,859.32)	(2,732,406.64)
		(2,961,859.32)	(2,732,406.64)



	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 4		
Short Term Borrowings		
Unsecured		
Loans and Advances from Related parties (Refer Note 22)	674,500.00	560,000.00
Other loans and advances	193,000.00	193,000.00
	867,500.00	753,000.00

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 5		
Trade payables		
Micro and Small enterprises	-	-
Goods and Services	388,974.20	639,303.20
	388,974.20	639,303.20
5.1 Disclosures under the Micro, Small & Medium Enterprise Development Act, 2006		
Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and/ or interest and accordingly no additional disclosures have been made.		

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 6		
Other Current Liabilities		
Advance From Customers	-	3,135.00
Statutory Dues Payable	6,800.00	-
	6,800.00	3,135.00

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 8		
Long-term loans and advances		
Unsecured, considered good		
Security Deposit	2,780.00	2,780.00
	2,780.00	2,780.00

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 9		
Inventories		
Stock of Shares	501,460.00	502,030.00
	501,460.00	502,030.00

(For mode of valuation refer Note 1.80)



	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 10		
Trade receivables		
Unsecured, considered good		
For a period exceeding six months	108,330.32	117,300.32
Other Debts	22,130.00	333,803.00
	130,460.32	451,103.32

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 11		
Cash and Bank Balances		
Cash & Cash Equivalents		
Cash on hand	18,575.86	661.86
Balance with Bank Accounts		
In Current A/c		
Andhra Bank	5,083.35	55,469.74
Andhra Bank - KFL	7,401.35	15,332.64
	31,060.56	71,464.24

	(Amount in ₹)	
	As on 31.03.2013	As on 31.03.2012
Note - 12		
Short-term loans and advances		
(Unsecured & Considered good)		
Other loans and advances		
Advance income tax (Net of provision of taxes)	35,654.00	35,654.00
	35,654.00	35,654.00

Notes to Statement of Profit & Loss		
	(Amount in ₹)	
	2012-2013	2011-2012
Note - 13		
Revenue from operation		
Sale of Product	148,920.00	1,170,670.00
Sale of Shares	-	-
Sale of Services		
Income from pictures (Gross) (TDS ₹ Nil, P.Y. ₹ Nil/-)	12,000.00	-
	160,920.00	1,170,670.00
Details of Products Sold		
Cassettes	148,920.00	1,170,670.00
	148,920.00	1,170,670.00



	(Amount in ₹)	
	2012-2013	2011-2012
Note - 14		
<u>Other Income</u>		
Commission received (TDS ₹ 0/- P.Y. ₹ 27012/-)	52,664.75	270,115.00
Sundry balances Written off	239,644.00	
	292,308.75	270,115.00

	(Amount in ₹)	
	2012-2013	2011-2012
Note - 15		
<u>Purchases of Stock-in-Trade</u>		
Purchase of Cassettes	103,988.00	862,621.00
Purchase of Shares	-	-
	103,988.00	862,621.00

	(Amount in ₹)	
	2012-2013	2011-2012
Note - 16		
<u>Changes in inventories of Stock-in-Trade</u>		
Opening Stock		
Shares	502,030.00	503,950.00
Less: Closing Stock		
Shares	501,460.00	502,030.00
	570.00	1,920.00

	(Amount in ₹)	
	2012-2013	2011-2012
Note - 17		
<u>Employee benefit expenses</u>		
Salaries and Wages	210,000.00	210,000.00
	210,000.00	210,000.00

	(Amount in ₹)	
	2012-2013	2011-2012
Note - 18		
<u>Other Expenses</u>		
a. <u>Selling Expenses</u>		
Advertisement & Publicity	1,440.00	1,320.00
	(a) 1,440.00	1,320.00
b. <u>Administrative Expenses</u>		
Auditors Remuneration	7,865.20	7,865.20
Bank Charges	1,250.12	793.72
Delivery Charges	-	1,520.00
Demat Charges	-	500.00
Entertainment Expense	-	1,965.00
Filing Fees	8,300.00	11,355.00
Impairment Loss	-	232.51



Legal & Professional Charges	274,625.00	94,735.90
Membership & Subscription Fees	3,384.00	3,336.00
General Charges	-	201.00
Representative charges	2,200.00	2,200.00
Printing & Stationery	-	-
Rates & Taxes	5,250.00	5,250.00
Service Charges	-	16,500.00
Sundry Balance written off	-	104,900.00
Telephone & Internet	63.00	7,691.64
Travelling Expenses	63,746.11	92,104.00
(b)	366,683.43	351,149.97
(a+b)	368,123.43	352,469.97

19 Deferred tax

Pursuant to Accounting Standard -22 relating to "Accounting for Taxes on Income", the Company has not recognised Deferred Tax Assets of ₹ 70,901/- on account of depreciation and brought forward losses since the management is not virtually certain about the future profitability of the concern and thus is in no position to provide an estimate of taxable income for future years as per existing provisions of the law.

Particulars	Deferred Tax Asset	Deferred Tax Liability	Amount
Opening Balance as on 31.3.2012	-	-	-
During the year			
Carried forward losses	70900.88	-	70900.88
Net deferred tax asset	-		70900.88

20 Calculation Of Basic & Diluted Earning Per Share:

Particulars	2012-2013	2011-2012
Profit available to equity shareholders (₹)	(229,452.68)	11,154.03
No of weighted average share outstanding (Nos.)	240,000.00	240,000.00
No of Potential weighted average Equity Shares outstanding (Nos.)	240,000.00	240,000.00
Basic EPS (in ₹)	(0.96)	0.05
Diluted EPS (in ₹)	(0.96)	0.05

21 Note to Other Expenses

Payment to Auditors	(Amount in ₹)	
	2012-2013	2011-2012
Statutory Audit Fees	7,865.20	7,865.20
Certification/Others	-	-
	7,865.20	7,865.20

22 Related Party Disclosure

List of related parties where control exists-None

22.1 Name of the related parties with whom the transactions were carried out during the year.

Name of the Related Party	Relationship
Jitander Kumar Garg	Key Managerial Personnel
Ashoka Industrial Ampoules Mfg Co.	Enterprises Owned or significantly Influenced by KMP or their relatives
Ashoka Mfg Co. & Agencies	Enterprises Owned or significantly Influenced by KMP or their relatives



22.2 Transaction during the year with related parties

Nature of Transaction	Enterprises Owned or significantly Influenced by KMP or their relatives	KMP	Relative of KMP	Total
Purchases	4,238.00	-	-	4,238.00
Previous Year	(53,920.00)	-	-	(53,920.00)
Remuneration	-	210,000.00	-	210,000.00
Previous Year	-	(210,000.00)	-	(210,000.00)
Loans Taken	445,570.00	19,500.00	-	465,070.00
Previous Year	(300,000.00)	-	-	(300,000.00)
Loans Repaid	350,570.00	-	-	350,570.00
Previous Year	(640,000.00)	-	-	(640,000.00)

22.3 Year end balances with related parties:

Name	Balance as at 31st March, 2013	Nature	Balance as at 31st March, 2012	Nature
Jitander Kumar garg	19,500.00	Cr.	-	
Ashoka Industrial Ampoules Mfg Co. - Loan	465,000.00	Cr.	375,000.00	Cr.
Ashoka Mfg Co. & Agencies - Loan	190,000.00	Cr.	185,000.00	Cr.

23 Contingent Liabilities and Commitments:

Particulars	(Amount in ₹ Lacs)	
	31st March 2013	31st March 2012
Claims not acknowledged as debts in respect of Court case pending.	12.00	12.00

There is a case going on between the Company and Zee News Ltd regarding the rights of two films "Matir Manush" and "Santan". The other party had paid ₹ 12 lacs out of the total consideration of ₹ 48 lacs in earlier years and has disputed the balance amount due to technical reasons. The other party has also raised a counter claim for advance already paid. Pending, settlement of the case, the booking of income and/or reversal of income has been postponed.

24 The Balance of Sundry Debtors, Advances Recoverable & Sundry Creditors are subject to their confirmation.

25 The Company is the proprietor of "BBM Group of Production" under which the films are produced and distributed.

26 No provision for payment of gratuity has been made since none of the employees has rendered continuous service for five years or more.

27 Due to the unavailability of the market price in respect of following listed shares, the valuation of stock of shares have been taken at cost.

Trimurti Fertilizer Ltd.
MFL Housing Finance Ltd

28 In the opinion of Management and to the best of their knowledge and belief the value of realisation of Loans, Advances and Current

Assets in ordinary course of Business will not be less than the amount for which they are stated in the Balance Sheet.

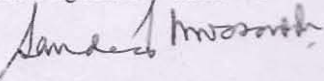
29 There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), as it is not probable that the outflow of resources embodying economic benefits will be required.



30 The previous financial year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary.

31 Other information N.A.

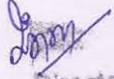
Signed in Term Of our
Attached report of even date
For SDP & Associates
Chartered Accountants
Firm's Registration No.322176E


(C.A. Sandeep Moosaddee)

Partner
Date: 14.8.2015



For and on Behalf of the Board of Directors

~~For~~ Kanungo Financiers Ltd.

Director

Director

~~For~~ Kanungo Financiers Ltd.

Director

Director

PROXY FORM

Name of the member (s):	E-mail Id:
	No. of shares held
Registered address:	Folio No.
	DP ID*.
	Client ID*.

* Applicable for investors holding shares in electronic form.

I/We being the member(s) of the above named Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2013 at 10:00 P.M. at 1, Gibson Lane, Room No. 102, 1st Floor, Kolkata -700 069 West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1			
2			
3			

4			
---	--	--	--

** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this day of..... 2013

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....

Signature of Proxy holder(s) (3).....

Affix
Revenue
Stamp not
less than
Re.0.15

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
5. Please complete all details including details of member(s) in above box before submission.

KANUNGO FINANCIERS LIMITED

REGISTERED OFFICE: 1, GIBSON LANE, ROOM NO. 102, 1ST FLOOR, KOLKATA -700 069
WEST BENGAL

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the member attending.....

Full Name of the first Joint-holder.....

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy.....

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting of the Company held on Monday, the 30th day of September, 2013 at 1:00 P.M. at 1, Gibson Lane, Room No. 102, 1st Floor, Kolkata -700 069 West Bengal.

Ledger Folio No.....

No. of Share held.....

.....
Member's/Proxy's Signature
(To be signed at the time of handling over the slip)

KANUNGO FINANCIERS LIMITED

REGISTERED OFFICE: 1, GIBSON LANE, ROOM NO. 102, 1ST FLOOR, KOLKATA -700 069
WEST BENGAL

PROXY

I/We.....of.....
..... in the district
of..... being a Member / Members of
KANUNGO FINANCIERS LIMITED hereby appoint
..... of
.....in the district of or
..... failing him,.....
..... of
..... in the district of
..... as my /

our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company held on Monday, the 30th day of September, 2013 at 01:00 A.M. at 1, Gibson Lane, Room No. 102, 1st Floor, Kolkata -700 069 West Bengal and at any adjournment thereof.

Signed this day of2013.

Ledger Folio No.....

No. of Shares held.....

(Signature of Member)

Note :Proxy must be deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.