**JAHNVI MOTOR PRIVATE LIMITED**

**BALANCE SHEET AS AT 31.03.2014**

| | Note | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| **A EQUITY AND LIABILITIES** | | | |
| **1 Shareholders' Funds** | | | |
| (a) Share Capital | 3 | **151** | 151 |
| (b) Reserves and Surplus | 4 | **161** | (100) |
| | | **312** | 51 |
| **2 Non-Current Liabilities** | | | |
| (a) Long-Term Borrowings | 5 | **390** | 395 |
| (b) Other Long - Term Liabilities | 6 | **227** | 144 |
| | | **617** | 539 |
| **3 Current Liabilities** | | | |
| (a) Short-Term Borrowings | 7 | **368** | 958 |
| (b) Trade Payables | 8 | **69** | 39 |
| (c) Other Current Liabilities | 9 | **819** | 702 |
| (d) Short-Term Provisions | 10 | **46** | - |
| | | **1,302** | 1,699 |
| | | **2,231** | 2,289 |
| **B ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | **343** | 363 |
| (b) Long-Term Loans and Advances | 12 | **6** | 2 |
| | | **349** | 365 |
| **2 Current Assets** | | | |
| (a) Inventories | 13 | **1,260** | 1,348 |
| (b) Trade Receivables | 14 | **23** | 116 |
| (c) Cash and Cash Equivalents | 15 | **259** | 147 |
| (d) Short-Term Loans and Advances | 16 | **269** | 238 |
| (e) Other Current Assets | 17 | **71** | 75 |
| | | **1,882** | 1,924 |
| Accompanying notes form part of the financial statements | | **2,231** | 2,289 |

For and on behalf of the Board

"To be read with my report of even date"

K.P.Ramasamy
Director

A.Vetrivel
Chartered Accountant

A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813

KPD Sigamani
Director

P.Nataraj
Director

Coimbatore
07.05.2014

**JAHNVI MOTOR PRIVATE LIMITED**
**STATEMENT OF PROFIT AND LOSS**
**FOR THE YEAR ENDED 31.03.2014**

| | Note | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| **I. Revenue from Operations** | 18 | **10,029** | **6,743** |
| Less: Excise Duty | | - | - |
| **Revenue from Operations (Net)** | | **10,029** | **6,743** |
| II. Other Income | 19 | 6 | 2 |
| **III. Total Revenue** | | **10,035** | **6,745** |
| **IV. Expenses** | | | |
| Cost of Materials Consumed | 20 | 491 | 397 |
| Purchase of Stock-in-Trade | | 8,176 | 6,680 |
| Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade | 21 | 88 | (921) |
| Employee Benefits Expenses | 22 | 154 | 114 |
| Finance Costs | 23 | 151 | 122 |
| Depreciation and Amortization Expenses | 11 | 72 | 63 |
| Other Expenses | 24 | 587 | 353 |
| **Total Expenses** | | **9,719** | **6,808** |
| V. Profit Before Tax | | 316 | (63) |
| Tax Expense | | | |
| 1. Current Tax Expense for Current Year | | 60 | - |
| 2. Less: MAT Credit Entitlement | | 6 | - |
| Net Tax Expenses | | 55 | - |
| VI. Profit for the year | | **261** | **(63)** |
| VII. Earnings per equity share of ₹ 10 each | | | |
| 1. Basic & Diluted (in ₹) | | 17.30 | (4.17) |

Accompanying notes form part of the financial statements

For and on behalf of the Board

To be read with my report of even date

A.Vetrivel
Chartered Accountant

K.P.Ramasamy
Director

A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
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KPD Sigamani
Director

P.Nataraj
Director

Coimbatore
07.05.2014

**JAHNVI MOTOR PRIVATE LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

(₹ in Lakhs)

| PARTICULARS | | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit Before Tax | | **316** | **(63)** |
| Depreciation | | 72 | 63 |
| (Profit) / Loss on Sale of Assets | | 6 | - |
| Finance Costs | | 151 | 122 |
| **Operating profit before Working Capital adjustments** | | **545** | **122** |
| (Increase) / Decrease in Sundry Debtors | | 93 | (92) |
| (Increase) / Decrease in Loans and Advances | | (35) | 59 |
| (Increase) / Decrease in Inventories | | 88 | (921) |
| (Increase) / Decrease in Other Current Assets | | 4 | (75) |
| Increase / (Decrease) in Current Liabilities | | 202 | 434 |
| **Cash Generated from Operations** | | **897** | **(473)** |
| Net Income Tax (Paid) / Refunds | | (20) | 2 |
| **Net Cash from Operating Activities** | **(A)** | **877** | **(471)** |
| | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of Fixed Assets | | (46) | (325) |
| Proceeds from Sale of Fixed Assets | | 32 | - |
| **Net Cash flow used in Investing Activities** | **(B)** | **(14)** | **(325)** |
| | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from Share Capital | | - | 65 |
| Repayment of Long-Term Borrowings | | (65) | (209) |
| Proceeds from Other Short-Term Borrowings | | - | 1102 |
| Repayment of Other Short-Term Borrowings | | (590) | - |
| Finance Costs | | (96) | (117) |
| **Net Cash used in Financing Activities** | **(C)** | **(751)** | **841** |
| Net Increase in Cash and Cash Equivalents | **(A+B+C)** | 112 | 45 |
| Opening Balance of Cash and Cash Equivalents | | 147 | 102 |
| **Cash and cash equivalents at the end of the year** | | **259** | **147** |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | |
| Cash and cash equivalents (Refer Note 16) | | **259** | **147** |
| Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements | | | |
| - Balances held as margin money or security against borrowings, guarantees and other commitments | | - | - |
| **Cash and cash equivalents at the end of the year** | | **259** | **147** |

For and on behalf of the Board

"To be read with my report of even date"

K.P.Ramasamy
Director

A.Vetrivel
Chartered Accountant

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Phone : 2495760, 4378813

KPD Sigamani
Director

P.Nataraj
Director

Coimbatore
07.05.2014

## 1 Company Overview

Jahnvi Motor Private Limited is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. The Company's main objects is to carry on the business of trading, authorised distributors, in all kinds of automobiles such as Cars, Jeeps, Motor Cycles, Buses, Tractors, Trailers, Aircrafts etc., Presently the Company is appointed as authorised dealers for AUDI cars of M/s VOLKS WAGEN GROUP SALES INDIA PVT. LTD, Coimbatore.

## 2 Significant Accounting Policies

A) BASIS OF ACCOUNTING

(i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

(ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

C) FIXED ASSETS AND DEPRECIATION

i) Fixed assets and intangibles are stated at cost less accumulated depreciation. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use.

ii) Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

iii) Expenditure during construction period in respect of new projects is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects

iv) Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

D) CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

**Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

E) INVENTORIES

Items of Inventories are valued at lower of cost or net realizable value.

F) REVENUE RECOGNITION

Sales includes sale of Traded Goods and Services. Revenue from sale of Traded Goods and Services are recognized when the property in goods/service are invoiced/delivered.

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

G) RETIREMENT BENEFITS

(a) Short Term

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

(b) Long Term Post Retirement

Post Retirement Benefits comprise of Provident Fund and Gratuity which are accounted for as follows:

1.Provident Fund

This is a defined contribution plan, and contributions made to the Fund are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

2.Gratuity

Provision made in the accounts.

3.Leave encashment

There is no scheme for encashment of unavailed leave on retirement.

H) FOREIGN EXCHANGE TRANSACTIONS

Foreign Currency Transactions are recorded at the rates prevailing at the date of transaction. The premium paid on forward contracts has been recognised in the year of payment. the increase/decrease arising out in respect of fixed assets is adjusted to the cost of fixed assets and in respect of others is charges to revenue account, at the year end.

I) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

J) TAXATION

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

K) LEASE

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

**JAHNVI MOTOR PRIVATE LIMITED**

## Notes forming part of the Financial Statements

| | | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| 3 | **SHARE CAPITAL** | | |
| | **Authorised Share Capital** | | |
| | 20,00,000 (Pr.Yr.20,00,000) Equity Shares of ₹10 each | 200 | 200 |
| | | **200** | **200** |
| | **Issued, Subscribed & Paid up Capital** | | |
| | 15,10,000 (Pr.Yr.15,10,000) Equity Shares of ₹10 each | 151 | 151 |
| | | **151** | **151** |

3.1 Term / Rights to Shares

**Equity Shares:** As per the provisions of the Companies Act,1956 and Articles of Association of the Company.

3.2 **Reconciliation of Shares outstanding at the beginning and at the end of the reporting period:**

| **Equity Shares** | As at 31.03.2014 | | As at 31.03.2013 | |
|---|---|---|---|---|
| **Particulars** | Number of shares | (₹ in Lakhs) | Number of shares | (₹ in Lakhs) |
| At the beginning of the period | 15,10,000 | 151 | 10,000 | 1 |
| Issued during the period | - | - | 15,00,000 | 150 |
| Outstanding at the end of the period | 15,10,000 | 151 | 15,10,000 | 151 |

3.3 **Details of Shareholders holding more than 5% shares in the company**

| **Particulars** | Number of shares | % | Number of shares | % |
|---|---|---|---|---|
| M/s K P R Mill Limited | 15,10,000 | 100% | 15,10,000 | 100% |

| | | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| 4 | **RESERVES AND SURPLUS** | | |
| | **Surplus in Statement of Profit and Loss** | | |
| | Opening Balance | (100) | (37) |
| | Profit for the year | 261 | (63) |
| | Loss from Prior Period | - | |
| | | - | - |
| | Closing Balance | 161 | (100) |
| | | **161** | **(100)** |
| 5 | **LONG TERM BORROWINGS** | | |
| | **From Banks Secured** | | |
| | Term Loans | 390 | 395 |
| | | **390** | **395** |

5.1 For Term Loans, the first charge on fixed assets is given to the Bank.
5.2 Loan amounting to Rs 450 Lakhs (Pr. Yr Rs 515 Lakhs) is repayable in 16 quarterly instalments.
5.3 Interest rate relating to term loan from bank is 13.00%.
5.4 The Company has not defaulted in its repayments of the loans and interest.

| | | | |
|---|---|---|---|
| 6 | **OTHER LONG TERM LIABILITIES** | | |
| | Loan from Holding Company | 227 | 144 |
| | | **227** | 144 |

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25020
CHARTERED ACCOUNTANT

| | | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| 7 | **SHORT TERM BORROWINGS** | | |
| | **Secured** | | |
| | Loans repayable on Demand from Other Parties | 368 | 958 |
| | | **368** | **958** |
| 8 | **TRADE PAYABLES** | | |
| | Other than Acceptance | 69 | 39 |
| | | **69** | **39** |
| 9 | **OTHER CURRENT LIABILITIES** | | |
| | **Current Maturities of** | | |
| | i) Term Loan | 60 | 120 |
| | Interest accrued and due on borrowings | 1 | 1 |
| | Advance Received from Customers | 578 | 326 |
| | Advance Received from Related Parties | - | 81 |
| | Other Liabilities (Sales Tax) | 179 | 174 |
| | | **819** | **702** |
| 10 | **SHORT TERM PROVISIONS** | | |
| | Provision for Income Tax | 46 | - |
| | | **46** | **-** |
| | * Net of Advance Tax ₹ 14 Lakhs (Pr Yr ₹ Nil) | | |

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

## JAHNVI MOTOR PRIVATE LIMITED

### 11. TANGIBLE ASSETS

(₹ in Lakhs)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as on 01.04.2013 | Addition | Deletion | Cost as on 31.03.2014 | Upto 01.04.2013 | For the Year | Withdrawn on Deletion | Upto 31.03.2014 | As on 31.03.2014 | As on 31.03.2013 |
| Land | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Buildings - Factory | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Buildings - Non Factory | 111 | - | - | 111 | 37 | 37 | - | 74 | 37 | 74 |
| | *111* | - | - | *111* | - | *37* | - | *37* | *74* | *111* |
| Plant & Machinery | 137 | 4 | - | 141 | 12 | 14 | - | 26 | 115 | 125 |
| | *4* | *133* | - | *137* | - | *12* | - | *12* | *125* | *4* |
| Electrical | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fixtures | 41 | 2 | - | 43 | 2 | 3 | - | 5 | 38 | 39 |
| | - | *41* | - | *41* | - | 2 | - | 2 | *39* | - |
| Computers & Accessories | 12 | 1 | - | 13 | 2 | 2 | - | 4 | 9 | 10 |
| | - | *12* | - | *12* | - | 2 | - | 2 | *10* | - |
| Vehicles | 125 | 79 | 40 | 164 | 10 | 16 | 6 | 20 | 144 | 115 |
| | - | *125* | - | *125* | - | *10* | - | *10* | *115* | - |
| **Total** | **426** | **86** | **40** | **472** | **63** | **72** | **6** | **129** | **343** | **363** |
| Previous Year | ***115*** | ***311*** | - | ***426*** | - | ***63*** | - | ***63*** | ***363*** | ***115*** |

A. VETRIVEL, B.Sc., F.C.A. * CHARTERED ACCOUNTANT * COIMBATORE - 12 M.No. 25028

| | | As at 31.03.2014 | As at 31.03.2013 |
|---|---|---|---|
| | | (₹ in Lakhs) | |
| 12 | **LONG TERM LOANS AND ADVANCES** | | |
| | Advance Tax | - | 2 |
| | | - | 2 |
| | **MAT Credit Entitlement** | | |
| | Opening Balance | - | - |
| | Changes during the year | 6 | - |
| | Closing Balance | 6 | - |
| | | **6** | **2** |
| 13 | **INVENTORIES** | | |
| | Stock-in-trade | 1260 | 1348 |
| | | **1260** | **1348** |
| 14 | **TRADE RECEIVABLES** | | |
| | **Unsecured and Considered good** | | |
| | Over six months from the payment due date | - | - |
| | Others | 23 | 116 |
| | | **23** | **116** |
| 15 | **CASH AND CASH EQUIVALENTS** | | |
| | (a) Cash on Hand | 3 | 10 |
| | (b) Balance with Banks | | |
| | i) In Current Accounts | 256 | 137 |
| | | **259** | **147** |
| 16 | **SHORT TERM LOANS AND ADVANCES** | | |
| | **Unsecured and Considered good** | | |
| | Loans and Advances Others | 143 | 163 |
| | Advance for Purchase | 8 | 3 |
| | Others (Primarily Rent Advance) | 118 | 72 |
| | | **269** | **238** |
| 17 | **OTHER CURRENT ASSETS:** | | |
| | Income Receivables (Primarily Incentives) | 71 | 75 |
| | | **71** | **75** |

A.VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

**JAHNVI MOTOR PRIVATE LIMITED**
**Notes Forming part of the Financial Statements**

| | | Year Ended | |
|---|---|---|---|
| | | 31.03.2014 | 31.03.2013 |
| | | (₹ in Lakhs) | |
| 18 | **REVENUE FROM OPERATIONS** | | |
| | Sale of Products | 8,923 | 6,292 |
| | Sale of Service | 135 | 403 |
| | Other Operating Income | 971 | 48 |
| | | 10,029 | 6,743 |
| 18.1 | **Sale of Products** | | |
| | Car | 8,923 | 6,292 |
| | | 8,923 | 6,292 |
| 18.2 | **Sale of Service** | | |
| | Car Service | 135 | 403 |
| | | 135 | 403 |
| 18.3 | **Other Operating Income** | | |
| | Others (Primarily Tactical Support) | 971 | 48 |
| | | 971 | 48 |
| 19 | **OTHER INCOME** | | |
| | Miscellaneous Income | 6 | 2 |
| | | 6 | 2 |
| 20 | **COST OF MATERIALS CONSUMED** | | |
| | **a) Opening Stock** | | |
| | | - | - |
| | **b) Add: Purchases** | | |
| | Parts Purchase & Others (Consumption) | 491 | 397 |
| | | 491 | 397 |
| | **c) Less : Closing Stock** | | |
| | | - | - |
| | | 491 | 397 |

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

| | | Year Ended | |
|---|---|---|---|
| | | 31.03.2014 | 31.03.2013 |
| | | (₹ in Lakhs) | |
| 21 | **CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE** | | |
| | **A) OPENING STOCK** | | |
| | Finished Goods | 1,348 | 427 |
| | | 1,348 | 427 |
| | **B) CLOSING STOCK** | | |
| | Finished Goods | 1,260 | 1,348 |
| | | 1,260 | 1,348 |
| | | **88** | **(921)** |
| 22 | **EMPLOYEE BENEFITS EXPENSES** | | |
| | Salaries, Wages & Bonus | 116 | 105 |
| | Contribution to Providend Fund & Other Funds | 6 | 2 |
| | Welfare Expenses | 32 | 7 |
| | | 154 | 114 |
| 23 | **FINANCE COSTS** | | |
| | a) Interest Expense on: | | |
| | Term Loans | 64 | 69 |
| | Working Capital Loans | 85 | 52 |
| | Others: | | |
| | Bank Charges | 2 | 1 |
| | | 151 | 122 |
| 24 | **OTHER EXPENSES** | | |
| | **Manufacturing Expenses** | | |
| | Power & Fuel | 11 | 14 |
| | Insurance Charges | 12 | 8 |
| | **Repairs and Maintenance** | | |
| | Building | 4 | 7 |
| | Others | 27 | 24 |
| | **Administration Expenses** | | |
| | Professional Fees | 2 | 6 |
| | Rent | 106 | 93 |
| | Rates & Taxes | 18 | 3 |
| | Audit Fees | 1 | - |
| | Loss on Sale of Fixed Assets (Net) | 6 | - |
| | Travelling Expenses | 18 | 23 |
| | General Expenses | 23 | 22 |
| | **Selling Expenses** | | |
| | Freight & Forwarding | 1 | 1 |
| | Other Selling expenses | 358 | 152 |
| | | **587** | **353** |

JAHNVI MOTOR PRIVATE LIMITED

**25** Payment to Auditors

(₹ in Lakhs)

| Particulars | 2013-14 | 2012-13 |
|---|---|---|
| Audit Fees | 0.50 | 0.20 |
| Expenses (incl. Service Tax) | 0.06 | 0.02 |
| Total | 0.56 | 0.22 |

**26** Micro, Small and Medium Enterprises

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these Financial Statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

**27** Related Party disclosures

In accordance with Accounting Standard 18 – "Related Party Disclosure", the company has compiled the required information as detailed below, as identified and disclosed by the management and relied upon by the Auditors:

**27.1** Name of related parties and nature of relationship where control exists are as under

| | |
|---|---|
| Holding Company | M/s. K.P.R.Mill Limited |
| Key Management Personnel | Sri K.P.Ramasamy<br>Sri KPD Sigamani<br>Sri P.Nataraj<br>Sri C.R.Anandakrishnan |
| Enterprises owned or significantly influenced by key management personnel/Directors or their relatives | M/s K.P.R.Developers Limited<br>M/s K P R Cements Private Limited<br>M/s K P R Holdings Private Limited<br>M/s K P R Agro Farms Private Limited<br>M/s K.P.R.Charities<br>M/s K.P.R.Sugar Mill Limited |

**27.2** Transactions during the year with related parties / Key Management Personnel are as under

(₹ in Lakhs)

| Nature of Transaction | Enterprises owned or significantly influenced by key management personnel / Directors or their relatives | Relatives to Key Managerial Persons | Holding Company | Total as on 31/03/2014 |
|---|---|---|---|---|
| Sales of Goods / Asset | 52 | - | - | 52 |
| | - | (44) | - | (44) |
| Investments | - | - | 151 | 151 |
| | - | - | (151) | (151) |
| Amount Payable | - | - | 227 | 227 |
| | - | (81) | (144) | (225) |

(Previous year figures are in Brackets)

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

**27.3** Details of major transactions with related parties

a.Sales of Goods (₹ in Lakhs)

| Name | 2013-14 | 2012-13 |
|---|---|---|
| Smt.Kalpana Anand | - | 44 |
| M/s K P R Holdings Private Limited | 52 | - |
| Total | 52 | 44 |

b.Investments (₹ in Lakhs)

| Name | 2013-14 | 2012-13 |
|---|---|---|
| M/s.K.P.R.Mill Limited | 151 | 151 |
| Total | 151 | 151 |

c.Amount Payable (₹ in Lakhs)

| Name | 2013-14 | 2012-13 |
|---|---|---|
| M/s.K.P.R.Mill Limited | 227 | 144 |
| Sri.K.P.Ramasamy | - | 81 |
| Total | 227 | 225 |

**27.4** Earnings Per Share (EPS)

| Particulars | 2013-14 | 2012-13 |
|---|---|---|
| Profit After Tax (₹ in Lakhs) | 261 | -63 |
| Weighted average number of Shares | 1510000 | 1510000 |
| EPS (₹) Basic & Diluted | 17 | -4 |
| Face Value Per Share (₹) | 10 | 10 |

**28 Operating Lease Commitments**

During the year, the Company has taken Office space on lease for a period of 9 years with option to renew and with escalation in rent once in three years and lock-in period of three years. Lease rent for the year ended 31st March 2013 amounted to ₹ 76 Lakhs (Pr.Yr. ₹ 34 Lakhs).

| Particulars | 2013-14 | 2012-13 |
|---|---|---|
| | ₹ in Lakhs | |
| Minimum lease payments not later than one year | 76 | 76 |
| Later than one year but not later than five years | 231 | 155 |
| More than five years | - | - |

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M.No. 25028
CHARTERED ACCOUNTANT

(₹ in Lakhs)

| | | 2013-14 | 2012-13 |
|---|---|---|---|
| 29 | **Defined Contribution Plan** | | |
| | Provident Fund | 4.09 | 2.14 |
| | ESI Contribution | 1.52 | - |
| 29.1 | Defined Benefit Plan | | |
| | Gratuity | | |
| A | **Changes in Present value of obligation** | | |
| | PV of obligation as the beginning of the year | 0.65 | - |
| | Current Service Cost | 13.05 | 0.65 |
| | Interest Cost | 0.00 | - |
| | Actuarial (gain) / Loss on obligation | - | - |
| | PV of obligation as at end of the year | 13.70 | 0.65 |
| B | **Change in Assets during the year ended 31st March** | | |
| | FV of Plan Asset as at beginning of the year | - | - |
| | Expected return on Plan Assets | 0.00 | - |
| | Actuarial gain / (loss) | | - |
| | Contributions by the employer | 0.00 | - |
| | FV of Plan Asset as at end of the year | 0.00 | - |
| C | **Net Asset/(Liability) recognized in the Balance Sheet** | | |
| | PV of obligation as at end of the year | 13.70 | 0.65 |
| | FV of Plan Asset as at end of the year | 0.00 | 0.00 |
| | Funded Status [Surplus/(Deficit)] | -13.70 | -0.65 |
| D | **Expenses recognized during the period ended 31st March** | | |
| | Current Service Cost | 13.05 | 0.65 |
| | Interest Cost | 0.00 | 0.00 |
| | Expected return on Plan Assets | 0.00 | 0.00 |
| | Actuarial (gains) / Losses | 0.00 | 0.00 |
| | Net amount recognised in the year | 13.05 | 0.65 |
| E | **Categories of plan assets as a percentage of total plan assets** | | |
| | Equity instruments | - | - |
| | Debt instruments | - | - |
| | Property | - | - |
| | Insurer managed asset | - | - |
| | **Assumptions used in accounting for the gratuity Plan** | | |
| | Discount Rate ( per annum) | 8.00% | 8.00% |
| | Rate of increase in compensation levels (per annum) | 7.50% | 7.50% |
| | Rate of return on plan assets (per annum) | | |
| | Expected average remaining working lives of employees (years) | | |

**30** Previous Year's Figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

A. VETRIVEL, B.Sc., F.C.A. COIMBATORE - 12 M.No. 25028 CHARTERED ACCOUNTANT

A. VETRIVEL, B.Sc., F.C.A
Chartered Accountant

No. 1/1, Seth Naryandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

**AUDITOR'S REPORT** Date : ................................

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF JAHNVI MOTOR PRIVATE LIMITED

### Report on the financial statements

I have audited the accompanying financial statements of **M/S.JAHNVI MOTOR PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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 Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act,1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

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

A. VETRIVEL, B.Sc. F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

**A. VETRIVEL, B.Sc., F.C.A**
Chartered Accountant

No. 1/1, Seth Naryandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

Date : ................................

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 fair presentation of the financial statements 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. in the case of the Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date; and

c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

A. VETRIVEL, B.Sc., F.C.A
Chartered Accountant

No. 1/1, Seth Naryandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

Date : ...............................

2. As required by section 227(3) of the Act, I report that:

a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;

b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those 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 account.

d. In my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

A. VETRIVEL, B.Sc., F.C.A
COIMBATORE - 12
M.No. 25028
CHARTERED ACCOUNTANT

DATE : 07.05.2014
PLACE : COIMBATORE

A.VETRIVEL
CHARTERED ACCOUNTANT

**M/s.JAHNVI MOTOR PRIVATE LIMITED**
**COIMBATORE**

**Annexure of the Auditors Report for the year ended 31st March 2014**

The Annexure referred to in paragraph 1 of the my Report of even date to the members of **M/S.JAHNVI MOTOR PRIVATE LIMITED**, on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. **In respect of Fixed assets**

    a. The company has maintained proper records showing full particulars, including quantitative details and situations of the fixed assets.

    b. Some of the fixed assets physically verified by the management in accordance with program of verification, which my opinion provides for the physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to me no material discrepancy was noticed on such verification.

    c. The company has not sold/disposed off any substantial portion of fixed assets during the year.

2. a. As explained to me, inventories were physically verified during the year by the management at reasonable intervals.

    b. In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.

    c. In my opinion and according to the information and explanations given to me, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to me:

    a. The Company has not granted any loans to firms or other parties list in the Register maintained under section 301 of the Companies Act, 1956.

A. VETRIVEL, B.Sc., F.C.A.
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b. The Company has accepted loans from its holding company during the year 2013-14 Rs.83.33 Lakhs (Max Amount Rs.226.83 Lakhs). At the year end, the outstanding balance of such loan was Rs.226.83 Lakhs (Previous year O/S.balance Rs. 143.50 Lakhs).

c. As there is no stipulation as to repayment of principal of loans taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of the goods and I have not observed any continuing failure to correct major weakness in internal controls.

5. In respect of the transaction entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of my knowledge and belief and according to the information and explanation given to me:

(a) The transactions that need to be entered into the register have been so entered.

(b) Where each of such transaction is in excess of Rs.5 Lakhs in respect of any party, the transactions have been made at the price which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposit from the public.

7. In my opinion, the Company has an internal audit system which commensurate with its size and nature of its business.

8. The Company doing Trading business, hence the maintenance of cost records under section 209(1) (d) of the Companies Act 1956 are not applicable.

9. According to the information and explanations given to me, the company has been regular in depositing undisputed statutory dues, including income tax, sales tax, and any other material statutory dues with the appropriate authorities during the year.

10. The Company has not incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.

11. In my opinion and according to the information and explanations given to me, the company has not defaulted in the payment of dues to banks.

A. VETRIVEL, B.Sc., F.C.A.
COIMBATORE - 12
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**M/s.JAHNVI MOTOR PRIVATE LIMITED**
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12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the provisions of clause 4 (xii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.

13. The company is not chit fund or nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14 The company is not dealing in or trading in shares, securities, debentures and other investments. Hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable.

15. In my opinion and according to the information and explanations given to me the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.

16. In my opinion and according to the information and explanations given to me, the term loans have been applied for the purpose for which they were obtained.

17. According to the information and explanations given to me and on an overall examinations of the balance sheet of the company, funds raised on short term basis have, prime facie, not been used for the long term investment. No long-term funds have been used to finance short-term assets except the core/permanent working capital.

18. The provisions of clause 4 (xviii) (xix) and (xx) of the Companies (Auditor's Report) Order 2003 not applicable since the company has not issued any shares or debentures during the year.

19. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the company was noticed or reported during the year.

**DATE : 07.05.2014**
**PLACE : COIMBATORE**

**A.VETRIVEL**
**CHARTERED ACCOUNTANT**

A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813