



## ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

### Board of Directors :

Shyam Sundar Mall — Chairman  
Sunil Kumar Mall — Managing Director  
Mithilesh Mishra  
Samir Kanti Biswas

### Auditors :

Lahoti & Co.  
Chartered Accountants  
14, Ganesh Chandra Avenue  
Kolkata - 700 013

### Company Secretary :

Bhaskar Sharma

### Bankers :

Bank of Baroda

### Registered Office :

6th Floor, "Crescent Tower"  
229, A. J. C. Bose Road, Kolkata - 700 020  
Phone : 2280-6946/47/48,  
Fax : 2280-5708

### Registrar and Share Transfer Agents : Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001  
Tel : 2243-5809/5029, Fax : 2248-4787  
E-mail : mdpl@cal.vsnl.net.in

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**NOTICE  
OF THE 16th ANNUAL GENERAL MEETING**

Notice is hereby given that the 16th Annual General Meeting of the members of **M/S. KANIKA INFRASTRUCTURE & POWER LIMITED** will be held at Rabindra Okakura Bhawan (Paschimbanga Bangla Academy), 27/A/1, Bidhan Nagar, DD Block, Kolkata – 700 064 on Saturday, the 24th September, 2011 at 11.00 A.M. to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended as on that date and reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Mithilesh Mishra who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Samir Kanti Biswas who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :  
6th Floor, "Crescent Tower"  
229, A.J.C. Bose Road  
Kolkata – 700 020  
Dated : The 12th day of August, 2011

By Order of the Board of Directors  
For **KANIKA INFRASTRUCTURE & POWER LIMITED**

**SUNIL KUMAR MALL**  
*Managing Director*

**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 SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the company at its Registered Office at least 48 hours before the time of the meeting.

2. Members are informed that Share Transfer and related activities are being carried out by Registrar of the Company at the following address :

**MAHESHWARI DATAMATICS PVT. LTD.**  
**6, Mangoe Lane, 2nd Floor, Kolkata – 700 001**  
**Tel: 2243-5809/5029, 2248-2248; Fax : (033) 2248-4787**  
**E-mail : mdpl@cal.vsnl.net.in**

All future correspondence relating to Share Transfer and related activities be sent to the above address only.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 17.09.2011 to 24.09.2011 both days inclusive.

4. Members are requested to notify immediately any change in their address (with PIN code) to the Registrar.
5. Members/Proxies are requested to produce at the entrance, the attached Attendance Slip duly completed and signed, for admission to the meeting hall.
6. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions in writing to the Company Secretary at least 10 days before the date of the meeting, so that the information required may be made available at the Meeting.
7. Copies of Memorandum & Articles of Association of the Company and all other material documents referred to herein above will be available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days except Saturdays, Sundays and other holidays and will also be available at the meeting.
8. Members are requested to bring copies of Annual Report to the Meeting.

Registered Office :  
6th Floor, "Crescent Tower"  
229, A.J.C. Bose Road  
Kolkata – 700 020  
Dated : The 12th day of August, 2011

By Order of the Board of Directors  
For **KANIKA INFRASTRUCTURE & POWER LIMITED**

**SUNIL KUMAR MALL**  
*Managing Director*

## DIRECTOR'S REPORT

Dear Members,

Your Directors have the pleasure in presenting before you this 16th Annual Report for the year ended 31st March, 2011 :

### FINANCIAL RESULTS

	<b>2010-2011</b> (Rs. in Lakhs)	2009-2010 (Rs. in Lakhs)
a) Profit Before Depreciation & Interest	<b>31.79</b>	33.85
b) Less : Depreciation	<b>27.61</b>	30.32
c) Earnings before interest & tax (EBIT)	<b>4.18</b>	3.53
d) Profit Before Tax & Adjustments	<b>4.18</b>	3.53
e) Profit Before Tax (PBT)	<b>4.18</b>	3.53
f) Provision for Income Tax	<b>0.75</b>	0.93
Deferred Tax Assets / (Liability)	<b>(0.60)</b>	(0.16)
g) Profit After Tax (PAT)	<b>2.82</b>	2.44
h) Add : Provision for I. Tax for earlier year w/back	—	—
i) Profit/(Loss) brought forward from Previous year	<b>86.34</b>	83.90
j) Balance Profit carried forward	<b>89.16</b>	86.34

### FINANCIAL HIGHLIGHTS

The year under review recorded a moderate growth in sales and an earnings was marginally high comparison with that of last year. The Company during the year-ended under review has posted profit of Rs. 2.82 lacs as against profit of Rs. 2.44 lacs of last year.

### DIVIDEND

The Company has not declared dividend for the current year, in wake of insufficient profit.

### INDUSTRY STRUCTURE & DEVELOPMENT/OPERATIONS

The Company has minimized its Software Development Division, as the Company has not received any Export order for the year under review.

The Company is mainly emphasizing on its infrastructural activities as the Govt. of India continue to give thrust on infrastructure sector and expected to grow much faster.

### LISTING

The Company's shares are listed at Bombay Stock Exchange only. The listing fee has been paid to the Bombay Stock Exchange Ltd. till 2011-12.

### RESPONSIBILITY STATEMENT

**The Directors' confirm :**

- that 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;
- that they 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 or Loss of the company for that period;
- that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the annual accounts have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditor's certificate on its compliance is attached to this report.

**DIRECTORS**

Mr. Mithilesh Mishra and Mr. Samir Kanti Biswas retires by rotation and being eligible offer himself for re-appointment. Your Directors place on record valuable services rendered by him during his tenure as Director.

**PARTICULARS OF EMPLOYEES**

There are no employees falling under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, who are in receipt of remuneration for the year aggregating more than Rs.2,00,000/- per month of Rs.24,00,000/- per annum.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO**

Information pursuant to Clause (a) of Sub-Section (1) of Section 217 of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is appended to and forms part of this report.

**AUDITORS**

M/s. Lahoti & Co., Chartered Accountants, retires at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

**APPRECIATION**

The Directors sincerely appreciate the high degree of professionalism, enthusiasm and hard work displayed by all employees during the year. The Directors also place on record their gratitude to the Members for their continued support.

Place : Kolkata

Dated : The 5th day of August, 2011

On behalf of the Board  
**SHYAM SUNDAR MALL**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF THE DIRECTOR'S REPORT IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER.

**CONSERVATION OF ENERGY**

The range of activities of your Company requires minimal energy consumption and every endeavor has been made to ensure the optimal use of energy, avoid wastages and conserve energy as far as possible.

**TECHNOLOGY ABSORPTION**

Your Company has entered into tie-ups with companies in the industry, to consistently upgrade itself on the technological front and deploy/absorb technology wherever feasible, relevant and appropriate. At the same time, your Company has also attached tremendous significance to indigenous development and up-gradation of technology through its development operations.

**FOREIGN EXCHANGE EARNING & OUTGO**

Your directors have to state that there has been no foreign exchange earning and outgo during the year.

	<b>2010-2011</b>	<b>2009-2010</b>
1) Foreign Exchange Earnings	<b>Nil</b>	Nil
2) Foreign Exchange Outgo		
— In respect of expenditure incurred overseas for business trips	<b>Nil</b>	<b>Rs. 1,47,656/-</b>

**Registered Office :**

"Crescent Tower", 6th Floor

229, A.J.C. Bose Road

Kolkata – 700 020

Dated : The 5th day of August, 2011

On behalf of the Board

**SHYAM SUNDAR MALL**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE**

**1. Company's philosophy on code of Governance :**

Your Company has always believed in the concept of good corporate governance involving transparency, empowerment, accountability and integrity with a view to increase stakeholders' value in all respects. The objective of your company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such system and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

**2. Board of Directors :**

**(a) Composition and Category of Directors :**

The Board is headed by a non-executive Chairman. There are total Four Directors comprising of a Managing Director in executive capacity and all other are non-executive Directors. There are three independent Directors in the Board. The independent Directors do not have any pecuniary relationship or transaction with the Company, Promoters and Management, which may affect their judgment in any manner. The Directors are eminently qualified and experienced professional in business, law, finance, public enterprises and corporate management. Mr. S. S. Mall & Mr. S. K. Mall being relatives are related with each other. All the directors are above 21 years of age.

<u>Name of Director</u>	<u>Category</u>
1. S. S. Mall	Chairman
2. S. K. Mall	Managing Director
3. Rajesh Gulgulia*	Director
4. Mithilesh Mishra*	Director
5. Samit Kanti Biswas*!!	Director

\* Independent Directors

!! Inducted in the Board on 05.07.2010

**(b) Attendance of each Director at the Board meeting and the last Annual General Meeting**

<b>Name of Director</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at the last AGM</b>
1. S. S. Mall	15	15	No
2. S. K. Mall	15	15	Yes
3. Rajesh Gulgulia*	15	3	No
4. Mithilesh Mishra	15	8	No
5. Samir Kanti Biswas**	15	12	Yes

\* resigned on 05-07-2010

\*\* inducted on 05-07-2010

**(c) Number of other Directorship and Chairmanship/Membership of Committee of each Director :**

<b>Name of Director</b>	<b>No. of Directorship In Other Boards</b>	<b>No. of Chairmanship/ Membership of Other Board Committee</b>
1. S. S. Mall	4	3
2. S. K. Mall	4	—
3. Rajesh Gulgulia	1	1
4. Mithilesh Mishra	1	—
5. Samir Kanti Biswas	—	—

**Note:** \* Number of Directorship / membership held in other companies exclude Directorship/membership in private limited company, foreign companies, membership of various committees of various chambers/ bodies and alternate Directorship and directorships held under section 25 of the Companies Act, 1956, whereas the membership or chairmanship of any committee includes Audit Committee and Shareholders'/ Investors' Grievance Committees only.

**(d) Details of Board Meeting held during the year :**

<b>D a t e</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
30-04-2010	4	4
10-05-2010	4	3
23-06-2010	4	3
12-07-2010	4	3
30-07-2010	4	4
11-08-2010	4	3
30-08-2010	4	3
27-09-2010	4	3
29-10-2010	4	4
11-11-2010	4	3
29-11-2010	4	3
24-12-2010	4	4
31-01-2011	4	4
21-02-2011	4	3
30-03-2011	4	4

**3. Committees of the Board :****(a) Audit Committee :**

The Audit Committee has been re-constituted and it consists of the following non-executive independent Directors and two third of the same are independent :

1. Mr. Samir Kanti Biswas - Chairman
2. Mr. S. S. Mall
3. Mr. Rajesh Gulgulia

Mr. Mukesh Kumar Saraf acts as Secretary of the Committee.

During the year the Committee met five times on 30-04-2010, 30-07-2010, 29-10-2010, 31-01-2011 and 30-03-2011. Meeting held upto 23.06.2010 was chaired by Mr.Rajesh Gulgulia and attended by Mr.S.S.Mall and Mr.Mithilesh Mishra and on and after 12.07.2009 meeting was chaired by Mr.Samir Kanti Biswas and attended by Mr.S.S.Mall and Mr.M.Mishra.

The terms of reference of the Audit Committee are in line with Clause 49 II (C) and (D) of the Stock Exchange listing agreement and section 292A of the Companies Act, 1956. The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information.

**\* Function of the Committee.**

1. Review with the management and/or Internal Audit Department and/or Statutory Auditors :
  - i) Company's financial statements and reports;
  - ii) Disclosure of company's financial information to ensure the same are correct, sufficient and credible;
  - iii) Changes/Improvements in Financial/Accounting practices;
  - iv) Adequacy of Internal Audit Function and Systems; and
  - v) Charter of Audit Committee.
2. Hold discussion with :
  - i) Statutory Auditors, before and after audit on the scope and area of Concern;
  - ii) Internal Audit Department on its significant findings and also failure of Internal control systems, if any; and
  - iii) Management before submission of financial statements to the Board.
  - iv) Compliance with Accounting Standards, Legal requirements and Ethical Code.

**(b) Remuneration Committee :**

The remuneration committee comprises of the following non-executive Directors :

1. Mr. Samir Kanti Biswas — Chairman
2. Mr. S. S. Mall
3. Mr. M. Mishra

Mr. Mukesh Kumar Saraf acts as Secretary of the Committee.

No Committee Meeting was held during the year.

**Shares / Convertible Instruments held by the Non-Executing Directors as on 31-03-2011**

Name of the Non-Executive Directors	No. of Shares of the Company held by the Directors	Convertible Instruments
Mr. S. S. MALL	NIL	N.A.
MR. MITHILESH MISHRA	NIL	N.A.
MR. SAMIR KANTI BISWAS	NIL	N.A.

The Company does not have any stock option / convertible instruments.

**\* Functions of the Committee**

The Policy Dossier prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites.

**\* Remuneration Policy**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The aggregate value of salary and perquisites paid to Mr. S.K.Mall, Managing Director of the Company for the year ended 31st March, 2011 was Rs.3,60,000/-. No sitting fee was paid to any Director for attending any meeting of the Board of Directors or Committee thereof as the same was waived by the Directors present in the meeting.

**(c) Shareholders' / Investors' Grievance Committee :**

The Shareholders' & Investor's Grievance committee consist of the following non-executive Directors :

1. Mr. S. S. Mall – Chairman
2. Mr. Rajesh Gulgulia
3. Mr. M. Mishra

**Compliance Officer :** Mr. Mukesh Kumar Saraf, Company Secretary is the Compliance Officer

**Address :** 229, A.J.C. Bose Road, "Crescent Tower", 6th Floor, Kolkata – 700 020

**Phone No.** 2280-6946/6947 **Fax No.** 2280-5708 **E-mail :** kanika@kanika.com

Pursuant to new clause 47(f) of the listing agreement the company's email id for grievance redressal purpose is [kanika@kanika.com](mailto:kanika@kanika.com) where complaints can be lodged by the investors.

The committee met 3 times during the year on 01-04-2010, 16-08-2010 and 21-10-2010 and Meeting held upto 01.04.2010 was chaired by Mr.S.S.Mall and attended by Mr.Rajesh Gulgulia and Mr.M.Mishra and on and after 16.08.2010 meeting was chaired by Mr.S.S.Mall and attended by Mr.Samir Kanti Biswas and Mr.M.Mishra.

**\* Functions of the activities :**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of shareholders'/Investors' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividends etc. During the year under review the Company has processed all the applications within time. During the year the Company has not received any complaints from the shareholder.

**\*Share Transfer System :**

The company's shares are traded in the Mumbai Stock Exchange compulsorily in demat mode, shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the specified time.

**During the year 1 share transfer deeds comprising of 1002 shares were received for Physical Transfer. During the year 1 no. request received for dematerialization comprising of 2000 shares. During the year there was 1 deed received comprising of 1500 shares for rematerialization.**

4. **Code of Conduct :** The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company in Compliance with clause 49 of the Listing Agreement. All board members and Senior Management personnel has affirmed compliance with the code on annual basis. A declaration to this effect duly signed by Managing Director of the Company is annexed with this report.

5. **General Body Meetings :**

The last three Annual General Meetings of the Company were held as under :

Y e a r	L o c a t i o n	D a t e	T i m e
2007-2008	Rabindra Okakura Bhawan (Paschimbanga Bangla Academy) DD-27/A/1, Sector-III, Bidhan Nagar, Kolkata-700064	23-12-2008	12.30 P.M.
2008-2009	Eastern Zonal Cultural Centre IA 290, Sector-III, Salt Lake City, Kolkata-700091	16-09-2009	4.30 P.M.
2009-2010	Eastern Zonal Cultural Centre IA 290, Sector-III, Salt Lake City, Kolkata-700091	30-09-2010	5.00 P.M.

**Note : There were no special resolutions required to be passed through postal ballot at any of the above General Meetings. None of the resolutions proposed in the ensuing Annual General Meeting need to be passed by postal ballot.**

6. **Disclosures :**

a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large :

None of the transactions with any of the related parties were in conflict with the interests of the Company. Further the same is already placed in the Notes of the accounts forming part of the statement of accounts.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority or any matter related to Capital Markets, during the last year :

There were no such significant instances of non-compliances of any matter related to the capital markets during the last year.

c) **Risk Management :** The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures, which are periodically reviewed.

d) The Company has complied with all the mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement. The extent of compliance of the following non-mandatory requirements are given below :

- 1) With regard to training of Board Members, the directors of the company are continuously trained in the business model of the Company and the risk profile of business parameters through various presentations at Board/ Committee Meetings.
- 2) With regard to whistle Blower Policy, the Company is examining the formulation and implementation of the same, after which the same would be submitted to the Board.

7. **Particulars of appointment/re-appointment of new Director :**

Name of Director	Mr. Mithilesh Sharma	Mr. Samir Kanti Biswas
Date of Birth	05-04-1963	13-01-1964
Date of Appointment	10-07-2009	05-07-2010
Qualification	B.Sc., M.Sc. & MBA	BE and Chartered Engineering
Experience	22 Years	20 Years
Directorship in other Companies	1	NIL
Chairman / Membership of the Committee	Audit Committee-Member	NIL



**8. Means of Communication :**

The Company has published its quarterly results generally in The Financial Express (English Language) and Kalantar (Bengali Language), where as printed annual report alongwith statement of accounts and notices convening the AGM are mailed to the shareholders.

**9. Management Discussion & Analysis Report Industry Structure & Development**

As informed the Company has currently decided to maximize the infrastructural activities as the Infrastructure Sector in India as a whole is doing very well.

**ECONOMIC SCENARIO** : Along with the significant acceleration in the growth rate of economy, India's per capita income has increased at rapid pace. In this century of opportunities for India, your Company being an infrastructure conglomerate, is present in sectors, essential to maintain the momentum of growth, thereby, has been able to transform opportunities to its advantage for accelerated growth for all its stakeholders.

**FUTURE OUTLOOK** : The Company is mainly emphasizing on infrastructure sector and expect to grow much faster in near future.

**INTERNAL CONTROL SYSTEM** : The Company maintains an efficient internal control system and the management is constantly reviewing for achieving improved operational efficiency.

**CAUTIONARY STATEMENT** : Details given in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

**10. General Shareholder Information :****(a) Annual General Meeting :**

**Date & Time** : Saturday, the 24th day of September, 2011, at 11.00 am.

**Venue** : Rabindra Okakura Bhawan (Paschimanga Bangla Academy) 27/A/1, Bidhan Nagar, DD-Block, Kol-64

**(b) Book Closure date:** 17.09.2011 to 24.09.2011 (both days inclusive)**(c) Financial Calendar 2011-2011 (tentative)**

Annual General Meeting (next year) September, 2012

Results for the quarter ending June 30, 2011 2nd week of August, 2011

Results for the quarter ending Sept 30, 2011 2nd week of November, 2011

Results for the quarter ending Dec 31, 2011 2nd Week of February, 2012

Results for the quarter ending March 31, 2012 2nd Week of May, 2012

**(d) Listing : Shares' are listed at :**

Name of Exchange	Address	Scrip Name	Scrip Code
Bombay Stock Exchange Ltd.	1st Floor, New Trading Ring Rotanda Building, P.J.Towers, Dalal Street, Mumbai – 400 001	KANIKA INFOT	532367

Demat ISIN No. : for Partly paid-up shares – IN9173B01021

for Fully paid-up shares – INE173B01023

The Company's shares are currently listed at Bombay Stock Exchange only. The listing fee has been paid to the Bombay Stock Exchange Ltd. The company's equity shares, fully paid up shares shall continue to be listed at Bombay Stock Exchange Ltd., which has largest base all over India.

**(e) Stock Market Rate : (Rs. 2/- each)**

Year & Month	Mumbai Stock Exchange	
	Month's High	Month's Low
<b>2010</b>		
April	0.70	0.44
May	0.64	0.47
June	0.59	0.45
July	0.58	0.42
August	0.58	0.43
September	0.54	0.41
October	0.51	0.41
November	0.49	0.33
December	0.49	0.33
<b>2011</b>		
January	0.61	0.39
February	0.44	0.33
March	0.42	0.29

**(f) Registrar & Share Transfer Agents :**

**MAHESHWARI DATAMATICS (P) LTD.**

6, Mangoe Lane, 2nd Floor, Kolkata – 700 001

Phone : 2243-5809/5029, 2248-2248, Fax : (033) 2248-4787, E-mail : mdpl@cal.vsnl.net.in

(g) Distribution of Share holding (as on 31.03.2011) :

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares of (A+B) <sup>1</sup>	No. of Shares held in Demat Form of (A+B+C)	Total shareholding as a percentage of total number of shares		Share Pledged or otherwise emcumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percent-
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
	<b>1 INDIAN</b>							
	(a) Individuals/ Hindu Undivided Family	3	2870031	2870031	4.24	4.24	—	—
	(b) Central Government/ State Government(s)	—	—	—	—	—	—	—
	(c) Bodies Corporate	—	—	—	—	—	—	—
	(d) Financial Institutions/ Banks	—	—	—	—	—	—	—
	(e) Any Others(Specify)	—	—	—	—	—	—	—
	<b>Sub Total(A)(1)</b>	<b>3</b>	<b>2870031</b>	<b>2870031</b>	<b>4.24</b>	<b>4.24</b>	<b>—</b>	<b>—</b>
	<b>2 FOREIGN</b>							
	a Individuals (Non-Residents Individuals/Foreign Individuals)	—	—	—	—	—	—	—
	b Bodies Corporate	—	—	—	—	—	—	—
	c Institutions	—	—	—	—	—	—	—
	d Any Others(Specify)	—	—	—	—	—	—	—
	<b>Sub Total(A)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>(B)</b>	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3</b>	<b>2870031</b>	<b>2870031</b>	<b>4.24</b>	<b>4.24</b>	<b>—</b>	<b>—</b>
<b>1</b>	<b>Public shareholding Institutions</b>							
	(a) Mutual Funds/ UTI	—	—	—	—	—	—	—
	(b) Financial Institutions / Banks	—	—	—	—	—	—	—
	(c) Central Government/ State Government(s)	—	—	—	—	—	—	—
	(d) Venture Capital Funds	—	—	—	—	—	—	—
	(e) Insurance Companies	—	—	—	—	—	—	—
	(f) Foreign Institutional Investors	—	—	—	—	—	—	—
	(g) Foreign Venture Capital Investors	—	—	—	—	—	—	—
	(h) Any Other (specify)	—	—	—	—	—	—	—
	<b>Sub-Total (B)(1)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>B 2</b>	<b>Non-institutions</b>							
	(a) Bodies Corporate	262	7222162	7138662	10.67	10.67	—	—
	(b) Individuals							
I	Individuals-i. Individual shareholders holding nominal share capital up to Rs 1 lakh	12506	43249583	40384714	63.91	63.91	—	—
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	105	14130098	14130098	20.88	20.88	—	—
	(c) Any Other (specify)							
	(c-i) Non Resident Individual	20	151388	151388	0.22	0.22	—	—
	(c-ii) Trusts	1	500	500	0.00	0.00	—	—
	(c-iii) Clearing Member	8	45738	45738	0.07	0.07	—	—
	<b>Sub-Total (B)(2)</b>	<b>12902</b>	<b>64799469</b>	<b>61851100</b>	<b>95.76</b>	<b>95.76</b>	<b>—</b>	<b>—</b>
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	12902	64799469	61851100	95.76	95.76	—	—
	<b>TOTAL (A)+(B)</b>	<b>12905</b>	<b>67669500</b>	<b>64721131</b>	<b>100.00</b>	<b>100.00</b>	<b>—</b>	<b>—</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—	—
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12905</b>	<b>67669500</b>	<b>64721131</b>	<b>100.00</b>	<b>100.00</b>	<b>—</b>	<b>—</b>

## ii. Distribution Schedule

Share Holding	No. of Share Holder	% of Shareholders	Amount Rs.	% of Shares
Upto 5000	8566	66.3671	1,91,15,452	14.1241
5,001 to 10,000	2355	18.2459	1,94,54,182	14.3744
10,001 to 20,000	1075	8.3288	1,80,65,034	13.3480
20,001 to 30,000	265	2.0531	69,37,042	5.1257
30,001 to 40,000	174	1.3481	64,67,980	4.7791
40,001 to 50,000	123	0.9530	58,60,972	4.3306
50,001 to 1,00,000	216	1.6735	1,60,63,322	11.8690
1,00,001 and Above	133	1.0304	4,33,75,016	32.0492
<b>Total :</b>	<b>12907</b>	<b>100.0000</b>	<b>13,53,39,000</b>	<b>100.0000</b>

The Company has agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the share with either of the depositories.

As on 31-03-2011 95.64% of the Company's Equity Shares consisting fully paid-up and partly paid-up representing 6,47,21,131 Equity Shares were held in dematerialized mode and the balance 4.36% consisting fully paid-up and partly paid-up representing 29,48,369 equity shares were held in physical mode. Company's partly paid shares are not traded in Bombay Stock Exchange Ltd.

## (h) Address for :

## a. Correspondence :

"CRESCENT TOWERS", 229, A.J.C. Bose Road, 6th Floor, Kolkata – 700 020  
Phone : 2280-6946/6947/6948, Fax : (033) 2280-5708  
E-mail : kanika@kanika.com

## b. Any query on Annual Report :

"CRESCENT TOWERS", 229, A.J.C. Bose Road, 6th Floor, Kolkata – 700 020  
Phone : 2280-6946/6947/6948, Fax : (033) 2280-5708  
E-mail : kanika@kanika.com

## c. Investors' Correspondence :

MAHESHWARI DATAMATICS (P) LTD.  
6, Mangoe Lane, 2nd Floor, Kolkata – 700 001.  
Phone : 2243-5809/5029, 2248-2248, Fax : (033) 2248-4787, E-mail : mdpl@cal.vsnl.net.in

## 11. Sectetarial Audit :

A quillified practicing Company Secretary has carried out quarterly sectetarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held in NSDL and CDSL.

## 12. Compliance Certificate from the Company Secretary :

The Company has obtained a Certificate from M/s. A. K. Labh & Company, Company Secretaries regarding compliance of Corporate Governance as stipulated in Clause 49 of the listing agreement and the same is annexed. All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

By Order of the Board

Place : Kolkata  
Dated : 30th day of July, 2011

**SHYAM SUNDAR MALL**  
*Chairman*

**DECLARATAION BY THE MANAGING DIRECTOR ON THE CODE OF CONDUCT**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Sunil Kumar Mall, Managing Director of Kanika Infrastructure & Power Limited, declare that all the Board Members and Senior Executives of the company have affirmed their compliance with the Code of Conduct of the company during the financial year 2010-11.

By Order of the Board

Place : Kolkata  
Dated : The 30th day of July, 2011

**SUNIL KUMAR MALL**  
*Managing Director*

## **CEO/CFO Certification**

The Board of Director  
Kanika Infrastructure & Power Ltd.  
Kolkata.

Re : Financial Statements for the financial year 2010-11 – Certification by MD

I, Sunil Kumar Mall, Managing Director of Kanika Infrastructure & Power Limited, on the basis of the review of the financial statements and the cash flow statement for the 12 months period ended 31st March, 2011 and to the best of my knowledge and belief, hereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the company during the 12 months period ended 31st March, 2011 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting, I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I have indicated to the Auditors & the Audit Committee :-
  - (a) There have been no significant changes in internal control over financial reporting during this period.
  - (b) There have been no significant changes in accounting policies during this period.
  - (c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Kolkata  
Dated : 5th day of August, 2011

**SUNIL KUMAR MALL**  
*Managing Director*

**AUDITORS' REPORT ON CORPORATE GOVERNANCE – MARCH 31, 2011**

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To  
The Board of Directors of  
**KANIKA INFRASTRUCTURE & POWER LIMITED**

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Kanika Infrastructure & Power Ltd. ("the Company"), for the year ended March 31, 2011, 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 was conducted in the manner described in the "Guidance Note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an 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 and on the basis of our examination described above, 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 the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

Place : 14, Ganesh Chandra Avenue  
Kolkata – 700 013  
Dated : 5th day of August, 2011

**(P. S. LAHOTI)**  
**Partner**  
**Membership No. : 17042**

## AUDITORS' REPORT

### **TO THE MEMBERS OF KANIKA INFRASTRUCTURE & POWER LIMITED :**

We have audited the attached Balance Sheet of **KANIKA INFRASTRUCTURE & POWER LIMITED**, as at 31st March 2011 and the Profit and Loss Account and also the 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.

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 including 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to 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 accounts, as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet and Profit and Loss Account and the CFS dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors of the Company, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2011 from being appointed as a directors in terms of Section 274(1)(g) of the Companies Act, 1956.
  - 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 and notes thereto, give the information required by the Companies Act, 1956, in the manner so required and 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, 2011; and
    - ii) In the case of the Profit & Loss Account, of the 'Profit' of the Company for the year ended on that date; and
    - iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

Place : 14, Ganesh Chandra Avenue  
Kolkata – 700 013  
Dated : 5th day of August, 2011

**(P. S. LAHOTI)**  
**Partner**  
**Membership No. : 17042**

**ANNEXURE TO THE AUDITORS' REPORT**

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**(Referred to in paragraph 1 of our Report of even date)**

1. In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such physical verification.
  - c) In our opinion, the Company has not disposed of a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories :
  - a) According to the information and explanations given to us, inventories have been physically verified by the management at the close of the year. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification between physical stocks and book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
  - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
  - b) In view of our comment in Paragraph 3(a) & 3(b) above, the provisions clauses III(b) to III(g) of Para.4 of the aforesaid Order are not applicable to the Company.
4. In our Opinion and according to the information and explanations given to us, there is an 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 the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lac or more in respect of each party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public. Hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and any other relevant provisions of the Act, with regard to the deposits accepted from the public are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company.
9. In respect of statutory dues :
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable

- to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable, except Employee State Insurance Rs. 1,13,110/-.
- b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the year. The latter part of the question relating to net worth is thus not applicable to the Company. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
  11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
  12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other similar securities.
  13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the aforesaid Order are not applicable to the Company.
  14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the aforesaid Order are not applicable to the Company.
  15. The Company has given corporate guarantee for the loans taken by others from banks or financial institutions during the year.
  16. The Company has not taken any term loans during the year. Therefore, the provisions of clause 4(xvi) of the aforesaid Order are not applicable to the Company.
  17. 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 terms basis have been used for long term investments.
  18. During the year, the Company has not made any preferential allotment of shares to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures during the year.
  20. The Company has not raised any money by public issue during the year.
  21. During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the Company nor have we have been informed of such case by the management.

For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

Place : 14, Ganesh Chandra Avenue  
Kolkata – 700 013  
Dated : 5th day of August, 2011

**(P. S. LAHOTI)**  
**Partner**  
**Membership No. : 17042**



**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule No.	AS ON 31-03-2011 Rs.	AS ON 31-03-2010 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>A. SHARE HOLDERS' FUNDS :</b>			
Share Capital	"1"	133,611,257	133,611,257
Reserves & Surplus	"2"	8,916,231	8,634,034
		<b>142,527,488</b>	<b>142,245,291</b>
<b>APPLICATION OF FUNDS :</b>			
<b>A. FIXED ASSETS</b>			
Gross Block	"3"	75,165,685	71,941,685
Less : Depreciation		67,173,081	64,411,923
<b>Net Block</b>		<b>7,992,604</b>	<b>7,529,762</b>
<b>B. INVESTMENT</b>			
(In Wholly Owned Foreign Subsidiary)	"4"	4,542,526	4,542,526
<b>C. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventory		17,770,712	5,290,125
Sundry Debtors	"5"	112,531,909	118,760,033
Cash & Bank Balances	"6"	1,963,085	389,552
Other Current Assets	"7"	12,777,547	27,777,084
		<b>145,043,253</b>	<b>152,216,793</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	"8"	12,872,302	19,907,439
Provisions	"9"	2,178,595	2,136,353
		<b>15,050,897</b>	<b>22,043,792</b>
<b>D. NET CURRENT ASSETS</b>			
		<b>129,992,356</b>	<b>130,173,002</b>
		<b>142,527,488</b>	<b>142,245,291</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	"13"		

As per our annexed report of even date  
For LAHOTI & CO.  
Chartered Accountants  
Firm Registraion No. 306045E

(P. S. LAHOTI)

Partner

Membership No. 17042

Mr. S. K. Mall  
Managing Director

Mr. S. S. Mall  
Chairman

Mr. Mukesh Kumar Saraf  
Company Secretary

Place : Kolkata

Dated : 5th day of August, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	YEAR ENDED 31-03-2011 Rs.	YEAR ENDED 31-03-2010 Rs.
<b>INCOME</b>			
Sales	"10"	315,703,276	218,406,359
Other Income		—	111,403
Increase / (Decrease) in Stock		12,480,587	(114,351)
		<b>328,183,863</b>	<b>218,403,411</b>
<b>EXPENDITURE</b>			
Purchases		322,642,502	213,588,307
Salary & Other Employee Benefits	"11"	668,322	637,000
Administrative Expenses	"12"	1,694,195	792,994
Depreciation		2,761,158	3,032,036
		<b>327,766,177</b>	<b>218,050,337</b>
Profit before Tax		417,686	353,074
Provision for Income Tax		75,184	93,247
Deferred Tax Asset / (liability)		(60,305)	(15,852)
Profit after Tax		282,197	243,975
Add : Balance brought forward from last year		8,634,034	8,390,059
Balance Carried to Balance Sheet		<b>8,916,231</b>	<b>8,634,034</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	"13"		

As per our annexed report of even date  
For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

**(P. S. LAHOTI)**

**Partner**

**Membership No. 17042**

**Mr. S. K. Mall**  
Managing Director

**Mr. S. S. Mall**  
Chairman

**Mr. Mukesh Kumar Saraf**  
Company Secretary

Place : Kolkata

Dated : 5th day of August, 2011

**SCHEDULE "1" TO "12" ATTACHED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 & PROFIT & LOSS ACCOUNT AS ON THAT DATE**

	AS ON 31-03-2011 Rs.	AS ON 31-03-2010 Rs.
<b><u>SCHEDULE - "1"</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
11,50,00,000 (11,50,00,000) Equity Shares of Rs. 2/- each	<b>230,000,000</b>	230,000,000
<b><u>ISSUED, SUBSCRIBED &amp; PAID-UP</u></b>		
6,76,69,500 (6,76,69,500) Equity Shares Rs.2/- each fully paid in cash	<b>135,339,000</b>	135,339,000
Less : Share Application and Allotment Money	<b>1,727,743</b>	1,727,743
	<b>133,611,257</b>	133,611,257
<b><u>SCHEDULE - "2"</u></b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
Profit & Loss Account	<b>8,916,231</b>	8,634,034
	<b>8,916,231</b>	8,634,034
<b><u>SCHEDULE - "4"</u></b>		
<b><u>INVESTMENTS</u></b>		
Investments-Long Term at cost		
Investment in Wholly Owned Subsidiary Kanika Infotech (Singapore) Pte. Ltd. 148,840 Equity Shares of SGD 1 each fully paid up	<b>3,863,337</b>	3,863,337
Kanika Infotech (UK) Ltd. 9,763 Equity Shares of UKP1 each fully paid up	<b>679,189</b>	679,189
	<b>4,542,526</b>	4,542,526
<b><u>SCHEDULE - "5"</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
<b><u>Domestic</u></b>		
Less than Six Months	<b>71,394,855</b>	77,492,555
Exceeding Six Months (Considered Good)	<b>2,445,551</b>	2,575,975
<b><u>Overseas</u></b>		
Exceeding Six Months (Considered Good)	<b>13,374,178</b>	13,374,178
Exceeding Six Months (Considered Doubtful)	<b>25,317,325</b>	25,317,325
	<b>112,531,909</b>	118,760,033
<b><u>SCHEDULE - "6"</u></b>		
<b><u>CASH &amp; BANK BALANCE</u></b>		
Cash in hand (As certified by the management)	<b>50,966</b>	236,240
<b><u>Bank Balance With :</u></b>		
Scheduled Banks in :		
Current Accounts	<b>141,601</b>	153,311
Cheques in Hand	<b>1,770,517</b>	—
	<b>1,963,085</b>	389,552

**SCHEDULE - "3"  
FIXED ASSETS : AS ON 31ST MARCH, 2011**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Opening Balance as at 01-04-2010 (Rs.)	Addition during the year (Rs.)	Transferred during the year (Rs.)	Total as at 31-03-2011 (Rs.)	Opening Balance as at 31-03-2010 (Rs.)	For the Period 31-03-2011 (Rs.)	Sold / Tarf during the year (Rs.)	Total as at 31-03-2011 (Rs.)	As at 31-03-2011 (Rs.)	As at 31-03-2010 (Rs.)
Computers	29,026,170	—	—	29,026,170	28,513,717	204,982	—	28,718,699	307,472	512,453
Peripherals	9,109,717	—	—	9,109,717	9,032,656	30,824	—	9,063,480	46,237	77,061
Air Conditioners	758,053	—	—	758,053	600,103	21,970	—	622,074	135,979	157,950
Furnitures & Fixtures	9,660,699	—	—	9,660,699	9,288,812	67,312	—	9,356,124	304,575	371,886
Office Equipments	2,475,216	—	—	2,475,216	1,918,312	77,465	—	1,995,777	479,439	556,904
Softwares	20,675,204	3,224,000	—	23,899,204	14,824,990	2,357,752	—	17,182,742	6,716,462	5,850,214
Motor Car	236,626	—	—	236,626	233,332	853	—	234,185	2,441	3,294
<b>TOTAL</b>	<b>71,941,685</b>	<b>3,224,000</b>	—	<b>75,165,685</b>	<b>64,411,923</b>	<b>2,761,158</b>	—	<b>67,173,081</b>	<b>7,992,604</b>	<b>7,529,762</b>
Previous Year	69,721,335	2,220,350	—	71,941,685	61,379,887	3,032,036	—	64,411,923	7,529,762	

	AS ON 31-03-2011 Rs.	AS ON 31-03-2010 Rs.
<b>SCHEDULE - "7"</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>ADVANCES &amp; OTHERS</b>		
Advances (Recoverable in cash or in kind or for value to be received)	11,470,404	26,934,138
Duties & Taxes	470,127	—
Advance Tax & TDS Receivable	47,048	58,188
Security Deposit	753,831	748,620
Margin Money for Bank Guarantee	36,137	36,137
	<b>12,777,547</b>	<b>27,777,084</b>
<b>SCHEDULE - "8"</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors for Expenses	61,101	100,510
Sundry Creditors for Capital Goods	465,418	4,700,900
Sundry Creditors for Goods	12,223,110	14,065,185
Duties & Taxes	—	136,733
Outstanding Liabilities	—	766,856
Statutory Liabilities	122,673	137,254
	<b>12,872,302</b>	<b>19,907,439</b>
<b>SCHEDULE - "9"</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	75,184	93,247
Deferred Tax Liability (Asset)	2,103,411	2,043,106
	<b>2,178,595</b>	<b>2,136,353</b>
<b>SCHEDULE- "10"</b>		
<b>OTHER INCOEMS</b>		
Interest Received	—	111,403
	—	111,403
<b>SCHEDULE- "11"</b>		
<b>SALARY &amp; OTHER EMPLOYEE BENEFITS</b>		
Salary & Wages	308,322	277,000
Directors Remuneration	360,000	360,000
	<b>668,322</b>	<b>637,000</b>
<b>SCHEDULE- "12"</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement	61,476	28,664
Audit Fees / Expenses	11,030	11,030
Bank Charges	4,405	16,544
Communication & Telephone Expenses	2,805	4,620
Filing Fee	3,560	2,440
General Expenses	139,909	56,124
Listing Fees	33,090	37,000
Membership & Subscription	2,000	22,845
Postage & Telegram	129,650	102,924
Printing & Stationery	197,780	174,291
Professional, Registrar & Legal Fees	42,446	22,860
Share Servicing Expenses	170,418	159,737
Transportaion Charges	785,230	—
Travelling & Conveyance	110,396	153,916
	<b>1,694,195</b>	<b>792,994</b>

**SCHEDULE – “13”**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**A) SIGNIFICANT ACCOUNTING POLICIES**

**1) ACCOUNTING CONVENTION**

The financial statements are prepared under historical cost convention in accordance with the mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956, and followed consistently by the Company.

**2) SYSTEM OF ACCOUNTING**

The company adopts accrual basis of accounting in the preparation of accounts except interest on income tax refund, filling fee, which is accounted on the basis of communication received from income tax department.

**3) PURCHASE**

The Company accounts for purchase of goods and materials on the date of finalization of purchase contract and on receipt of goods.

**4) SALE**

Revenue from sale of goods is recognized upon passing of title, which generally coincides with delivery.

**5) STOCK**

The Stock of goods is accounted on the basis of cost including acquisition cost or the market value which ever is lower on the valuation date.

**6) FIXED ASSETS**

Fixed Assets are stated at cost less depreciation. Fixed Assets are capitalized at the cost of acquisition including all expenses directly attributable to bringing the assets to its working condition for intended use.

**7) DEPRECIATION**

Depreciation on fixed assets is on “Written Down Value Basis” at the rates specified in Schedule XIV to the Companies Act, 1956 from the date the same is put to use.

**8) EMPLOYEE BENEFIT**

- a) Contributions to defined contribution scheme such as provident fund and family pension fund are charged to the profit and loss account as incurred.
- b) Leave encashment are accounted for at the time of encashment.
- c) As per payment of Bonus Act, Bonus is not payable for the Financial Year 2010-2011.
- d) The Company has completed eight years of operations but non of employee is in duty of the company for above 5 years hence provision for Gratuity Act not required.

**9) DEFERRED TAX LIABILITY/ASSETS**

Deferred Taxation liability/asset has been provided in the books up to the period 31-03-2011.

**10) FOREIGN CURRENCY TRANSACTION**

The Company is accounting in foreign exchange transactions at the exchange rate prevailing on the date of transaction the gain/loss resulting out of foreign currency transaction are accounted for as and when actual remittance is made/received. At the year end outstanding in foreign currency are computed and any loss arise out of that is provided for in the book as per AS-11.

**B) NOTES ON ACCOUNTS**

1) Additional information pursuant to provision of Schedule VI to the Companies Act, 1956 :

	<u>Current year</u>	<u>Previous year</u>
I. Remuneration to Auditors :		
For Statutory Audit	Rs. <b>8,000</b>	(8,000)
For Tax Audit	Rs. <b>2,000</b>	(2,000)
For Consolidated Balance Sheet	Rs. <b>Nil</b>	(Nil)
For Reimbursement of Expenses	Rs. <b>Nil</b>	(Nil)
II. Earnings in Foreign Exchange – on accrual basis (FOB Value)	Rs. <b>Nil</b>	(Nil)
III. Out flow of Foreign Exchange		
– in respect of expenditure incurred overseas for business trips	Rs. <b>Nil</b>	147,656/-
– for acquisition of shares in foreign body corporate	Rs. <b>Nil</b>	(Nil)
IV. Contracts pending to be executed on Capital Account	Rs. <b>Nil</b>	(Nil)
V. Contingent Liabilities in respect of Bank Guarantee from Bank of Baroda	Rs. <b>Nil</b>	(Nil)

**VI. Deferred Tax Liability**

<b>Particulars</b>		<b>Opening Balance</b>	<b>For the Year</b>	<b>Closing Balance</b>
a. For difference in WDV of Fixed Assets as per Income Tax return and Balance Sheet	Rs.	20,43,106	60,306	21,03,412
b. For brought forward unabsorbed depreciation	Rs.	—	—	—
<b>Total :</b>		<b>20,43,106</b>	<b>60,306</b>	<b>21,03,412</b>
2) Managerial Remuneration u/s 198 of Companies Act, 1956	Rs.	<b>3,60,000</b>	(Rs. 3,60,000)	
3) As no commission is payable to Managing Director or any Director, the computation of profits under Section 349 of the Companies Act, 1956 has not been made.				
4) Details of Opening Stock, Purchases, Sales & Closing Stock of Goods traded in during the year :-				

<b>Particulars</b>	<b>INFRASTRUCTURE ACTIVITIES</b>	
	<b>Qty. (MT)</b>	<b>Amount (Rs.)</b>
Opening Stock	127.354 (142.745)	52,90,125 (54,04,476)
Purchase	9,686.257 (7,406.279)	32,26,42,502 (21,35,88,307)
Sale	9,294.445 (7,421.670)	31,57,03,276 (21,84,06,359)
Closing Stock	519.166 (127.354)	1,77,70,712 (52,90,125)

- 5) In respect of products sold by the company during the period and where it is an obligation on the part of the company to provide after sales services, the company is accounting the same on the basis of as and when incurred. The estimated liability in respect of the same cannot be quantified at this stage and as such no provision has been made for such liability.

6) **SEGMENT REPORTING**  
**NO. OF SEGMENT; 2**

	<b>Software</b>	<b>Infrastructure Activities</b>	<b>Total Revenue</b>
1. Software Development			
2. Infrastructure Activity			
Revenue from	— (Nil)	5,541,361 (4,703,701)	5,541,361 (4,703,701)
<b>Segment Revenue</b>	<b>—</b>	<b>5,541,361</b>	<b>5,541,361</b>
Less : Administration Expenses		2,362,517 (1,318,591)	
Depreciation		2,761,158 (3,032,036)	<b>5,123,674</b>
<b>Profit before Tax :</b>			<b>417,686</b> <b>(353,074)</b>
<b>Other Information</b>			
<b>Segment Assets</b>			
Sundry Debtors	38,691,503 (38,691,503)	73,840,406 (80,068,530)	112,531,909 (118,760,033)
Unallocable Corporate Assets			32,511,344 (33,456,760)
<b>Total Assets :</b>			<b>145,043,253</b>
<b>Segment Liabilities</b>			
Creditors	— (Nil)	12,223,110 (14,065,185)	12,223,110 (14,065,185)
Unallocable Liabilities			2,827,787 (7,978,607)
			<b>15,050,897</b>

7) RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD – 18

(A) Subsidiaries :

Name of Subsidiaries	Sale Rs.	Share Capital Rs.	Share Application Rs.	Sundry Debtors Rs.
(1) Kanika Infotech (Singapore) Pte Ltd.	— (—)	38,63,337 (38,63,337)	— (—)	1,33,74,178 (1,33,74,178)
(2) Kanika Infotech (U.K.) Ltd.	— (—)	6,79,189 (6,79,189)	— (—)	— (—)

(B) Disclosure of Director's Interest in Other Concerns (Directorship) :

SUNIL KR. MALL	SHYAM SUNDAR MALL
SUNIL AGRO EXPORTS LTD. SUNIL ALLOYS & STEELS LTD. SUNIL ENERGY LTD. VINAYAK EXTRUSIONS LTD.	SUNIL AGRO EXPORTS LTD. SUNIL ALLOYS & STEELS LTD. SUNIL ENERGY LTD. VINAYAK EXTRUSIONS LTD.

(C) Transactions with Related Parties : Nil

- 8) Since the company does not have any Convertible Debenture etc. so the disclosure regarding diluted Earning Per Share as per Accounting Standard-20 is not required.
- 9) That company has sundry debtors of Rs. 11,25,31,909/- at the end of the year out of which amount equivalent to Rs. 3,86,91,503/- is relates to export and out of export debtors amount equivalent to Rs.2,53,17,325/- is doubtful in nature and no provisions has been made according to accounting standards as the same is related to the RBI permission. However, the company has written to RBI about the matter with the fact and requested to grant permission for the write off of the same as the export proceeds were with held by the foreign entities earlier years due to defective software, software not meeting their requirement. The RBI has put the name of the company in precaution list due to non realization of the same. Out of the above doubtful export proceeds Rs.1,33,74,178/-is receivable from a wholly owned subsidiary of the company at Singapore. The Singapore subsidiary of the company has not able to sale software equivalent to Rs. 44,40,000/- due to defective and the same is lying with the subsidiary in the stock.
- 10) **CONTINGENT LIABILITIES :-**
- (a) Claims against the company not acknowledged as Debt – **NIL**
- (b) Provision for bills discounted – **NIL**
- 11) The Balance of Sundry Debtors, Sundry Creditors, Advances given and received are subject to confirmation by the parties.
- 12) Comparative figures of the previous year, wherever necessary, have been regrouped and reclassified to confirm in bracket, with those of the current year.
- 13) Abstract to the Balance Sheet as per Schedule VI part IV is enclosed.

As per our annexed report of even date  
For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

**(P. S. LAHOTI)**

**Partner**

**Membership No. 17042**

**Mr. S. K. Mall**  
Managing Director

**Mr. S. S. Mall**  
Chairman

**Mr. Mukesh Kumar Saraf**  
Company Secretary

Place : Kolkata

Dated : 5th day of August, 2011





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31-03-2011 Rs.	31-03-2010 Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before Tax and Extraordinary Items	417,686	353,074
Adjustments for :		
Add : Depreciation	2,761,158	3,032,036
<b>Operating Profit before Working Capital Changes</b>	<b>3,178,844</b>	3,385,110
Adjustment for :		
Add : Decrease / (Increase) in Sundry Debtors	6,228,124	8,136,846
Add : (Increase) / Decrease in Loans & Advances	14,999,536	(4,733,163)
Add : (Increase) / Decrease in Inventory	(12,480,587)	114,351
Add : Increase / (Decrease) in Current Liabilities	(7,035,136)	(6,268,170)
<b>Cash Generated from Operations</b>	<b>4,890,780</b>	634,973
Less : Income Tax Paid	93,247	196,243
<b>Cash Flow before Extraordinary Items</b>	<b>4,797,533</b>	438,730
<b>Net Cash used in Operating Activities</b>	<b>4,797,533</b>	438,730
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets	(3,224,000)	(2,220,350)
<b>Net Cash used in investing Activities</b>	<b>(3,224,000)</b>	(2,220,350)
<b>Net increase in cash and cash equivalents : (A+B)</b>	<b>1,573,533</b>	(1,781,620)
<b>Cash and Cash Equivalents as on opening date</b>	<b>389,552</b>	2,171,172
<b>Cash and Cash Equivalents as on closing date</b>	<b>1,963,085</b>	389,552

**AUDITORS CERTIFICATE**

The above Cash Flow Statement has been compiled from and is based on the audited accounts of **KANIKA INFRASTRUCTURE & POWER LTD.** for the year ended 31st March, 2011 reported upon by us on 5th day of August, 2011. According to the information and explanations given, the attached cash flow statement has been prepared pursuant to clause 32 of the listing agreement with stock exchange and the reallocations required for the purpose as are made by the Company.

As per our annexed report of even date  
For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

**(P. S. LAHOTI)**  
**Partner**

**Membership No. 17042**

**Mr. S. K. Mall**  
Managing Director

**Mr. S. S. Mall**  
Chairman

**Mr. Mukesh Kumar Saraf**  
Company Secretary

Place : Kolkata  
Dated : 5th day of August, 2011

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

NAME OF THE SUBSIDIARY COMPANY	KANJIKA INFOTECH (SINGAPORE) PTE. LTD.	KANJIKA INFOTECH (U.K.) LTD.
Financial Year of subsidiaries  No. of Equity Shares held by the company on the closing date  Extent of Holding  The net aggregate of Profit/(Losses) of the subsidiary so far as they concern the members of the company and which are not dealt with the accounts of the company for the year ended of the respective subsidiaries :  (I) For the financial year of the subsidiary  (II) For the previous financial years	01-04-2010 to 31-03-2011  1,48,840 Equity Shares of SGD 1 each, fully paid-up  100%	01-04-2010 to 31-03-2011  9,763 Equity Shares of UKP 1 each, fully paid-up.  100%
	(263,995)	(—)
	(498,257)	(—)

## REPORT OF THE DIRECTORS

The directors are pleased to present their report to the members together with the audited financial statements of the company for the financial year ended 31st March 2011.

### 1. **DIRECTORS**

The directors of the company in office at the date of this report are :  
Sunil Kumar Mall  
Cheong Chow Seng

### 2. **ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisitions of shares or debentures of the company or any other body corporate.

### 3. **DIRECTORS' INTEREST IN SHARES AND DEBENTURES**

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in shares of the company as stated below :

Name of Directors	Ordinary shares of \$1/- each	
	At beginning of Financial year	At end of Financial year
Sunil Kumar Mall	—	—
Cheong Chow Seng	—	—
<b>Holding Company</b> <b>Kanika Infrastructure &amp; Power Ltd. (India)</b>		
Sunil Kumar Mall	1,18,119	1,02,305

Except as disclosed, no director who held office at the end of the financial year had interests in share options, warrants or debentures of the company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

### 4. **DIRECTORS' CONTRACTUAL BENEFITS**

Since the end of the previous financial year, except as disclosed in the financial statements, no director of the company has received or become entitle to receive a benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

### 5. **AUDITORS**

V. P. Kumaran & Co. have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors  
**Sunil Kumar Mall**  
Director  
**Cheong Chow Seng**  
Director

Singapore,  
4th day of July, 2011

## STATEMENT BY DIRECTORS KANJIKA INFOTECH (SINGAPORE) PTE LTD.

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In our opinion

- the accompanying income statement, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of the results, changes in equity and cash flows of the company for the year then ended, and
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors  
**Sunil Kumar Mall**  
Director  
**Cheong Chow Seng**  
Director

Singapore,  
4th day of July, 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
KANJIKA INFOTECH (SINGAPORE) PTE LTD.**

We have audited the accompanying financial statements of the company, which comprise the balance sheet as at 31st March, 2011, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. The responsibilities includes :

- a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transaction are properly authorized and that they are recorded as necessary to permit the preparation of true and fair income statement, balance sheet and to maintain accountability of assets ;
- b) selecting and applying appropriate accounting policies ; and
- c) making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

We are unable to ascertain the existence of fixed assets in NIL, inventories amounting to \$120,000 and trade receivables amounting to \$412,460.

We have not received confirmations of the trade receivables and trade and other payables.

Consequently, we are unable to obtain all the information and explanations considered necessary for the purpose of our audit.

Because of the significance of the matters referred to above, we do not express our opinion as to whether;

- (a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and the results, changes in equity and cash flow statement of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

V. P. KUMARAN & CO.  
Public Accountants and  
Certified Public Accountants

Singapore, 4th day of July, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	<u>Note</u>	<u>31-03-2011</u> <u>S\$</u>	<u>31-03-2010</u> <u>S\$</u>
<b>CURRENT ASSETS</b>			
Inventories	7	120,000	120,000
Trade receivables	8	412,460	417,460
Cash and Cash equivalents	9	211	896
		<u>532,671</u>	<u>533,356</u>
<b>TOTAL ASSETS</b>		<u>534,671</u>	<u>535,356</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	518,648	514,198
<b>TOTAL LIABILITIES</b>		<u>518,648</u>	<u>514,198</u>
<b>NET ASSETS</b>		<u>16,023</u>	<u>21,158</u>
<b>EQUITY</b>			
Share Capital	11	148,840	148,840
Accumulated (losses)		<u>(134,817)</u>	<u>(127,682)</u>
		<u>14,023</u>	<u>21,158</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>532,671</u>	<u>535,356</u>

The accompanying notes form an integral part of these financial statements.

**INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	<u>Note</u>	<u>31-03-2011</u> <u>S\$</u>	<u>31-03-2010</u> <u>S\$</u>
Revenue		—	—
<b>LESS : OPERATING EXPENSES</b>			
Staff Cost	3	500	500
Depreciation	6	10,200	10,200
Other Operating Expenses		4,635	4,848
<b>Total costs and expenses</b>		<u>7,135</u>	<u>15,548</u>
<b>(Loss) before tax</b>	4	<u>(7,135)</u>	<u>(15,548)</u>
Tax expenses	5	—	—
<b>Net (loss) for the year</b>		<u>(7,135)</u>	<u>(15,548)</u>

The accompanying notes form an integral part of these accounts.

**V. P. KUMARAN & CO.**  
Certified Public Accountants

**Sunil Kumar Mall**  
Director  
**Cheong Chow Seng**  
Director

Place : Singapore,  
4th day of July, 2011

**V. P. Kumaran**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011**

	Note	31-03-2011 S\$	31-03-2010 S\$
<b>SHARE CAPITAL</b>			
Balance at beginning of financial year		148,840	148,840
Issuance of ordinary shares		—	—
Balance at end of financial year	11	<u>148,840</u>	<u>148,840</u>
<b>Accumulated (Losses)</b>			
Balance at beginning of financial year		(127,682)	(112,134)
Net (loss) for the year		(7,135)	(15,548)
Balance at end of financial year		<u>(134,817)</u>	<u>(127,682)</u>
<b>Total Equity</b>		<u>14,023</u>	<u>21,158</u>

The accompanying notes form an integral part of these Financial Statements.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Note	31-03-2011 S\$	31-03-2010 S\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net (loss) before tax		(7,135)	(15,548)
<b>Adjustment for :</b>			
Depreciation	6	2,000	10,200
<b>Operating (loss) / profit before working capital changes</b>		<u>(5,135)</u>	<u>(5,348)</u>
<b>Changes in Working Capital :</b>			
Decrease / (increase) in trade receivables		—	5,001
(Decrease) / increase in trade and other payables		4,450	948
<b>Net cash flow (used in) / from operating activities</b>		<u>(685)</u>	<u>600</u>
Net (decrease) / increase in Cash in hand and at Bank		(685)	600
Cash in hand and at Bank at beginning		896	296
<b>Cash in hand and at Bank at end of the year</b>	9	<u>211</u>	<u>896</u>

The accompanying notes form an integral part of these financial statements.

**V. P. KUMARAN & CO.**  
Certified Public Accountants

**V. P. Kumaran**

**Sunil Kumar Mall**  
Director  
**Cheong Chow Seng**  
Director

Place : Singapore,  
4th day of July, 2011

**NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2011**

These notes form an integral part of the financial statement.

The financial statements were authorized for issue by the Board of Directors on 4th July, 2011.

**1) DOMICILE AND ACTIVITIES**

**KANIKA INFOTECH (SINGAPORE) PTE LTD** is incorporated in the Republic of Singapore and has its registered office at 10, Anson Road, #31-10, International Plaza, Singapore - 079983

The principal activities of the company are those relating to software and multimedia work development. There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding company during the financial year is Kanika Infrastructure & Power Limited (India).

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which are measured at fair value: certain plant and equipment, certain financial assets and financial liabilities. Non-current assets and disposal groups held for sale are measured at the lower of the carrying amount and fair value.

The financial statements are presented in Singapore Dollars which is the Company's functional currency.

The preparation of financial statements in conformity with FRS requires managements to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**a) Adoption of new and revised standards**

On 1 January 2007, the Company adopted the new or revised FRS and interpretations of FRS (INT FRS) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in the accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the new and amended FRS and INT FRS that are relevant to the Company :

Amendment to *Presentation of Financial Statements - Capital Disclosures Financial Instruments : Disclosures*  
FRS 1FRS 107

The adoption of the above FRS and INT FRS did not result in any substantial changes to the Company's accounting policies nor any significant impact on these financial statements. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

**b) New FRS and INT FRS yet to be adopted**

At the date of authorization of these financial statements, the following FRS and INT FRS were issued but not yet effective:

FRS 108	<i>Operating Segments (effective 1 January 2009)</i>
INT FRS 29	<i>Amendments to Disclosure-Service Concession Agreement (effective 1 January 2008)</i>
INT FRS 101	<i>Amendments to Changes in Existing Decommissioning, Restoration and Similar Liabilities (effective 1 January 2008)</i>
INT FRS 104	<i>Amendments to Determining whether an Arrangement contains a Lease (effective 1 January 2008)</i>
INT FRS 111	<i>Group and Treasury Shares Transactions (effective 1 March 2007)</i>
INT FRS 112	<i>Service Concession Arrangements (effective 1 January 2008) Amendments to Service Concession Arrangements (effect 1 January 2009)</i>

The management expect that the adoption of these FRS and INT FRS in the initial period of application will have no material impact on the financial statements.

**2.2 Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of replacing parts of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will follow to the Company and its cost can be measured reliably. The cost of the day-to-day serving of plant and equipment are recognized in the income statement as incurred.

Depreciation on plant and equipment is recognized in the income statement on a straight-line basis over the estimated useful lives (or leased term, if shorter) of each part of an item of plant and equipment.

The estimated useful lives are as follows :

- Software 10 Years
- Office equipment 3 Years
- Furniture and fittings 3 Years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.



## 2.3 Financial Instruments

### Non-derivative instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as describes below.

A financial statement is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

#### **Financial assets are fair value through profit or loss**

An instrument is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management and investment strategies. Upon initial recognition, attributable transaction costs are recognized in the income statement when incurred. Financial instruments are fair value through profit or loss is measured at fair value, and changes therein are recognized in the income statement.

#### **Held-to-maturity investments**

If the Company has the positive intent and ability to hold debt securities to maturity, they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

#### **Available-for-sale financial assets**

The Company's investments in certain equity securities and debt securities are classified as available-for-sale financial assets if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to the income statement.

#### **Other**

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

#### **Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more event have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial asset are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristic.

All impairment losses are recognized in the income statement. Any cumulative loss in respect of available-for-sale financial assets recognized previously in equity is transferred to the income statement.

Impairment losses in respect of financial assets measured at amortised cost and available-for-sale debt securities are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognized.

Impairment losses once recognized in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in fair value of such assets is recognized directly in equity.

#### **Share Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, net of any tax effects, is presented as a deduction from equity. Where such shares are subsequently

Registration No. 200002396N

reissued, sold or cancelled, the consideration received is recognized as a change in equity. No gain or loss is recognized in the income statement.

#### 2.4 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment properties, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### 2.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### 2.6 Income tax expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary difference: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on difference tax liabilities will be realized simultaneously.

#### 2.6 Income tax expenses (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

	2011 S (\$)	2010 S (\$)
<b>3) STAFF COSTS</b>		
Director's fees	500	500
<b>4) (LOSS) BEFORE TAX</b>		
Director's fees	500	500
Auditors' remuneration	1,250	1,200
Depreciation	2,000	10,200
<b>5) TAX</b>		
At 31 March 2011 the company has unabsorbed tax losses as follows :		
Amount at beginning and at end of the year	(101,177)	(101,177)
Deferred Tax benefit on above unrecorded	18,212	18,212
Tax rate	18%	18%

The unabsorbed tax losses of the Company can be carried forward and utilities to offset against future taxable income subject to Section 37 of the Income Tax Act Cap 134.

## 6) PLANT AND EQUIPMENT

2011 Cost	Furniture and fittings S (\$)	Office Equipment S (\$)	Software S (\$)	Total S (\$)
At beginning of year	3,326	22,432	102,000	127,758
Addition	—	—	—	—
Disposals	—	—	—	—
<b>At end of year</b>	<b>3,326</b>	<b>22,432</b>	<b>102,000</b>	<b>127,758</b>
<b>Accumulated Depreciation</b>				
At beginning of year	3,326	22,432	1,00,000	125,758
Charge for the year	—	—	2,000	2,000
<b>At end of year</b>	<b>3,326</b>	<b>22,432</b>	<b>102,000</b>	<b>127,758</b>
<b>Net Book Value</b>				
At end of year	—	—	—	—
<b>2010</b>				
At beginning of year	3,326	22,432	102,000	127,758
Addition	—	—	—	—
Disposals	—	—	—	—
<b>At end of year</b>	<b>3,326</b>	<b>22,432</b>	<b>102,000</b>	<b>127,758</b>
<b>Accumulated Depreciation</b>				
At beginning of year	3,326	22,432	89,800	115,558
Charge for the year	—	—	10,200	10,200
<b>At end of year</b>	<b>3,326</b>	<b>22,432</b>	<b>1,00,000</b>	<b>125,758</b>
<b>Net Book Value</b>				
At end of year	—	—	2,000	2,000

7) <b>INVENTORIES</b>	<b>2011 S (\$)</b>	<b>2010 S (\$)</b>
Software products and packages	120,000	120,000
8) <b>TRADE RECEIVABLES</b>		
Trade receivables	412,460	417,460
9) <b>CASH IN HAND AND AT BANK</b>		
Cash in hand	7	12
Cash at bank	204	884
	<b>211</b>	<b>896</b>
10) <b>TRADE &amp; OTHER PAYABLES</b>		
Amount due Holding Company	504,000	504,000
Amount due to director	1,500	1,000
Others Payable	4,000	2,000
Accrued charges	9,148	7,198
	<b>518,648</b>	<b>514,198</b>

The amount due to holding Company and directors are interest free, unsecured and has no fixed terms of repayment.

11) **SHARE CAPITAL****Issued and fully paid :**

At beginning and end of the financial year	148,840	148,840
	<u>148,840</u>	<u>148,840</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction.

12) **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Board reviews and agrees policies for managing interest rate risk, credit risk, foreign currency risk, market risk and fair values of the assets and liabilities of the company. Each of these risks are summarized below :

**Interest rate risk**

The Company has no significant exposure to market risk for changes in interest rates because it has no major borrowings from external source.

**Credit risk**

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the company resulting in a loss to the Company.

The carrying amounts of cash and receivables represent the Company's maximum exposure to credit risk in relation to financial assets. As at the balance sheet date, there was no concentration of other credit risk.

**Foreign Currency risk**

The Company has no significant exposure to foreign currency risk.

**Market risk**

The company has no significant exposure to market risk.

**Fair values**

The Carrying amounts of financial assets and liabilities recorded at balance sheet date are approximate to their fair values as these are the amount receivable and payable under the normal trade credit terms or on demand.

**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	<b>31-03-2011</b>	31-03-2010
	<b>S\$</b>	S\$
<b>SALES</b>	—	—
<b>COST OF SALE</b>		
Opening Stock	<b>120,000</b>	120,000
Closing Stock	<b>(120,000)</b>	(120,000)
<b>GROSS PROFIT</b>	—	—
<b>OPERATING EXPENSES</b>	<b>(7,135)</b>	(15,548)
<b>(LOSS) BEFORE INCOME TAX</b>	<b>(7,135)</b>	(15,548)
<b>TAX EXPENSE</b>	—	—
<b>(LOSS) FOR THE FINANCIAL YEAR</b>	<b>(7,135)</b>	(15,548)
<b>ACCUMULATED (LOSSES) BROUGHT FORWARD</b>	<b>(127,682)</b>	(112,134)
<b>ACCUMULATED (LOSSES) CARRIED FORWARD</b>	<b>(134,817)</b>	(127,682)

This statement does not form part of the audited financial statements of the company.

**OPERATING EXPENSES FOR THE YEAR ENDED 31ST MARCH 2011**

	<b>31-03-2011</b>	31-03-2010
	<b>S\$</b>	S\$
Auditors' remuneration	<b>1,250</b>	1,200
Bank charges	<b>180</b>	180
Depreciation	<b>2,000</b>	10,200
Directors' remuneration	<b>500</b>	500
Filing fees	<b>300</b>	300
Miscellaneous Expenses	<b>20</b>	240
Postage and courier	<b>85</b>	80
Printing and stationery	<b>100</b>	98
Sub-Contract	<b>2,000</b>	2,000
Secretarial fees	<b>700</b>	700
	<b>7,135</b>	15,548

This statement does not form part of the audited financial statements of the company.

## **DIRECTORS' REPORT**

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**To the members of Kanika Infotech (UK) Ltd.**

The directors present their report and financial statements for the year ended 31st March, 2011.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of software solutions and multimedia.

### **Results**

The results for the year are set out on following pages.

The Company does not charge any depreciation and preliminary expenses not written off proportionately as the company has not yet commenced the business.

By order of the Board  
**Kanika Infotech (UK) Ltd.**

Place : Hayes  
Dated : 15th July, 2011

**S. K. Mall**  
Director

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	31-03-2011 UKP	31-03-2010 UKP
<b>ASSETS LESS LIABILITIES</b>		
<b>NON-CURRENT ASSETS</b>		
Software	6,403	6,403
<b>CURRENT ASSETS</b>		
Cash and Bank Balance	—	—
<b>LESS : CURRENT LIABILITIES</b>		
Trade Creditors	—	—
<b>NET CURRENT ASSETS</b>		
Preliminary Expenses	1,763	1,763
<b>NET ASSETS</b>	<b>8,165</b>	<b>8,165</b>
<b>EQUITY</b>		
Share Capital	9,763	9,763
Accumulated Loss	(1,598)	(1,598)
	<b>8,165</b>	<b>8,165</b>

**INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	31-03-2011 UKP	31-03-2010 UKP
<b>REVENUES</b>		
Miscellaneous Income	—	—
<b>TOTAL REVENUES</b>	<b>—</b>	<b>—</b>
<b>COST AND EXPENSES</b>		
Financial Expenses	—	—
Professional Fees	—	—
Miscellaneous Expenses	—	—
<b>LOSS FROM OPERATING ACTIVITIES</b>		
Balance brought forward from last year	(1,598)	(1,598)
<b>NET LOSS</b>	<b>(1,598)</b>	<b>(1,598)</b>

By order of the Board  
**Kanika Infotech (UK) Ltd.**

Place : Hayes  
Dated : 15th July, 2011

**S. K. Mall**  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2011**

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These notes form an integral part and should be read in conjunction with the accompanying financial statements.

**SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation**

The financial statements of the company have been prepared as per normal acceptable accounting principles.

b) All the Expenses are charged on cash basis of accounting except professional fee payable.

**c) Fixed Assets**

All assets are stated at cost and no depreciation has been charged as the business of the company has not been started till the date.

**d) Depreciation**

Depreciation has not been charged on Fixed Assets as the assets we are not put to use during the period under review and there is no market value of the Fixed Assets.

**e) Preliminary expenses**

During the period under review no preliminary expenses has been written off due to non commencement of business.

**PROVISION FOR TAXATION**

Provision for taxation has not been made due to non commencement of Business.

Non current Assets i.e., licenced Software acquired for the use of the Company had not been put to use till the date of the Balance Sheet and the same does not bear any resale value.

By order of the Board  
**Kanika Infotech (UK) Ltd.**

Place : Hayes  
Dated : 15th July, 2011

**S. K. Mall**  
Director

**AUDITORS' REPORT**

TO THE BOARD OF DIRECTORS OF THE **KANIKA INFRASTRUCTURE & POWER LIMITED** ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE KANIKA INFRASTRUCTURE & POWER LIMITED AND ITS SUBSIDIARIES.

1. We have examined the attached Consolidated Balance Sheet of the Kanika Infrastructure & Power Limited and its subsidiaries as at 31st March, 2011 and the Consolidated Profit and Loss Account for the period 1st April, 2010 to 31st March, 2011.
2. These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of any subsidiary. The financial statements of Subsidiary M/s. Kanika Infotech (Singapore) Pte. Ltd. have been audited by another auditor, whose reports have been furnished to us and our opinion, insofar as it relates to the amount included in respect of these subsidiaries, are based solely on the report of the other auditors. In respect of financial statements of other subsidiaries namely M/s. Kanika Infotech (U.K.) Ltd. have not been audited and their reports have been furnished to us by management and the same in our opinion, insofar as it relates to the amount included in respect of these subsidiaries are based solely on the report of the management of these subsidiaries.
4. These financial statement reflect :
  - (a) Total Assets of Rs. 23,80,004/- as at 31st March, 2011, which have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amount included in respect of these subsidiaries, is based solely on the report of the other auditor and management of these Companies.
  - (b) Total Revenues of Rs. 51,03,284/- for the period 1st April, 2010 to 31st March, 2011, which were redrawn by the management of the company to make them comparable with the period of accounts of the Holding Company. The same has been considered for the purpose of consolidation and accepted as correct by us.
5. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard AS-21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Kanika Infrastructure & Power Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of Kanika Infrastructure & Power Limited and its aforesaid subsidiaries, we are of the opinion that :

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Kanika Infrastructure & Power Limited and its subsidiaries as at 31st March, 2011 and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Kanika Infrastructure & Power Limited and its subsidiaries for the period 1st April, 2010 to 31st March, 2011.

For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**  
**(P. S. LAHOTI)**  
**Partner**  
**Membership No. : 17042**

Place : 14, Ganesh Chandra Avenue  
Kolkata – 700 013

Dated : 5th day of August, 2011



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	AS ON 31-03-2011 Rs.	AS ON 31-03-2010 Rs.
<b>SOURCES OF FUND :</b>		
<b>1. SHARE HOLDERS' FUNDS :</b>		
Share Capital	133,611,257	133,611,257
Reserve & Surplus	3,812,947	4,456,645
Exchange Revaluation Reserve	7,483,288	3,110,153
	<b>144,907,492</b>	<b>141,178,055</b>
<b>APPLICATION OF FUNDS</b>		
<b>A. FIXED ASSETS</b>		
Gross Block	79,400,665	75,598,175
Less : Depreciation	70,947,081	67,616,562
	<b>8,453,584</b>	<b>7,981,613</b>
<b>B. CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventory	22,210,712	9,135,693
Sundry Debtors	114,418,751	127,791,309
Cash & Bank Balance	1,970,894	418,266
Other Current Assets	12,777,548	25,277,084
	<b>151,377,905</b>	<b>162,622,352</b>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities	12,872,302	27,407,439
Provisions	2,178,595	2,125,213
	<b>15,050,897</b>	<b>29,532,652</b>
<b>C. NET CURRENT ASSETS</b>	<b>136,327,008</b>	<b>133,089,700</b>
<b>D. MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted )	<b>126,900</b>	<b>106,743</b>
	<b>144,907,492</b>	<b>141,178,055</b>

As per our annexed report of even date  
For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

(P. S. LAHOTI)

Partner

Membership No. 17042

**Mr. S. K. Mall**  
Managing Director

**Mr. S. S. Mall**  
Chairman

**Mr. Mukesh Kumar Saraf**  
Company Secretary

Place : Kolkata

Dated : 5th day of August, 2011

**CONSOLIDATED PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011**

	YEAR ENDED 31-03-2011 Rs.	YEAR ENDED 31-03-2010 Rs.
<b>INCOME</b>		
Sales	315,703,276	218,406,359
Increase / (Decrease) in Stock	12,480,587	(114,351)
Other Income	—	111,403
	<b>328,183,863</b>	<b>218,403,411</b>
<b>EXPENDITURE</b>		
Purchases	322,642,502	213,588,307
Salary & Other Employee Benefits	668,322	637,000
Administrative Expenses	1,884,190	964,378
Depreciation	2,835,158	3,358,909
	<b>328,030,172</b>	<b>218,548,594</b>
Profit / Loss for the year	153,691	(145,183)
Profit before Tax	153,691	(145,183)
Provision for Income Tax	75,184	82,107
Provision for Deferred Tax Asset / (Liability)	(60,305)	(15,852)
<b>Profit after Tax</b>	<b>18,202</b>	<b>(243,142)</b>
Add : Balance brought forward from last year	3,794,745	4,699,788
Balance Carried to Balance Sheet	<b>3,812,947</b>	<b>4,456,645</b>

As per our annexed report of even date  
For **LAHOTI & CO.**  
**Chartered Accountants**  
**Firm Registraion No. 306045E**

**(P. S. LAHOTI)**

**Partner**

**Membership No. 17042**

**Mr. S. K. Mall**  
Managing Director

**Mr. S. S. Mall**  
Chairman

**Mr. Mukesh Kumar Saraf**  
Company Secretary

Place : Kolkata

Dated : 5th day of August, 2011

# *Kanika Infrastructure & Power Limited*

Regd. Office : 6th Floor, "Crescent Tower", 229, A.J.C. Bose Road, Kolkata – 700 020

## **ATTENDANCE SLIP**

### **16TH ANNUAL GENERAL MEETING — SATURDAY, 24TH SEPTEMBER, 2011**

Venue : Rabindra Okakura Bhawan (Paschimbanga Bangla Academy), 27/A/1, Bidhan Nagar, DD-Block, Kolkata-700064, Time : 11 AM.

Folio No. / Clien ID ..... No. of Shares held .....

Name of Member(s) Proxy : .....

Please tick whether Member [ ] Joint Holder [ ] Proxy [ ]

Member's or Proxy's Signature : .....

#### **Notes :**

1. Members / Proxies must bring the admission slip duly completed and signed and hand over the same at the entrance.
2. Admission restricted strictly for member and valid proxies only. Please bring your copy of the enclosed Annual Report.
3. Shareholders intending to require information about accounts, to be explained at the meeting, are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating there to may be made available, if the Chairman permits such information to be furnished.

# *Kanika Infrastructure & Power Limited*

Regd. Office : 6th Floor, "Crescent Tower", 229, A.J.C. Bose Road, Kolkata – 700 020

## **PROXY FORM**

### **16TH ANNUAL GENERAL MEETING — SATURDAY, 24TH SEPTEMBER, 2011**

Venue : Rabindra Okakura Bhawan (Paschimbanga Bangla Academy), 27/A/1, Bidhan Nagar, DD-Block, Kolkata-700064, Time : 11 AM.

Folio No. / Clien ID ..... No. of Shares held .....

I/We.....of

.....in the district of ..... being a

member/s of the above named Company, hereby appoint .....

of .....in the district of.....or falling him.....of.....

in the district of..... as my/our proxy to vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held on Saturday, 24th September, 2011 at 11.00 A.M. at Rabindra Okakura Bhawan (Paschimbanga Bangla Academy), 27/A/1, Bidhan Nagar, DD-Block, Kolkata-700064.

Signed this ..... day of September, 2011

Signature (s) .....

Affix  
1 Re.  
Revenue  
Stamp

#### **NOTES :**

1. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. THE FORM SHOULD BE SIGNED ACROSS THE STAMP AS PER SPECIMEN SIGNATURE REGISTERED WITH THE COMPANY.
3. A PROXY NEED NOT BE A MEMBER.

For Office use only Proxy No. .... Date of Receipt : .....