

**PANCHMAHAL PROPERTIES LIMITED**  
**CIN: U74899DL1995PLC068913**

Regd. Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002  
Phone no.:011-30179888, Fax : 91-011-23739475, E-mail: dswain@jkmil.com

**NOTICE**

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **PANCHMAHAL PROPERTIES LIMITED** will be held at the Registered Office of the Company at Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002 on Thursday, the 29<sup>th</sup> September 2016 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri D.N.Bhatnagar (DIN: 06800160), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors and to fix their remuneration and in connection therewith to consider and if thought fit to pass, with or without modification (s), the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 29<sup>th</sup> August 2014, the appointment of M/s. S.B.G. & Co., Chartered Accountants, Delhi, (Firm Registration No. 001818N) as the Auditors of the Company to hold office till the conclusion of the 23<sup>rd</sup> AGM to be held in the financial year 2019 be and is hereby ratified on a remuneration of Rs. 6,000/- p.a. (Rupees Six Thousand only), excluding Service Tax as applicable and reimbursement of traveling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit."

By Order of the Board

(Harish Kumar Wadhawan)  
Director

Regd. office  
Nehru House,  
4, Bahadur Shah Zafar Marg,  
New Delhi-110 002  
18<sup>th</sup> May 2016

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF.SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

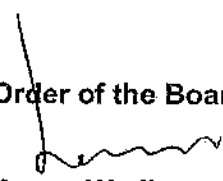
2. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during normal business hours upto and including the date of the Annual General Meeting.

**Re-appointment of Director:**

Brief Resume of the Director proposed to be re-appointed (Item no. 2 of the Notice) is given hereunder:

Shri Deepak Narain Bhatnagar, aged 59 years, is a Post graduate in Commerce. He has rich experience in the fields of Finance & Accounts, Corporate Taxation, etc. He is Director of Swadeshi Electoral Trust and PSV Energy Private Limited. Shri Deepak Narain Bhatnagar has attended three meetings of the Board of Directors held during the financial year ended 31<sup>st</sup> March, 2016. His Director Identification No. is 06800160. He does not hold any equity shares of the Company. His Director Identification No. is 06800160. Shri Deepak Narain Bhatnagar is not related to any Director of the Company.

By Order of the Board

  
(Harish Kumar Wadhawan)  
Director

**Regd. office**  
Nehru House,  
4, Bahadur Shah Zafar Marg,  
New Delhi-110 002  
18<sup>th</sup> May 2016

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Phone no.:011-30179888, Fax: 91-011-23739475, E-mail: dswain@jkm.com

**DIRECTORS' REPORT**

**To the Members**

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report along with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016.

**FINANCIAL RESULTS**

During the year under review, the Company has earned a profit of Rs.2,51,668. Taking into account the aforesaid profit, a surplus of Rs. 25,04,515 was carried to Balance Sheet.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system.

**EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on 31<sup>st</sup> March 2016 in the prescribed form MGT -9 is attached as Annexure 'A' to this Report and forms part of it.

**NUMBER OF BOARD MEETINGS**

The Board of Directors met 4(four) times during the financial year 2015-16 ended 31<sup>st</sup> March 2016.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

The Company has not given any loan, guarantee etc. neither provided any security nor made any investment in the securities of any other body corporate, covered under the provisions of Section 186 of the Companies Act, 2013.

**RELATED PARTY TRANSACTIONS**

The Company has not entered into any contract or arrangement or transaction with the Related Parties during the financial year under review.



## **DIRECTORS**

Shri D.N.Bhatnagar retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

The Board recommends the appointments as aforesaid.

## **STATUTORY AUDITORS AND THEIR REPORT**

M/s. S.B.G. & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> August 2014 until the conclusion of the 23<sup>rd</sup> Annual General Meeting to be held in the Year 2019, subject to ratification of their appointment by the members at the respective AGMs to be held from the year 2016 onwards till the AGM to be held in the year 2018. Accordingly, being eligible, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. The observations of the Auditors in their report on Accounts and the financial statements, read with the relevant notes are self explanatory.

## **CONSERVATION OF ENERGY, ETC.**

The details as required under Section 134(3)(m) of the Companies Act, 2013 and the rules made thereunder, are not applicable to the Company.

## **DEPOSITS**

In terms of the provision of Section 73 and 74 of the Companies Act, 2013 (earlier Section 58A of the Companies Act, 1956) read with the relevant Rules made thereunder, the Company does not accept any deposits.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

## **PARTICULARS OF EMPLOYEES**

The Company had no employees in the category specified under Rule 5(2) of the Companies (Appointment & Remuneration) Rules, 2014.

## **RISK MANAGEMENT**

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures.

## **MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR**

No material changes and commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business during the Financial Year 2015-16.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

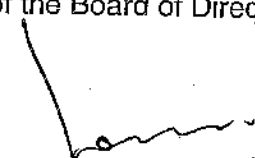
- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent 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 and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.




## ACKNOWLEDGEMENT

The Directors take the opportunity to convey their thanks to all the stakeholders for their continued support. Your Directors also wish to record their appreciation of the contribution made by the employee at all levels during the financial year.

For and on behalf of the Board of Directors

  
(Harish Kumar Wadhawan)  
Director

  
(Deepak Narain Bhatnagar)  
Director

Place: New Delhi  
Date: 18<sup>th</sup> May 2016

**ANNEXURE 'A' TO BOARD'S REPORT**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March 2016  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : U74899DL1995PLC068913
- (ii) Registration Date : 23<sup>rd</sup> May 1995
- (iii) Name of the Company : Panchmahal Properties Limited
- (iv) Category : Public Company Limited by Shares  
Sub-Category of the Company : Subsidiary of Indian Company
- (v) Address of the Registered Office and Contact Details- : Nehru House, 4 Bahadur Shah Zafar Marg  
New Delhi- 110 002  
  
Ph. No. - +91-11-30179888  
Fax No. - 91-011-23739475  
Email id: [dswain@jksmail.com](mailto:dswain@jksmail.com)
- (vi) Whether Listed Company : No  
Yes/ No
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any- : Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1.	Renting and others	681	100%

\* As per National Industrial Classification (2008)- Ministry of Statistics and Programme Implementation.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sl. No.	Name and Address of the Company	CIN/GNL	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Bengal & Assam Company Limited (BACL)	L67120DL1947PLC116830	Holding	100	2(46)

	capital in excess of 1 lakh								
c)	Others (NRI)								
i)	NRI								
<b>Sub-Total (B)(2):-</b>									
<b>Total Public shareholding (B) = (B)(1)+(B)(2)</b>									
C.	Shares held by Custodian for GDRs & ADRs								
<b>Grand Total (A+B+C)</b>									
		-	3,51,230	3,51,230	100.00	-	3,51,230	3,51,230	100.00

\* Shri Lajpat Rai Puri, Shri Brijesh Kumar Daga, Shri Prem Shankar Sharma, Shri U. K. Gupta, Shri D N Bhatnagar, Shri Harish Kumar Wadhwan are the individual shareholders who jointly hold ten equity shares each in the Company along with BACL.

**(ii) Shareholding of Promoter**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2015)			Shareholding at the end of the year (as on 31st March 2016)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Bengal & Assam Company Limited (BACL)	3,51,230*	100.00	Nil	3,51,230	100.00	Nil	No Change
	<b>Total</b>	3,51,230	100.00	Nil	3,51,230	100.00	Nil	No Change

\* Shri Lajpat Rai Puri, Shri Brijesh Kumar Daga, Shri Prem Shankar Sharma, Shri U. K. Gupta, Shri D N Bhatnagar, Shri Harish Kumar Wadhwan are the individual shareholders who jointly hold ten ((10) equity shares each in the Company along with BACL. The shares held by Shri Lajpat Rai Puri, Shri Brijesh Kumar Daga, Shri Prem Shankar Sharma, Shri U. K. Gupta, Shri D N Bhatnagar, Shri Harish Kumar Wadhwan jointly have not been pledged.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Bengal &amp; Assam Company Limited</b>				
	At the beginning of the year	3,51,230	100.00	3,51,230	100.00
	Date wise Increase/Decrease in Promoter 's Shareholding during the year	<b>NO CHANGE</b>			
	At the end of the year i.e. 31 <sup>st</sup> March 2016			3,51,230	100.00

**(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

The Company is wholly owned subsidiary of Bengal & Assam Company Limited which holds 3,51,230 (100.00%) equity shares of the Company.




VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

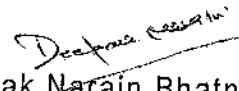
- A. Remuneration to Managing Director, Whole-time Directors and/or Manager- *The Company is not required to appoint any Managing Director, Whole-time Director or Manager under the provisions of Section 196 of Companies Act, 2013, hence **not applicable**.*
- B. Remuneration to other Directors - *The Directors of the Company do not draw any remuneration from the Company. Further, No sitting fee has been paid to the Directors for attending the meetings of the Board, hence **not applicable***
- C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD: *Pursuant to the provisions of Section 203 of Companies Act, 2013, the Company is not required to appoint any Key Managerial Personnel other than the Managing Director, Whole-time Director or Manager under, hence **not applicable**.*

VII. **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March 2016.

Place: New Delhi  
Date: 18<sup>th</sup> May 2016

  
Harish Kumar Wadhawan  
(Director)

  
Deepak Narain Bhatnagar  
(Director)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PANCHMAHAL PROPERTIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **PANCHMAHAL PROPERTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order



to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) As required by section 143(3)(i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our report on the internal financial controls over financial reporting is as per Annexure 'B'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position (refer Note no 16 of the financial statements).



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.B.G. & CO.,  
Chartered Accountants  
Firm's Registration No. 001818N

*Suresh Kumar*

(SURESH KUMAR)  
(Partner)

Membership No.: 72921



Place: New Delhi

Date: 18-05-2016

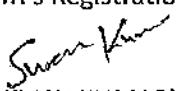
**Annexure "A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Panchmahal Properties Limited for the year ended 31<sup>st</sup> March 2016**

1.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regards to the size of the company and the nature of its fixed assets.
  - (c) As per the records and information and explanations given to us, title deed of immovable property is in the name of the Company.
2. The Company does not have any inventory. Accordingly, we are not offering any comments under Clause 3(ii) of the Order.
3. As per the records and the information and explanations given to us, the Company has not granted any loan secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) & (c) of the Order are not applicable.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, the company has not given any loans, guarantees, security and has not made any investment under the provisions of section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public within the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). Therefore, the provisions of the clause 3(v) of the order are not applicable to the company. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
6. In our opinion and according to information and explanation given to us, the company is not required to maintain cost records pursuant to section 148(1) of the companies Act, 2013.
7.
  - (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including income tax, service tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2016. As per the information and explanations provided to us Provident Fund, Employees state insurance, sales tax, value added tax, duty of customs, duty of excise are not applicable to the company.
  - (b) According to the records and information & explanations given to us, there are no material dues in respect of Income tax, service tax that have not been deposited with the appropriate authorities on account of any dispute. As per the information and explanations provided to us Sales tax, duty of customs, duty of excise and value added tax are not applicable to the company.



8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, provisions of clause 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of Clause 3(ix) of the Order are not applicable.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. According to the information and explanations and records made available by the management of the Company and audit procedure performed, no transactions were carried out with the related parties during the year. The details have been disclosed in the financial statements as per the applicable Accounting Standard.
14. According to the information and explanations given to us and based on the audit procedure performed, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, we are not offering any comments under Clause 3(xiv) of the Order.
15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering comment with respect to compliance of Section 192 of the Act.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.B.G. & CO.,  
Chartered Accountants  
Firm's Registration No. 001818N

  
(SURESH KUMAR)  
Partner  
Membership No.: 72921



Place: New Delhi  
Date: 18-05-2016

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PANCHMAHAL PROPERTIES LIMITED**

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PANCHMAHAL PROPERTIES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

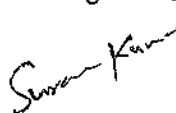
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.B.G. & CO.,  
Chartered Accountants  
Firm's Registration No. 001818N

  
(Suresh Kumar)  
Partner  
Membership No: 72921



Place: New Delhi  
Date: 18-05-2016



PANCHMAHAL PROPERTIES LIMITED

BALANCE SHEET

As at 31st March 2016

Particulars	Note	Amount in ₹	
		31st March 2016	31st March 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	35,12,300	35,12,300
(b) Reserves & Surplus	3	25,04,515	22,52,847
		<u>60,16,815</u>	<u>57,65,147</u>
<b>(2) NON-CURRENT LIABILITIES</b>			
Other Long-Term Liabilities	4	-	1,00,650
		<u>-</u>	<u>1,00,650</u>
<b>(3) CURRENT LIABILITIES</b>			
(a) Other Current Liabilities	5	1,07,520	6,742
(b) Short-Term Provisions	6	75,200	1,74,130
		<u>1,82,720</u>	<u>1,80,872</u>
		<u>61,99,535</u>	<u>60,46,669</u>
<b>TOTAL</b>			
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
Tangible Assets	7	22,70,099	23,22,707
(b) Non-Current Investments	8	33,13,232	35,33,232
		<u>55,83,331</u>	<u>58,55,939</u>
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	9	5,00,000	-
(b) Cash and Cash equivalents	10	40,944	16,695
(c) Short-Term Loans and Advances	11	75,260	1,74,035
		<u>6,16,204</u>	<u>1,90,730</u>
		<u>61,99,535</u>	<u>60,46,669</u>
<b>TOTAL</b>			

Significant Accounting Policies  
Notes on Financial Statements

1  
2-21

As per our report of even date

For S.B.G & Co.

Chartered Accountants

Partner

Membership No. 72921

Firm Registration No. 001818N

New Delhi

Dated: 18<sup>th</sup> May 2016



*R. Arora*

*D. Arora*  
Directors

PANCHMAHAL PROPERTIES LIMITED  
STATEMENT OF PROFIT AND LOSS  
For The Year Ended 31st March 2016

Particulars	Note	Amount in ₹	
		2015-16	2014-15
1 Revenue from operations	12	4,02,600	3,69,050
2 Other income	13	17,842	1,05,496
<b>3 Total Revenue (1+2)</b>		<b>4,20,442</b>	<b>4,74,546</b>
<b>4 Expenses:</b>			
Other Expenses	14	41,041	46,210
Depreciation and Amortization expenses	7	52,608	52,608
<b>Total Expenses (4)</b>		<b>93,649</b>	<b>98,818</b>
<b>5 Profit before Exceptional Items and tax (3-4)</b>		<b>3,26,793</b>	<b>3,75,728</b>
6 Exceptional Items		-	-
<b>7 Profit before Tax (5-6)</b>		<b>3,26,793</b>	<b>3,75,728</b>
<b>8 Tax Expense:</b>			
1) Current tax		75,200	70,000
2) Deferred tax charges/ credit		-	-
3) Tax Adjustment for Earlier Years		(75)	(6,779)
<b>9 Profit/ (Loss) for the period (7 -8 )</b>		<b>2,51,668</b>	<b>3,12,507</b>
<b>10 Earning per Equity Share (₹) :</b>			
Basic and Diluted	15	0.72	0.89
Notes on Financial Statements	2-21		

As per our report of even date

For S.B.G & Co.

Chartered Accountants



Partner

Membership No. 72921

Firm Registration No. 001818N

New Delhi

Dated: 18<sup>th</sup> May 2016

*R. K. K.*

*[Signature]*

*[Signature]*

Directors

PANCHMAHAL PROPERTIES LIMITED

NOTES TO FINANCIAL STATEMENTS

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 Accounts are maintained on accrual basis.
- 1.2 Long term investment are stated at cost.
- 1.3 Fixed Assets are stated at cost less accumulated depreciation.
- 1.4 Depreciation on Fixed Assets is provided on Straight Line Method over the useful life specified in Part 'C' of schedule II to the Companies Act, 2013.
- 1.5 Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognized in respect of current year and prospective years. Deferred Tax Assets is recognized on the basis of reasonable /virtual certainty that sufficient future taxable income will be available against which the same can be realised.

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PANCHMAHAL PROPERTIES LIMITED  
Notes to Financial Statements

Particulars	Amount in ₹	
	31st March 2016	31st March 2015
<b>NOTE 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
5,00,000 ( Previous year 5,00,000 ) equity shares of ₹ 10 each	50,00,000	50,00,000
<b>Issued, Subscribed and Paid up</b>		
3,51,230 ( Previous year 3,51,230 ) equity shares of ₹ 10 each fully paid	35,12,300	35,12,300
<b>a) Reconciliation of the number of shares outstanding :</b>		
At the beginning of year (Nos.)	3,51,230	3,51,230
Add: Issued during the year (Nos.)	-	-
Less: Bought back during the year (Nos.)	-	-
Outstanding at the end of year (Nos.)	3,51,230	3,51,230
<b>b) Shares held by holding company and its nominees</b>		
- Bengal & Assam Company Limited (Nos.)	3,51,230	3,51,230
<b>c) Shareholders holding more than 5% of total issued Shares</b>		
<b>Shareholder Name</b>		
Bengal & Assam Company Ltd. & its nominees (Nos.)	3,51,230	3,51,230
<b>d) Rights and preferences attached to Equity Shares:</b>		
i) The Company has only one class of Equity Shares having a par value of Rs. ₹ 10 per share. Each shareholder is entitled to one vote per share.		
ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		
<b>NOTE 3</b>		
<b>RESERVE AND SURPLUS</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Financial Statement	22,52,847	19,40,340
Add:- Profit for the year	2,51,668	3,12,507
Less:- Transfers	-	-
Surplus in Profit and Loss Statement	25,04,515	22,52,847
<b>NOTE 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Security Deposits from Tenant	-	1,00,650
	-	1,00,650
<b>NOTE 5</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Security Deposits from Tenant	1,00,650	-
Others Liabilities	6,870	6,742
	1,07,520	6,742
<b>NOTE 6</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Others</b>		
Provision for Income Tax	75,200	1,74,130
	75,200	1,74,130



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PANCHMAHAL PROPERTIES LIMITED

Notes to Financial Statements  
NOTE 7

TANGIBLE ASSETS

Amount in ₹

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	1st April 2015	Additions / Adjustments	Sales / Adjustments	31st March 2016	Up-to Last Year	During the year	On Sales / Adjustments	31st March 2016	31st March 2016	31st March 2015
Freehold Building	33,15,950	-	-	33,15,950	9,93,838	52,608	-	10,46,446	22,69,504	23,22,112
Furniture & Fixture	11,905	-	-	11,905	11,310	-	-	11,310	595	595
<b>Total</b>	<b>33,27,855</b>	<b>-</b>	<b>-</b>	<b>33,27,855</b>	<b>10,05,148</b>	<b>52,608</b>	<b>-</b>	<b>10,57,756</b>	<b>22,70,099</b>	<b>23,22,707</b>
Previous Year	33,27,855	-	-	33,27,855	9,52,540	52,608	-	10,05,148	23,22,707	



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**PANCHMAHAL PROPERTIES LIMITED**

Notes to Financial Statements

**NOTE 8**

**Non Current Investment.**

Amount in ₹

Particulars	31st March 2016		31st March 2015	
	No. of Units	Book Value	No. of Units	Book Value
<b>Quoted</b>				
Tata Fixed Maturity Plan Series 46 Scheme S - Plan A - Growth	-	-	50,000.00	5,00,000
<b>Investment in Mutual Fund</b>				
<b>Unquoted</b>				
HDFC Liquid Fund - Growth @	350.562	8,80,000	28,955.133	7,00,000
Birla Sun Life Cash Plus - Growth-Regular Plan	7,734.723	15,95,427	7,734.723	15,95,427
Birla Sun Life FRF- Short Term Plan-Gr.Reg.Plan	2569.985	4,37,805	2,569.985	4,37,805
IDFC Arbitrage Fund-Dividend - (Regular Plan)	7926.882	1,00,000	7,926.882	1,00,000
HDFC Arbitrage Fund-Wholesale Plan -Normal Dividend - Regular Plan	19252.380	2,00,000	19,252.380	2,00,000
HDFC Arbitrage Fund -Wholesale Plan-Growth-Regular Plan	5539.246	1,00,000	-	-
<b>Total</b>		<b>33,13,232</b>		<b>35,33,232</b>

Aggregate book value of quoted investments	-	5,00,000
Aggregate book value of unquoted investments	<b>33,13,232</b>	30,33,232
Aggregate market value of quoted investments	-	5,49,165

**NOTE 9**

**Current Investment**

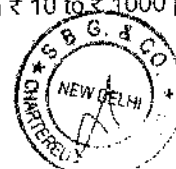
Amount in ₹

Particulars	31st March 2016		31st March 2015	
	No. of Units	Book Value	No. of Units	Book Value
<b>Investment in Mutual Fund</b>				
<b>Quoted</b>				
Tata Fixed Maturity Plan Series 46 Scheme S Plan A-Growth	50,000.00	5,00,000	-	-
<b>Total</b>		<b>5,00,000</b>		<b>-</b>

Aggregate book value of quoted investments	<b>5,00,000</b>	-
Aggregate book value of unquoted investments	-	-
Aggregate market value of quoted investments	<b>5,95,475</b>	-

Note:

@ During the year face value of unit of the fund has been changed from ₹ 10 to ₹ 1000 per unit.



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PANCHMAHAL PROPERTIES LIMITED  
Notes to Financial Statements

Amount in ₹

Particulars	31st March 2016	31st March 2015
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**NOTE 10**

**CASH & CASH EQUIVALENTS**

Cash on Hand	4,694	894
Balance with Bank		
- On Current Account	<u>36,250</u>	<u>15,801</u>
	<u>40,944</u>	<u>16,695</u>

**NOTE 11**

**SHORT TERM LOAN AND ADVANCES**

(Unsecured, Considered Good )

Income Tax advance Payments	<u>75,260</u>	<u>1,74,035</u>
	<u>75,260</u>	<u>1,74,035</u>

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PANCHMAHAL PROPERTIES LIMITED

Notes to Financial Statements

Particulars	Amount in ₹	
	2015-16	2014-15
<b>NOTE 12</b>		
<b>REVENUE FROM OPERATIONS</b>		
Rental Income	4,02,600	3,69,050
	<u>4,02,600</u>	<u>3,69,050</u>
<b>NOTE 13</b>		
<b>OTHER INCOME</b>		
- Profit on Sale of investment		95,427
- Dividend Received	17,842	8,788
- Misc. Income	-	1,281
	<u>17,842</u>	<u>1,05,496</u>
<b>NOTE 14</b>		
<b>OTHER EXPENSES</b>		
Legal & Professional Fees	18,533	14,611
Repairs & Maintenance	-	7,557
Auditor's Remuneration - Audit Fees	6,870	6,742
Rates & taxes	8,122	8,288
Miscellaneous expenses	7,516	9,012
	<u>41,041</u>	<u>46,210</u>

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# PANCHMAHAL PROPERTIES LIMITED

## Notes to Financial Statements

	2015-16	2014-15
15 Earning per Share (EPS) :		
Profit after tax available for Equity Shareholders ₹)	2,51,668	3,12,507
Weighted average number of equity shares (Nominal Value of ₹ 10 each)	3,51,230	3,51,230
Basic / Diluted Earning per Equity Share (₹)	0.72	0.89

## 16 CONTINGENT LIABILITY & COMMITMENTS

(As certified by the management)

Contingent Liability  
Commitments

Nil Nil  
Nil Nil

## 17 RELATED PARTY DISCLOSURES

Related Parties:

**Holding Company**

Berigal & Assam Company Ltd.

**Fellow Subsidiaries**

JK Fenner (India) Ltd.  
Southern Spinners & Processors Ltd.  
Modern Cotton Yarn Spinners Ltd.  
Acorn Engineering Ltd.  
BMF Investments Ltd.  
Divyashree Company Pvt.Ltd.  
LVP Foods Pvt. Ltd.

No transactions were carried out with the related parties during the year (Previous year -Nil). Receivable / Payable :- Nil (Previous year - Nil)

18 The Company has only one reportable segment, i.e. Real Estate.

19 Amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent information available with the Company (as certified by the management) - ₹ Nil (Previous Year - ₹ Nil).

20 a) Income Tax calculation has been made considering certain allowances/ adjustment available as assessed by the management.

b) Provision for taxation represent Minimum Alternate Tax (MAT) computed under section 115JB of the Income Tax Act, 1961.

21 Previous year figures have been reclassified/ recasted suitably.

As per our report of even date

For S.B.G & Co.

Chartered Accountants

*Suman Kumar*



Partner

Membership No. 72921

Firm Registration No. 001818N

New Delhi

Dated: 18<sup>th</sup> May 2016

*R. Gupta*

*[Signature]*

*[Signature]*

Directors

**PANCHMAHAL PROPERTIES LIMITED**  
**CASH FLOW STATEMENT**

For the Year Ended 31st March 2016

Amount in ₹

Sl. No.	Particulars	2015-16	2014-15
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
1	Net Profit before Tax	3,26,793	3,75,728
2	<u>Adjustments for</u>		
2.1	Depreciation	52,608	52,608
2.2	Profit on Sale of Investments	-	(95,427)
2.3	Dividend Income	(17,842)	(8,788)
3	Operating Profit before working capital changes	<u>3,61,559</u>	<u>3,24,121</u>
4	<u>Adjustment for</u>		
4.1	Trade and Other Receivables	-	1,00,000
4.2	Trade and Other Payables	128	7,869
4.3	Cash Generated from Operations	<u>3,61,687</u>	<u>4,31,990</u>
4.4	Direct Tax paid (Net)	(75,280)	(70,435)
4.5	Net Cash from Operating Activities	<u>2,86,407</u>	<u>3,61,555</u>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
1	Purchase of Investments	(2,80,000)	(19,95,427)
2	Sale of Investments	-	15,95,427
3	Dividend received	17,842	8,788
	Net Cash from / (used in) Investing Activities	<u>(2,62,158)</u>	<u>(3,91,212)</u>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Net Cash from Financing Activities	-	-
<b>D.</b>	Net Increase in Cash & Cash Equivalents (A+B+C)	<u>24,249</u>	<u>(29,657)</u>
<b>E.</b>	Opening Balance - Cash & Cash Equivalents	16,695	46,352
<b>F.</b>	Closing Balance - Cash & Cash Equivalents (D + E)	<u>40,944</u>	<u>16,695</u>

Notes:-

- Closing Cash and Cash Equivalents include:
 

-Cash on hand	4,694	894
-Balance with Scheduled Bank	36,250	15,801
<b>Total</b>	<u>40,944</u>	<u>16,695</u>
- Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date  
For **S.B.G & Co.**

Chartered Accountants

*Suman Khanna*  
**Partner**

Membership No. 72921

Firm Registration No. 001818N

New Delhi

Dated: 15<sup>th</sup> May 2016



*R. Anshu*  
*Debasish Saha*  
Directors