

*21<sup>st</sup>*

*Annual Report Of*

*Kohinoor Techno Engineers Limited*

*For The Year*

*2012-2013*

# *Kohinoor Techno Engineers Limited*

## **BOARD OF DIRECTORS**

Mr. Kiritbhai Surajram Bhatt	Chairman & Managing Director
Mr. Rajiv Kiritbhai Bhatt	Director
Mr. Sanjivbhai Kiritbhai Bhatt	Director
Mr. Bhavin Prakash Chandra Shastri	Director
Mr. Aswad Pothiawala Aminbhai	Director
Mrs. Dharniben Sanjivbhai Bhatt	Director

## **AUDITORS**

M/s. Bharat & Company.  
Chartered Accountants,  
Surat

## **REGISTERED OFFICE**

"Kohinoor House"  
Plot No.1, Gajera, Industrial Estate,  
Opp. I. C. Gandhi Mill,  
A. K. Road,  
Surat- 395006,  
Gujarat

## NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that 21<sup>st</sup> Annual General Meeting of the Company will be held at "Kohinoor House", Plot No.1, Gajera, Industrial Estate, Opp. I. C. Gandhi Mill, A. K. Road, Surat- 395006, Gujarat India on 27<sup>th</sup> September, 2013 at 2.30 p.m. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive and adopt the audited balance sheet as 31<sup>st</sup> March 2013 and profit & loss account of the company for the year ended on 31<sup>st</sup> March 2013 and the Report of the Directors' and Auditors.
2. To re-appoint Director in place of Mr. Sanjivkumar Kiritbhai Bhatt who retires by rotation and being eligible offers themselves for re-appointment.
3. To re-appoint Director in place of Mr. Bhavin Prakash Shastri who retires by rotation and being eligible offers herself for reappointment.
4. To re-appoint the Auditor & fix their remuneration.

Date: 31/05/2013

Place: Surat

For & on behalf of the Board of Director of the Company

Sd/-  
(Kiritbhai Bhatt)  
Managing Director

Sd/-  
(Rajiv Bhatt)  
Director

Sd/-  
(Sanjivbhai Bhatt)  
Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive).

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3. The Company has appointed M/s. Sharepro Services (India) Private Limited, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to Sharepro Services (India) Private Limited, Unit: Kohinoor Techno Engineers Limited.
4. The Register of Directors' shareholding, maintained under section 307 of the companies act, 1956, will be available for inspection by the members at the AGM.
5. The Register of Contracts, maintained under section 301 of the companies Act, 1956, will be available by the members at the registered office of the Company.
6. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. The Company is concerned about the environment and utilizes natural resources in sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of "GREEN INITIATIVES" in corporate governance.

Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.

9. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Sharepro Services (India) Private Limited quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
10. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.

11. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

**Date: 31/05/2013**

**Place: Surat**

**For & on behalf of the Board of Director of the Company**

**Sd/-  
(Kiritbhai Bhatt)  
Managing Director**

**Sd/-  
(Rajiv Bhatt)  
Director**

**Sd/-  
(Sanjivbhai Bhatt)  
Director**

Regd. Office:  
"Kohinoor House",  
Plot No.1, Gajera,  
Industrial Estate,  
Opp. I. C. Gandhi Mill, A. K. Road,  
Surat- 395006



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ANNEXURE TO THE NOTICE

Notes on Director seeking appointment/re-appointment as required under Clause 49 of the listing Agreement entered into with Stock Exchanges:

**PROFILE OF DIRECTOR BEING APPOINTED/ RE-APPOINTED****Item No.2**

Name	Mr. Sanjivkumar Kiritbhai Bhatt
Date of Birth	27/04/1973
Date of Appointment	29/01/2009
No. of shares held in the company	375700 shares
No. of warrants held in the company	Nil
Directorship in other company	Kohinoor Techno Machines Limited

Notes on Director seeking appointment/re-appointment as required under Clause 49 of the listing Agreement entered into with Stock Exchanges:

**PROFILE OF DIRECTOR BEING APPOINTED/ RE-APPOINTED****Item No.3**

Name	Mr. Bhavin Prakash Shastri
Date of Birth	22/03/1976
Date of Appointment	01/09/2008
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

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## DIRECTORS' REPORT

To,  
The Members,  
KOHINOOR TECHNO ENGINEERS LIMITED

The Directors' present the 21<sup>st</sup> Annual report on the business and operations of your Company for the year 2012-13.

### ◆ FINANCIAL RESULTS AND OPERATIONAL REVIEW:

During the year under review the total income from operations was Rs.11,33,32,324 as compared to Rs. 9,17,21,239 of that of the previous Year. The Company has provided Rs. 26,578 for depreciation. The Company has planned future operations for which it has set up an R & D Department which has been the focus and strength of the company. This effort has helped the industry by many innovative products and technologies. The consulting staff of the Company has been involved in the design, erection, start-up, and management of all phases of manufacturing operations. This practical experience is accompanied by access to meaningful information that represents the real performance and capability of these operations. Examples of these important databases include production cost, labor content, process specification, quality, and process control information gathered from diamond units.

The Company's Operations fall under two segments namely "Making of Machineries relating to Diamonds Business and related service" and "Trading in Diamonds".

### ◆ DIRECTORS:

Mr. Sanjivkumar Kiritbhai Bhatt and Mr. Bhavin Prakash Shastri Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### ◆ RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

**◆ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:****A. Conservation of Energy:**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is applicable to company.

**B. Research and Development:**

R & D forms the basis of Kohinoor's efforts in making processes simpler, smoother and faster for the diamond industry. R & D is a highly structured activity at Kohinoor and stringent quality control measures have lead to technologically superior products. There is a total concentration on up gradation of technology and standardization of components. Our engineering & manufacturing personnel have a broad range of experience in designing & producing quality machinery & inspection equipment.

**C. Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earning is NIL Foreign Exchange Outgo is Rs.71,119/-

**◆ APPOINTMENT OF AUDITORS:**

M/S. Bharat & Company., Chartered Accountants, Surat, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

**◆ PUBLIC DEPOSITS**

During the year under review the Company has not accepted any deposits to which the provisions of section 58A of the Companies Act, 1956 read with Acceptance of Deposits Rules, 1975 as amended are applicable.

**◆ PARTICULARS OF EMPLOYEES:**

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the Companies (Particulars of employee) Rules, 1975 as amended.

**◆ MANAGEMENT DISCUSSION AND ANALYSIS:**

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

**◆ REPORT ON CORPORATE GOVERNANCE:**

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

**◆ SEGMENT:**

The Company's Operations fall under two segments namely "Making of Machineries relating to Diamond Business and related service" and "Trading in Diamonds".



**◆ ACKNOWLEDGEMENT:**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For & on behalf of the Board of Director of the Company

Date: 31/05/2013

Place: Surat

Sd/-  
(Kiritbhai Bhatt)  
Managing Director

Sd/-  
(Rajiv Bhatt)  
Director

Sd/-  
(Sanjivbhai Bhatt)  
Director



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**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

SR NO.	Particulars	Unit	2012-13	2011-12
(I)	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased	Unit	14955	21011
	Total Amount	Rs.	114404	132813
	Rate/Unit	Rs./ Unit	7.65	6.32
(b)	Own		--	--
	Generation (Units)		--	--
2.	Coal		--	--
	Quantity	Kg	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./Kg	--	--
3.	High Speed Diesel/ LDO		--	--
	Quantity	Liters	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./ Liters	--	--
4.	Other Internal Generation		--	--
(II)	Consumption per unit of production:		128.92	124.32

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## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

### A. Mandatory Requirements

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

#### 1. **Company's philosophy on code of Corporate Governance**

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

Statutorily, Corporate Governance involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders. The company's philosophy of corporate governance is not only to meet statutory requirements but also to go beyond that and to attain a high level of transparency and accountancy in the functioning of the Company and the conduct of the business both internal and external. This is done with the sole view to enhance share holder's value.

#### 2. **Board of Directors**

##### 2.1 **Composition of the Board:**

The Board of Directors of the Company comprised 3 Non Executive Directors and 2 Executives Directors. The Directors also comprised three independent directors. The Chairman is an Executive director.

Name of Director	Category of Director
Mr. Kiritbhai Surajram Bhatt	Chairman & Managing Director
Mr. Rajiv Kiritbhai Bhatt	Executive Director
Mr. Sanjivbhai Kiritbhai Bhatt	Executive Director
Mr. Bhavin Prakash Chandra Shastri	Non Executive Independent Director
Mr. Mohamed Aswad Pothiawala	Non Executive Independent Director
Mrs. Dharniben Sanjivbhai Bhatt	Non Executive Independent Director

##### 2.2 **Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilisation for effective functioning of the Company.

##### 2.3 **Meeting and Attendance Record of Directors**

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board met 10 times on the following dates:

20/04/2012, 28/06/2012, 29/06/2012, 24/07/2012, 26/09/2012,  
18/10/2012, 07/02/2013

c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of Meetings Attended	Attendance at the last AGM held
Mr. Kiritbhai Surajram Bhatt	Chairman & Managing Director	7	YES
Mr. Rajiv Kiritbhai Bhatt	Executive Director	7	YES
Mr. Sanjibhai Kiritbhai Bhatt	Executive Director	7	YES
Mr. Bhavin Prakash Chandra Shastri	Non Executive Independent Director	7	YES
Mr. Mohamed Aswad Mohamedamin Pothiwala	Non Executive Independent Director	7	YES
Mrs. Dharniben Sanjivbhai Bhatt	Non Executive Independent Director	7	NO

**2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Aswad Pothiwala Aminbhai, Mrs. Dharniben Sanjivbhai Bhatt and Mr. Rajiv Kiritbhai Bhatt, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

**Profile of Mr. Sanjivkumar Kiritbhai Bhatt, Director being re-appointed u/s 255 & 257 of the Companies Act, 1956**

Name	Mr. Sanjivkumar Kiritbhai Bhatt
Date of Birth	27/04/1973
Date of Appointment	29/01/2009
No. of shares held in the company	375700 shares
No. of warrants held in the company	Nil
Directorship in other company	Kohinoor Techno Machines Limited

**Profile of Mr. Bhavin Prakash Shastri, Director being re-appointed u/s 255 & 257 of the Companies Act, 1956**

Name	Mr. Bhavin Prakash Shastri
Date of Birth	22/03/1976
Date of Appointment	01/09/2008
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

## 2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2013 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Kiritbhai Surajram Bhatt	1	--	--
2.	Mr. Rajiv Kiritbhai Bhatt	1	--	--
3.	Mr. Sanjivbhai Kiritbhai Bhatt	1	--	--
4.	Mr. Bhavin Prakash Chandra Shastri	--	--	--
5.	Mr Aswad Mohamedamin Pothiawala	--	--	--
6.	Mrs. Dharniben Sanjivbhai Bhatt	--	--	--

## 3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Bhavin Prakash Chandra Shastri, Mrs. Dharniben Sanjivbhai Bhatt and Mr. Kiritbhai Surajram Bhatt, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Bhavin Prakash Chandra Shastri is the Chairman of the committee.

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

#### TERMS OF REFERENCE:

The scope of activities of the Audit Committees includes the following:

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries abased on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any related party transactions i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- D. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- E. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department. Reporting structure, coverage and frequency of internal audit.
- F. Discussion with internal auditors any significant findings and follow up there on.
- G. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
- H. Discussions with external auditors before the audit commences, the nature and scope of audit, as well as conduct post audit discussions to ascertain any area of concern.
- I. Reviewing the company's financial and risk management policies.
- J. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividend) and creditors.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee Meetings were held during Financial Year 2012-2013. The dates on which the said meetings were held as follows:

20/04/2012	24/07/2012	18/10/2012	07/02/2013
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The necessary quorum was present at the meetings.

**3.2 Remuneration Committee**

The remuneration committee of the Company comprises of Mr. Kiritbhai Bhatt, Mr. Bhavin Prakash Chandra Shastri, and Mrs. Dharniben Sanjivbhai Bhatt.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

**3.3 Share Transfer & Shareholders'/Investor Grievance Committee:**

The Share Transfer & Shareholders' /Investor Grievance committee comprises as under:

Sr. No.	Name	Position
1	Mr. Rajiv Bhatt	Chairman
2	Mr. Bhavin Prakash Chandra Shastri	Member
3	Mr. Mohamed Aswad Mohamedamin Pothiawala	Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2013 is given below):

**Complaints Status: 01.04.2012 to 31.03.2013**

- Number of complaints received so far : 1
- Number of complaints solved : 0
- Number of pending complaints : 1

**Compliance Officer:**

Mr. Rajiv Bhatt is Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

**4. GENERAL BODY MEETINGS:**

(a) The location and time, where last three years Annual General Meetings are as follows :

Year	Venue	Date	Time
2009-2010	Kohinoor House", Plot No.1, Gajera, Industrial Estate, Opp. I.C.Gandhi Mill, A.K.Road, Surat- 395006, Gujarat	30/09/2010	12.30 p.m.
2010-2011	Kohinoor House", Plot No.1, Gajera, Industrial Estate, Opp. I.C.Gandhi Mill, A.K.Road, Surat- 395006, Gujarat	22/09/2011	12.30 p.m.
2011-2012	Kohinoor House", Plot No.1, Gajera, Industrial Estate, Opp. I.C.Gandhi Mill, A.K.Road, Surat- 395006, Gujarat	29/09/2012	2.30 p.m.

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

No Extra Ordinary General Meeting held during the financial year under review.

**2012:**

Following Special Resolutions were passed in the Annual General Meeting of 2012:

- Reappointment of Mr. Kiritbhai bhatt as Managing Director of the Company and Change in terms and conditions for reappointment.

**2011:**

Following Special Resolutions were passed in the Annual General Meeting of 2011:

- Mrs. Dharniben Bhatt who had been appointed as additional Director has been regularized in the AGM.

**2010**

No Special resolution was passed in the Annual General meeting of 2010.



**POSTAL BALLOT:**

No Special Resolution passed through postal ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 Rules.

**5. 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 interest of the company at large as mentioned at sub note 1 & 2 of Note No. 32 of Notes on Financial Statements for the year ended 31<sup>st</sup> March 2013.

(b) Details of non-compliance by the company, penalties, strictures, imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL

**CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee

- Significant changes in internal control over the financial reporting during the year 2012-13;
- Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**6. MEANS OF COMMUNICATION:**

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement within one month of the

close of the respective period. The approved financial results are forthwith sent to the Mumbai Stock Exchange. The same are not send to the shareholders separately.

The Company’s financial results and officials news releases are displayed on the Company’s website. i.e [www.kohinoormachineries.com](http://www.kohinoormachineries.com)

No formal presentations were made to institutional investors or to the analysts during the year under review.

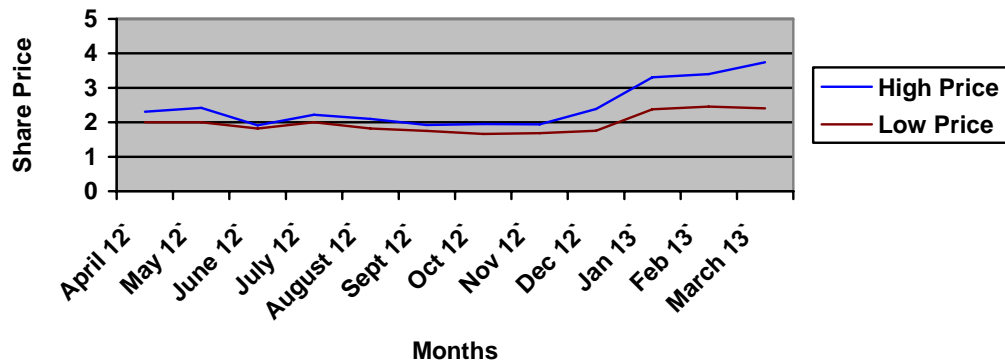
The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

**7. GENERAL SHAREHOLDERS’ INFORMATION:**

- a. Annual General Meeting: Date, Time and venue: 27<sup>th</sup> September, 2013 at 2.30 p.m. at the Registered Office of the Company.
- b. Financial Year: 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.
- c. Financial Calendar:
  - i. 1<sup>st</sup> quarterly results – Second week of May, 2012.
  - ii. 2<sup>nd</sup> quarterly results – Second week of August, 2012.
  - iii. 3<sup>rd</sup> quarterly results – Second week of November, 2012.
  - iv. 4<sup>th</sup> quarterly results – Second week of February, 2013.
- d. Date of Book Closure: 20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive).
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges: The Bombay Stock Exchange Limited Annual listing fees for the financial Year upto 31-03-2013 has been paid.
- g. Stock Code: BSE **519485**
- h. Demat ISIN number: **INE237D01014**
- I. Market price data: Price per share has been reported to take place as follows:

Month	High Price	Low Price
April 2012	2.31	2
May 2012	2.42	2
June 2012	1.91	1.82
July 2012	2.22	2
August 2012	2.1	1.82
September 2012	1.92	1.75
October 2012	1.95	1.66
November 2012	1.94	1.69
December 2012	2.39	1.76
January 2013	3.3	2.38
February 2013	3.4	2.46
March 2013	3.74	2.4

- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex:



- k. Registered and Transfer Agent: M/s. Sharepro Services (India) Private Limited, 301/302, III floor, High Street-1, opp Law Gardens, Ellis Bridge, Ahmedabad 380 004, Tel: 079-6607 6000, Fax: 079-6607 6005 as the common agency both in respect of demated shares.

The transfer of shares in physical mode is maintained by the secretarial department of the Company, in house at the registered office of the Company.

- l. Share Transfer System: All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received are confirmed within 15 days.

- m. Distribution of Shareholding as on 31.03.2013.

Share Holding of Nominal Value		Share Holders		Number of Share	
Rs.	Rs.	No.	% to total		% to total
1	500	1193	72.66	250940	0.60
501	1,000	219	13.34	182507	0.44
1001	2,000	109	6.64	161681	0.39
2001	3,000	45	2.74	115069	0.28
3001	4,000	23	1.40	82287	0.20
4001	5000	14	0.85	63129	0.15
5001	10000	17	1.04	127716	0.31
10001	99999998	22	1.34	40854691	97.65
<b>Total</b>		<b>1642</b>	<b>100.00</b>	<b>41838020</b>	<b>100.00</b>

- n Shareholding pattern as on 31.03.2013

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	1310042	31.32
b. Other bodies corporate	78769	1.88
c. Indian public	2793223	66.92
d. NRI & Others	1368	0.05
<b>TOTAL</b>	<b>4183402</b>	<b>100.00</b>

Dematerialization of shares: As on 31-03-13 Demated shares accounted for 64.29% (26,89,302 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

**Address for communication:**

1. Sharepro Services (India) Private Limited  
301/302, III floor, High Street-1, opp Law Gardens,  
Ellis Bridge, Ahmedabad 380 004  
**Tel:** 079-6607 6000  
**Fax:** 079-6607 6005
2. Kohinoor Techno Engineers Limited  
Kohinoor House", Plot No.1, Gajera, Industrial Estate,  
Opp. I.C.Gandhi Mill, A.K.Road, Surat- 395006, Gujarat  
Website: [www.kohinoormachineries.com](http://www.kohinoormachineries.com)

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**Date:** 31/05/2013

**Place:** Surat

**For, Kohinoor Techno Engineers Limited**

**Sd/-  
Managing Director**

**AN ISO 9001-2008 Certified**

**ANNEXURE "B" TO DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

◆ **Business Overview**

We at Kohinoor Techno Engineers Limited dedicate excellence in our prime mission of software development for diamond machineries and now taking initiatives in the business of diamond machineries in diamond industry with updated technology, keeping in mind the need of the industry and global competency.

We are committed towards maximum customer satisfaction and to cater their needs and to match their expectations for quality, reliability, safety, and technology and after-sale service. We move as a well-organized team with active involvement of persons at all levels for continual process improvements underlining the aspirations of the customers.

Our motto is to render quickest service to the customer at his call hence our concern for the customer and our customer to keep his wheel moving without any interruptions.

◆ **OVERALL REVIEW OF COMPANY**

**Product Portfolio**

Customer's satisfaction by delivering quality products has been the corner stone of our Company. The Company, therefore, believes in manufacturing of all critical and precision components in-house. The production facilities of the Company are equipped with high precision machine tools and managed by a team of well qualified and experienced engineers and technicians.

Research & Development has always been the focus and strength of the company. This effort has helped the industry by many innovative products and technologies.

The Company provides variety of software products for diamond machineries to our esteemed clientele. Now taking steps forward to expand the business in the area of producing various diamond machineries. Firstly we are moving for the following product portfolio of the diamond machineries:

- Auto Polishing Machine
- Barrel Bruting Machine
- Laser Machine
- Sawing/Bruting/Coning
- Polished Diamond Analyzer
- Rough Dia Scanner
- Kohinoor Dia Marker
- Manual Polishing Mill
- Fancy Bruting System
- Coning Machine
- Single Spidle
- Consultancy Services



The group has dedicated Design and R&D centre which is recognized by Department of Science & Technology Govt. of India. This facility is equipped with most modern instruments, manned by highly qualified engineers from various disciplines developing products & solutions to meet the need of markets and provide value added services to our customers. Hence, the next step of the Company will be to include following variety of products in the portfolio of the Company products:

- Diamond scope
- Luster View
- E Scope
- Diamond Counting System
- Auto Sawing Pad
- Polishing Sensor

## ◆ OPPORTUNIES AND THREATS

### **An Initiative that Transformed the Industry**

Kohinoor, the leading company in diamond machinery manufacturing industry-developing enduring relationship with customers by providing quality products and service since 25 years.

- Machine is suitable for making Table or Block the rough diamond according to laser marking.
- Easy to learn & operate.
- Guarantee a quick return on your investment.
- Suitable for table blocking for every cut.
- Reduced production cost as one operator can operate two mills.
- It's outstanding double System of sensing and micron setting which gives highest accuracy level ever seen before.
- 16 grain selection operating System which gives smooth luster finishing on table.
- Its solid rigid design gives you long lasting performance.
- User friendly break selection option.
- Available best path selection facility.

### **Our Clientele**

With consistent quality products and services, we have achieved total customer satisfaction resulting in worldwide customer base. We have been able to achieve long standing association with our clients by offering them maximum benefits through our superior quality of services and products.

We have a wide network of distributors and offices, which are always there to assist our clients in meeting all of their requirements with utmost precision and within time. Our teams of technically sound sales persons ensure prompt delivery of goods and provide friendly assistance with round the clock services to our valued customers.

### **Quality Assurance**

- Committed to deliver an up to date technology through continuous innovation and research
- Equipped with required infrastructure and utility
- Advance lab fully equipped for monitoring of test results and monitoring of produced machines in plant
- Equipped with required all testing / measuring / trial equipments for demonstration and measurement
- Skilled expert of diamond industry with mechanical technocrats with advance software technology made, research easier and quicker 3-D modeling of design and components are prepared for design validation prior to match required standard of accuracy and strength.

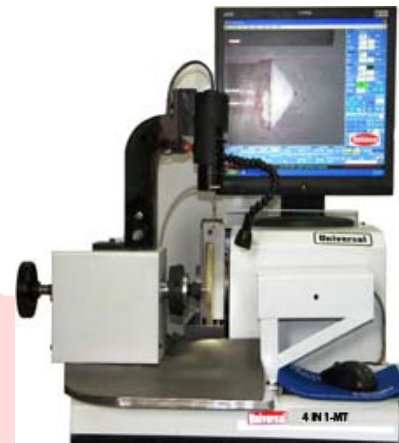
- After sale support team is linked with R&D team for timely update of product performance and analysis of complain route cause to make product error / trouble free
- Customer has liberty to suggest their view / experience to make product more reliable and efficient.

◆ **CURRENT SCENARIO**

**The Competitive Edge**

Kohinoor Techno Engineers Limited stands tall in its arena owing to a number of factors. Few of these are:

- Strong Human Resource consisting of best talent from field of Laser, computer software-hardware, electronics and mechanical and management
- Value for money products.
- Commitment for quality in products and operations
- A large base of satisfied customers across the globe
- Dedicated efforts towards technical excellence through continuous innovation
- Customer centric product development approach
- Well articulated market sensing mechanism
- A market share of around 80% of the supply of laser machines
- Advanced R&D and manufacturing infrastructure
- Highly dynamic & well equipped Marketing & Service team
- Driven by the purpose of client business excellence



◆ **Future Expansion & Projection**

- Fully automated / robotic machineries

In order to improve our competitive advantage, reduce production costs, improve product quality, Machinery Automation & Robotics (MAR) are experts in providing robotic and automation solutions. We offer a complete service, from design and manufacture and project set up and management through to implementation and on-going 24 hour support to our end users.

- Laser machineries launching

The Promoters felt that the time came for application of Laser technology for diamond cutting and the need for developing laser-cutting methods, which aimed at enabling high productivity and minimum loss of a diamond weight. Over the course of time in the coming years, your company is interested to invest heavily in developing its own laser systems, which would satisfy the developing needs and expectation of its clients.

- Industrial Plot

The promoters of the Company are planning to take on lease industrial plot for constructing a separate works for the Company's business.

- In house research and development

The Promoters of the Company themselves are technocrat with wide network and expertise in the business of the Company and hence the Company has its in-house research and development system which finally leads not only cost cutting steps for the Company but also give benefit of new research to the business of the Company.

◆ **Internal Control Systems and their adequacy**

The Company is committed to maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the

Company and ensuring compliance with all laws and regulations. The Company has an internal control department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well defined organization structure, authority levels and internal guidelines for conducting business transactions. The Company appointed independent internal auditors, who would monitor and review all transactions independently to get higher level of efficiency and would report directly to the Audit Committee, which consists of entirely independent directors, on quarterly basis. The Internal Auditors conducts audit all key business areas as per the pre-drawn audit plan. All significant audit observations and follow up actions are reported to the Audit Committee along Internal Audit reports and management's responses/replies. The minutes of Audit Committee would be reviewed by the Board for its suggestions/recommendations to further improve the internal control systems. The Audit Committee periodically reviews audit plans, observations and recommendations of the internal auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

#### ◆ Human Resources / Industrial Relations

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshable are corner stones for the success of any organization.

#### ◆ Caution Statement

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

#### ◆ Business in Diamond Trading & Processing:

Diamond trading & manufacturing business is spreads across the global. The first wave of gem-quality manufactured diamond hit the market late in 2003. Man-made diamonds is nothing new and the technology has been available since the mid-19<sup>th</sup> century. As lucrative profit seen in diamond trading, Company did diamond trading & establish processing / manufacturing of diamonds also in near short span of time.

#### ◆ Market and New products:

Research groups are actively engaged in developing new products. Furthermore, diversification may have a perceived new market opportunity and it can also reduce the risk especially in financial crisis. Your Board also foresee prospects in textile products due to changing government Rules and world market scenario.

For & on behalf of the Board of Director of the Company

Date: 31/05/2013

Place: Surat

Sd/-  
(Kiritbhai Bhatt)  
Managing Director

Sd/-  
(Rajiv Bhatt)  
Director

Sd/-  
(Sanjivbhai Bhatt)  
Director



**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To,  
The Members,  
KOHINOOR TECHNO ENGINEERS LIMITED,  
"Kohinoor House",  
Plot No.1, Gajera, Industrial Estate,  
Opp. I.C.Gandhi Mill, A.K.Road,  
Surat- 395006, Gujarat

We have examined the compliance of Corporate Governance by Kohinoor Techno Engineers Limited for the year ended on 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

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

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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 the management has conducted the affairs of the Company.

**For M/s. Bharat & Company.  
Chartered Accountants**

**Date: 31/05/2013  
Place: Surat**

**Sd/-  
Bharat H Gandhi  
(Proprietor)  
M. No. 125227**

## INDEPENDENT AUDITOR'S REPORT

*TO,  
THE MEMBERS OF  
KOHINOOR TECHNO ENGINEERS LIMITED*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **KOHINOOR TECHNO ENGINEERS LIMITED**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our knowledge and according to the information and explanations given to us, the financial statements give the information required by the Act

in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2013; and
- b) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date. And
- c) in the case of Cash flow statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For, BHARAT & COMPANY  
Chartered Accountants  
Firm Registration No 127777W

Sd/-  
CA. Bharat H. Gandhi  
(Proprietor)  
M. No. 125227

*Surat 31st May 2013*

## **Annexure “A” referred to in our main Audit report**

### **(1) In respect of Fixed Assets :**

- (a) The company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets of the Company have been physically verified by the management in a phased periodical manner which is in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year, hence the going concern status of the company is not affected.

### **(2) In respect of Inventories :**

- (a) The inventories have been physically verified by the management during the year. In our Opinion the frequency of Verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to size of the company and nature of its business.
- (c) The company has maintained proper records of inventories. As informed to us that the discrepancies noticed on physical verification of raw material, stores spares, components other than finished goods and work in progress, on comparison to book records, were not material and would be dealt with the books of account after enquiry and reconciliation. As regards finished goods we are informed that there were no discrepancies as compared to available 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 granted loans to bodies corporate covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was Rs 2.14 lacs and the year-end balance of such loan amounted to Rs 2.07 lacs. Other than the above, the Company has not granted any loans, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of the loans granted to the bodies corporate listed in the register maintained under section 301 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.

- (d) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 301 of the Act.
- (e) According to information and explanation given to us, the Company has during the year, not taken any loans, secured or unsecured from Companies, Firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956, Accordingly, paragraphs (4(iii)(e)(f) and (g) of Order, are not applicable.
- (4) In our opinion and according to information & explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and with regards to sale of goods and services. During the year of audit we have not observed any continuing failure to correct major weaknesses in internal controls system.
- (5) In our opinion and according to information & explanation given to us, the company has not entered into any transaction exceeding ₹ 5 lacs in respect of any party during the financial year that need to be entered in the register pursuant to section 301 of the Companies act 1956. Consequently, the provision of Clause (v) (b) of Paragraph 4 of Order are not applicable to the Company
- (6) The company has not accepted any deposits under the provisions of section 58A and 58AA of the Companies Act 1956 and the Companies (Acceptance of deposits) Rules 1975, consequently, the provision of Clause (vi) of Paragraph 4 of Order are not applicable to the Company.
- (7) In our opinion and explained to us, the internal audit functions are carried out by the employees of the company and have been commensurate with its size of the company and nature of its business.
- (8) We have been informed that the Central Government has not made any Order for the maintenance of the Cost Records under section 209 (1) (d) of the Companies Act 1956.
- (9) In respect of Statutory Dues :
- (a) According to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India and also based on management representation, undisputed statutory dues including provident fund, investor education protection fund, employees state insurance , income tax, Service tax, sales tax, wealth taxes, custom duty, cess and other material statutory dues have generally been regularly deposited by the company during the year with the appropriate authority in India. According to information & explanation given to us, there are no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty and cess which have not been deposited on account of any dispute.
- (10) In our opinion, the company has accumulated losses of ₹ 152.43 lacs at the end of the financial year which is more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and have incurred cash losses during the immediately preceding financial year

- (11)Based on our audit procedure and according to information & explanation 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 information & explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13)Clause (Xiii) is not applicable to the company as the company is not a chit fund, nidhi, mutual benefit fund or a society.
- (14)In our opinion and according to information & explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors Report) Order 2003 are not applicable to the Company.
- (15)According to information & explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
- (16)In our opinion and according to information & explanation given to us, the company has not availed any term loans during the year.
- (17)According to information & explanation given to us and on an overall examination of balance sheet of the company, we report that there is no funds raised on short term basis that have been used for long term investment.
- (18)The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19)The clause is not applicable to the company as it has not issued any debentures.
- (20)The clause is not applicable to the company as the Company has not raised the monies by public issue during the year..
- (21)According to information & explanation given to us, no material fraud on or by the company has been noticed or reported during the year.

For, BHARAT & COMPANY  
Chartered Accountants  
Firm Registration No 127777W

Sd/-  
CA. Bharat H. Gandhi  
(Proprietor)  
M. No. 125227

*Surat 31st May 2013*

# KOHINOOR TECHNO ENGINEERS LIMITED

Balance Sheet As At 31st March 2013

	Notes	As At 31st March 2013	As At 31st March 2012
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a. Share Capital	118 2	41,834,020	41,834,020
b. Reserve & Surplus	3	(11,897,320)	(12,814,789)
c. Money Received against Share Warrant		-	-
<b>Total</b>		<b>29,936,700</b>	<b>29,019,231</b>
<b>(2) Share Application Money Pending Allotment</b>			
		-	-
<b>(3) Non Current Liabilities</b>			
Long Term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	920,085	964,754
<b>Total</b>		<b>920,085</b>	<b>964,754</b>
<b>(4) Current Liabilities</b>			
Short Term Borrowings	5	-	64,701
Trade Payables	6	24,397,498	3,823,431
Other Current Liabilities	7	1,048,945	52,251
Short Term Provisions	8	300,000	375,000
		<b>25,746,443</b>	<b>4,315,383</b>
<b>TOTAL</b>		<b>56,603,228</b>	<b>34,299,368</b>
<b>II. ASSETS</b>			
<b>(1) Non- Current Asstes</b>			
a. Fixed Assets			
(i) Tangible Asstes	9	380,154	386,101
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible Assets under Development		-	-
b. Non Current Investments		-	-
c. Long Term Loan and Advances	10	4,147,515	5,282,614
d. Other non-current Assets	11	171,314	334,638
<b>Total</b>		<b>4,698,983</b>	<b>6,003,353</b>
<b>(2) Current Assets</b>			
a. Current Investments		-	-
b. Inventories	12	9,477,200	8,084,500
c. Trade Receivables	13	38,039,680	16,931,501
d. Cash and Bank Balances	14	2,593,984	3,224,766
e. Short Term Loan and Advances	15	1,793,381	55,248
f. Other Current Advances		-	-
<b>Total</b>		<b>51,904,245</b>	<b>28,296,015</b>
<b>TOTAL</b>		<b>56,603,228</b>	<b>34,299,368</b>
Significant Accounting Policies	1		-

The accompanying notes are integral parts of financial statements

As per our report of even date

**BHARAT & COMPANY**

Chartered Accountants

Firm Registration No 127777W

Sd/-

**Proprietor -Bharat H. Gandhi**

M. No. 125227

**Surat 31st May 2013**

For and On behalf of the Board

Sd/-

**Kirit S. Bhatt**

Sd/-

**Rajiv K. Bhatt**

Sd/-

**Sanjiv K. Bhatt**

Chairman & MD

Executive Director

Executive Director

# KOHINOOR TECHNO ENGINEERS LIMITED

## Statement of Profit and Loss for the year ended 31st March 2013

	Notes	2012-2013	2011-12
<b>INCOME:</b>			
Revenue from Operations	16	113,332,324	91,721,239
Other Income		-	-
<b>Total Revenue</b>		<b>113,332,324</b>	<b>91,721,239</b>
<b>EXPENDITURE:</b>			
Cost of Material Consumed	17	2,992,374	4,388,357
Purchase of Stock in Trade	18	105,472,989	83,444,720
Change in Inventories of Finished Goods	19	(1,362,690)	(2,273,029)
Stock in Process and Stock in Trade			
Employees Benefit Cost	20	2,929,756	2,862,729
Other Expenses	21	1,930,381	2,028,055
<b>Total Expenses</b>		<b>111,962,810</b>	<b>90,450,832</b>
<b>EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>1,369,514</b>	<b>1,270,407</b>
Financial Cost	22	57,724	93,625
Depreciation & Amortisation Expenses	23	189,902	189,585
<b>PROFIT BEFORE TAX</b>	-	<b>1,121,888</b>	<b>987,197</b>
<b>Less : Tax Expenses</b>			
Current Tax		300,000	375,000
Deferred Tax		(44,669)	(43,085)
(Excess ) Provision for earlier years		(50,912)	(37,906)
<b>PROFIT FOR THE YEAR</b>		<b>917,469</b>	<b>693,188</b>
Earning per equity share of face value of 10/- each			
Basic and Diluted ( in ₹)		0.22	0.17

Significant Accounting Policies

1

The accompanying notes are integral parts of financial statements

As per our report of even date

For and On behalf of the Board

**BHARAT & COMPANY**

Sd/-

Chartered Accountants

**Kirit S. Bhatt**

Chairman & MD

Firm Registration No 127777W

Sd/-

**Rajiv K. Bhatt**

Executive Director

Sd/-

**Sanjiv K. Bhatt**

Executive Director

Sd/-

**Proprietor -Bharat H. Gandhi**

M. No. 125227

**Surat 31st May 2013**



**KOHINOOR TECHNO ENGINEERS LIMITED****CASH FLOW STATEMENT FOR THE YEAR 2012-13**

₹ in lacs

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
<b><u>A CASH FLOW FROM OPERATION ACTIVITIES</u></b>		
Net Profit (Loss) before Tax and Extra Ordinary Items	11.22	9.87
<i>Adjustment for :</i>		
Depreciation	0.27	0.26
Preliminary Exps written off / Amortisation of Exps	1.63	1.63
Interest Paid	0.36	0.87
<b>Operating Profit Before working Capital Changes</b>	<b>13.48</b>	<b>12.64</b>
<i>Adjusted For :</i>		
(Increase )/ Decrease in Trade and Other Receivables	(211.09)	(124.87)
Increase in Inventories	(13.92)	(22.04)
Increase in Trade and Other Payable	215.72	(2.12)
<b>Cash generated from Operation</b>	<b>4.19</b>	<b>(136.39)</b>
Income Tax Paid	(3.24)	(7.72)
Interest Received	-	-
Cash Flow before Extra Ordinary Items	0.95	(144.11)
Extra Ordinary Items (Provision of Exps W/o)	-	-
Net Cash used in Operating Activities	<b>0.95</b>	<b>(144.11)</b>
<b><u>B CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(0.21)	-
Net Cash used in Investing Activities	(0.21)	-
<b><u>C CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Interest Paid	(0.36)	(0.87)
Exps incurred for Increase in Authorised Capital	-	-
Proceeds from Short Term Borrowings	(18.04)	0.74
Proceeds from Long Term Borrowings	11.35	159.20
Net cash used in Financing Activities	<b>(7.05)</b>	<b>159.07</b>
<b>Net cash used in cash and Cash Equivalents</b>	<b>(6.31)</b>	<b>14.96</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>32.25</b>	<b>17.29</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>25.94</b>	<b>32.25</b>

As per our report of even date

**BHARAT & COMPANY**

Chartered Accountants

Firm Registration No 127777W

Sd/-

Proprietor -Bharat H. Gandhi

M. No. 125227

**Surat 31st May 2013**

For and on behalf of the Board

**Sd/-****Kirit S. Bhatt**

Chairman &amp; MD

Sd/-

**Rajiv K. Bhatt**

Executive Director

Sd/-

**Sanjiv K. Bhatt**

Executive Director

## Notes on Financial Statements for the year ended 31st March 2013

The previous years figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation

### 2 SHARE CAPITAL

	<i>As At</i>	<i>As At</i>
	<i>31.03.2013</i>	<i>31.03.2012</i>
Authorised Share Capital		
1,00,00,000 Equity Shares of ₹ 10 Each	<i>100,000,000</i>	<i>100,000,000</i>
(1,00,00,000)		
Issued, Subscribed and Paid Up Capital		
41,83,402 Equity Shares of ₹ 10 Each	<i>41,834,020</i>	<i>41,834,020</i>
(41,83,402) fully paid up		
	<u><u><i>41,834,020</i></u></u>	<u><u><i>41,834,020</i></u></u>

#### 2.1 The details of Share holders holding more than 5%

Name of Shareholders	<i>As At 31.03.2013</i>		<i>As At 31.03.2012</i>	
	No of Shares	%held	No of Shares	%held
Rajiv K Bhatt	<b>6,75,000</b>	<b>16.14</b>	<b>6,75,000</b>	<b>16.14</b>
Sanjiv K Bhatt	<b>3,75,700</b>	<b>8.98</b>	<b>3,75,700</b>	<b>8.98</b>

#### 2.2 The reconciliation of number of shares outstanding is set out below

Particulars	<i>As At 31.03.2013</i>		<i>As At 31.03.2012</i>	
	Nos	Value ₹	Nos	Value ₹
Equity Shares at beginning of the year	<b>4183402</b>	<b>41,834,020</b>	<b>4183402</b>	<b>41,834,020</b>
Change during the year	-	-	-	-
Equity Shares at the end of the year	<u><u><b>4183402</b></u></u>	<u><u><b>41,834,020</b></u></u>	<u><u><b>4183402</b></u></u>	<u><u><b>41,834,020</b></u></u>

### 3 RESERVE AND SURPLUS

	<i>As At</i>	<i>As At</i>
	<i>31.03.2013</i>	<i>31.03.2012</i>
<b>State Subsidy</b>		
Balance at the beginning of the year	<i>346,000</i>	<i>346,000</i>
Changes during the year	<u>-</u>	<u>-</u>
Balance at the end of the year	<u><u><i>346,000</i></u></u>	<u><u><i>346,000</i></u></u>
<b>Susidy from DIC</b>		
Balance at the beginning of the year	<i>3,000,000</i>	<i>3,000,000</i>
Changes during the year	<u>-</u>	<u>-</u>
Balance at the end of the year	<u><u><i>3,000,000</i></u></u>	<u><u><i>3,000,000</i></u></u>

<b>Profit &amp; Loss Account</b>		
Balance at the beginning of the year	<i>(16,160,789)</i>	<i>(16,853,977)</i>
Profit during the year	<u><i>917,469</i></u>	<u><i>693,188</i></u>
Balance at the end of the year	<u><i>(15,243,320)</i></u>	<u><i>(16,160,789)</i></u>
TOTAL RESERVE AND SURPLUS	<u><u><i>(11,897,320)</i></u></u>	<u><u><i>(12,814,789)</i></u></u>
<b>4 DEFERRED TAX LIABILITY</b>		
Depreciation and Amortisation	<u><i>920,085</i></u>	<u><i>964,754</i></u>
	<u><i>920,085</i></u>	<u><i>964,754</i></u>
<b>5 SHORT TERM BORROWINGS</b>		
<b>Other Short Term Loan / Intercorporate Deposit (Unsecured)</b>		
From Directors Friends & Relatives	<u><i>-</i></u>	<u><i>64,701</i></u>
	<u><i>-</i></u>	<u><i>64,701</i></u>
<b>5.1</b>	Unsecured and non-interest bearing short term loan taken from the Associate concern outstanding balance at the year end of Rs Nil (PY 64701/-)	
<b>6 TRADE PAYABLES</b>		
For Goods and Services (Refer note 29 )	<u><i>24,397,498</i></u>	<u><i>3,823,431</i></u>
	<u><i>24,397,498</i></u>	<u><i>3,823,431</i></u>
<b>7 OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
Other Payables	<u><i>1,048,945</i></u>	<u><i>52,251</i></u>
	<u><i>1,048,945</i></u>	<u><i>52,251</i></u>
<b>8 SHORT TERM PROVISIONS</b>		
Income Tax Provision	<u><i>300,000</i></u>	<u><i>375,000</i></u>
	<u><i>300,000</i></u>	<u><i>375,000</i></u>
<b>10 LONG TERM LOAN &amp; ADVANCES</b>		
Capital Advances (Unsecured)	<i>790,891</i>	<i>790,891</i>
Deposit (Unsecured, considered good)	<i>310,000</i>	<i>310,000</i>
Other Advances		
Unsecured	<u><i>3,046,624</i></u>	<u><i>4,181,723</i></u>
	<u><i>4,147,515</i></u>	<u><i>5,282,614</i></u>

10.1 Capital advance of Rs 790,891/- is outstanding balance for long period of time, though the company has not made the provision in the books of accounts during the year

10.2 Other advance includes the unrealised stock invest worth Rs 14,57,500/- outstanding balance for long period of time, though the company has not made the provisions in the books of account during the year

#### 11 OTHER NON-CURRENT ASSETS

Unamortised Expenses	<u>171,314</u>	<u>334,638</u>
	<u>171,314</u>	<u>334,638</u>

#### 12 INVENTORIES

Raw Material	3,655,760	3,625,750
Work In Progress	3,390,180	1,845,870
Finished Goods	<u>2,431,260</u>	<u>2,612,880</u>
	<u>9,477,200</u>	<u>8,084,500</u>

##### 12.1 Details of Inventories

###### i Work in Progress

Machineries	<u>3,390,180</u>	<u>1,845,870</u>
	<u>3,390,180</u>	<u>1,845,870</u>

###### ii Manufactured Finished Goods

Machineries	<u>2,431,260</u>	<u>2,612,880</u>
	<u>2,431,260</u>	<u>2,612,880</u>

#### 13 TRADE RECEIVABLES

Over Six Months

Doubtful	645,233	81,500
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Others

Unsecured, Considered Good	<u>37,394,447</u>	<u>16,850,001</u>
	<u>38,039,680</u>	<u>16,931,501</u>

13.1 Sundry debtors over six months is unsecured and doubtful, though the company has not made the provisions in the books of accounts during the year

#### 14 CASH AND CASH EQUIVALENTS

Cash on Hand	2,344,489	2,995,701
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Balance with Bank

In Current Accounts	<u>249,495</u>	<u>229,065</u>
	<u>2,593,984</u>	<u>3,224,766</u>

14.1 Balance with bank includes the current account with Punjab National bank having balance of ₹ 2235/- (PY ₹ 2235/-) for which the company has not produced the Bank Statement and informed that it is non-operative since the long period of time

**15 SHORT TERM LOAN AND ADVANCES****Unsecured and considered good)**

Balance with Government Authorities (Vat Receivable)	42,793	55,248
Advances to Body Corporate	206,810	
Other Advances	1,543,778	-
	<u>1,793,381</u>	<u>55,248</u>

15.1 Advances to Body Corporate includes the Interest free and unsecured advances made to associate Company of ₹ 206810/- (PY Nil)

**16 REVENUE FORM OPERATION**

Sale of Product	112,482,042	90,838,029
Sale of Services	850,282	883,210
Other Operating Revenues	-	-
	<u>113,332,324</u>	<u>91,721,239</u>

**16.1 PARTICULARS OF SALE OF PRODUCT****Manufactured Goods**

Machineries	2,857,074	4,389,418
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**Traded Goods**

Diamonds	109,624,968	86,448,611
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Total Revenue	<u>112,482,042</u>	<u>90,838,029</u>
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**17 COST OF MATERIAL CONSUMED**

Opening Stcok	3,625,750	3,694,723
Purchase	3,022,384	4,319,384
	6,648,134	8,014,107
Less : Closing Stock	3,655,760	3,625,750
	<u>2,992,374</u>	<u>4,388,357</u>

**17.2 Value of Imported and indigenous Raw Materials Consumed**

	2012-13		2011-12	
	Value	% of Total Consumption	Value	% of Total Consumption
Indigeously Obtained	2,921,255	97.62%	4,388,357	100%
Imported at landed cost	71,119	2.38%	-	-
	<u>2,992,374</u>	<u>100.00%</u>	<u>4,388,357</u>	<u>100%</u>

<b>18</b>	<b>PURCHASE OF STOCK IN TRADE</b>		
	Purchase of Diamonds	<u>105,472,989</u>	<u>83,444,720</u>
		<u>105,472,989</u>	<u>83,444,720</u>
<b>19</b>	<b>CHANGE IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE</b>		
	<b>Inventories at Close</b>		
	Finished Goods	2,431,260	2,006,440
	Stock in Process	<u>3,390,180</u>	<u>2,452,310</u>
		<u>5,821,440</u>	<u>4,458,750</u>
	<b>Inventories at Commencement</b>		
	Finished Goods	2,006,440	1,005,431
	Stock in Process	<u>2,452,310</u>	<u>1,180,290</u>
		<u>4,458,750</u>	<u>2,185,721</u>
	(Increase ) / Decrease in Inventories	<u>(1,362,690)</u>	<u>(2,273,029)</u>
<b>20</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries and Wages	2,898,500	2,816,455
	Workman and Staff Welfare Exps	<u>31,256</u>	<u>46,274</u>
		<u>2,929,756</u>	<u>2,862,729</u>
<b>21</b>	<b>OTHER EXPENSES</b>		
	Commission on Sale	151,575	386,500
	Frieght	61,799	109,352
	Job Work	712,969	559,368
	Legal and Professional fees	171,847	156,435
	Miscellaneous Expense	317,093	287,188
	Packing Expense	23,360	89,553
	Payment to Auditors	50,000	35,000
	Power and Fuel	218,001	193,179
	Rent	102,000	102,000
	Sales Promotion and Advertisement	121,737	105,864
	Sales Tax / VAT	-	3,616
		<u>1,930,381</u>	<u>2,028,055</u>
<b>21.1</b>	<b>Payment to Auditors</b>		
	Statutory Audit Fees	30,000	30,000
	Certification and Consultation Fee	<u>20,000</u>	<u>5,000</u>
		<u>50,000</u>	<u>35,000</u>

<b>22</b>	<b>FINANCE COST</b>		
	Interest Expenses	35,802	86,752
	Other Charges	21,922	6,873
		<u>57,724</u>	<u>93,625</u>
<b>23</b>	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
	Depreciation on Tangible Fixed Assets	26,578	26,261
	Amortisation of Expenses	163,324	163,324
		<u>189,902</u>	<u>189,585</u>
<b>24</b>	<b>EARNING PER SHARE</b>		
i	Net Profit after tax as per Statement of Profit and loss account attributable to Equity Share Holders ₹	917,469	693,188
ii	Weightage number of equity shares used as denominator for calculating EPS	4,183,402	4,183,402
iii	Basic and Diluted Earning Per Share ₹	0.22	0.17
iv	Face Value Per Equity Share ₹	10	10
<b>25</b>	Contingent Liability Provided for ₹ Nil		
<b>26</b>	Expenditure in Foreign Currency ₹ 71119/- USD 1283		
<b>27</b>	Income in Foreign Currency : ₹ Nil		
<b>28</b>	Estimate amount of Contract remaining to be executed on Capital Account and not provided for ₹ Nil (Previous Year ₹ Nil)		
<b>29</b>	The management have not received any intimation form suppliers regarding their status under the Micro Small and Medium Enterprise Development Act 2006 and hence disclosure if any relating to amount unpaid as at the year and together with interest paid / payable as required under the said Act have no been given Further there are no specific claims from suppliers under the Micro, Small and Medium Enterprise Development Act 2006 during the year		
<b>30</b>	The balance outstanding at year end and squared off during the year in respect of Sundry Debtors, Loan and Asdvances, Sundry Creditors, Unsecured Loan are subject to confirmation from the respective parties		
<b>31</b>	In Opinion of the Board, the aggregate value of the Current Assets, Loan and Advances are approximately of value stated, if realised in the ordinary course of business		

## 32 RELATED PARTY DISCLOSURE

### 32.1 List of Related Parties

Sr No	Name of the Related Party	Relationship
1	Kohinoor Techno Machines Ltd	Associate Entity
2	Kirit S Bhatt	Key Managerial Personnel
3	Rajiv K Bhatt	Key Managerial Personnel
4	Sanjiv K Bhatt	Key Managerial Personnel
5	Kirit S Bhatt - HUF	Relative of Key Managerial Personnel

### 32.2 Transactions with the Related Party during the year

Amount in ₹ in Lacs

Sr No	Name of the Related Party	Nature of Transactions	Value of Transaction	Balance as at 31.03.2013 (31.03.2012)
1	Kohinoor Techno Machines Limited	Rent Expenses	0.96 (0.96)	Nil (0.96)
2	Kohinoor Techno Machines Limited	Advances given	3.79 (1.14)	2.07 (0.65)
2	Rajiv K Bhatt	Unsecured Loan taken	Nil (4.00)	Nil (Nil)
3	Kirit S Bhatt	Director Remuneration	2.98 (2.04)	273.00 (0.15)
4	Rajiv K Bhatt	Director Remuneration	2.19 (2.04)	2.31 (0.45)
5	Sanjiv K Bhatt	Director Remuneration	2.19 (2.04)	3.50 (1.85)
6	Kirit S Bhatt - HUF	Ground Rent	0.06 (0.06)	Nil (0.06)

# Figures in bracket is related to the previous year



## 33 SEGMENT REPORTING

Sr No	Particulars	Trading - Diamond		Mfg. of Machineries		Total	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	<b>Segment Revenue</b>						
a	External Revenue	<b>1,096.25</b>	864.48	<b>37.07</b>	52.73	<b>52.73</b>	917.21
b	Inter Segment	-	-	-	-	-	-
c	Gross/ Net Turnover	<b>1,096.25</b>	864.48	<b>37.07</b>	52.73	<b>52.73</b>	917.21
2	<b>Segment Results before Interest and Tax</b>	<b>27.95</b>	19.14	<b>(3.89)</b>	1.71	<b>24.06</b>	20.85
	Less :						
	Unallocable Expense					12.85	10.98
	<b>Profit Before Tax</b>					11.21	9.87
d	Current Tax					2.50	3.75
e	Deferred Tax					-0.45	(0.81)
f	Profit after Tax					9.16	6.93
3	<b>Other Information</b>						
g	Segment Assets	392.33	188.94	133.72	189.58	526.05	378.52
	Common Assets	-	-	-	-	40.08	53.66
	Total Assets					566.13	432.18
h	Segment Liabilities	205.96	99.75	30.51	24.47	236.47	124.22
	Common Liabilities					12.21	17.74
	Total Liabilities					248.68	141.96
i	Capital Expenditure	-	-	-	-	-	-
j	Depreciation and amortisation	-	-	-	1.90	1.90	1.90

33.1 The Company has identified two reportable segments viz. manufacturing of machineries of diamonds and related services and trading of diamonds. Segments has been identified and reported taking into account of nature of business activity, the differing risks and returns and internal business reporting systems. The accounting policy adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of segment. Revenue and Expenses which relate to enterprise as a whole are not allocable to a segment on regular basis have been disclosed as "Unallocable"
- Segment assets and segment liabilities represent assets and liabilities in respective segment. Assets and liabilities that can not be allocated to segment on reasonable basis have been disclosed as "Unallocable"

# KOHINOOR TECHNO ENGINEERS LIMITED

## Notes forming part of Financial Statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting and Preparation of Financial Statements

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified U/s 211(3)(C) of the Companies Act 1956 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis and prepares its accounts on a going concern basis. Accounting policies not specifically referred to herein above is in consistent with generally accepted accounting practices.

#### b) Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon managements' best knowledge of current events and actions.

#### c) Inventories

Inventories of raw material and finished goods are valued at cost or net realizable value whichever is lower. The Weighted Average cost method has been followed for the valuation of Inventories. Finished goods and work in progress inventories include cost of conversion and other costs incurred in bringing the inventories at their present location or condition. The physical verification of inventories has been followed by the management are generally reasonable and adequate commensurate with the size of company and nature of its business. The company has followed the exclusive method as specified in Accounting Standard 2 "Valuation of Inventories", hence the purchase and sale has been accounted at exclusive of vat.

#### d) Depreciation

Depreciation on depreciable fixed assets has been provided at the rates and in the manner prescribed in schedule XIV to The Companies Act, 1956 under straight line method basis considering single shift working, wherever applicable. Depreciation has been provided on the assets which were put to use during the previous year. Depreciation on addition to fixed assets made during the year has been provided on pro rata basis.

#### e) Revenue Recognition

(a) Revenue is recognized when it can be reliably measured and it is reasonable to expect ultimate collection. Sales of machineries and diamonds have been accounted when significant risk & reward of ownership has been transferred to buyer and net of value added tax.

(b) Revenue on transaction of rendering services is recognized under the completion contract method. Contract is regarded as completed when no significant uncertainty exist regarding the amount of consideration that will be derived from rendering services.

**f) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of capital costs and incidental / installation expenses attributable to bringing the assets to working condition for its intended use. The cost of fixed assets acquired during the year under consideration have been excluded the recoverable duties / taxes.

**g) Accounting for Employees Benefits**

There is no provision has been made for employee benefit like leave salary, gratuity, bonus, provident fund, state insurance etc nor the firm has devised any defined scheme for the benefits of its employees. The liability in respect of above will be provided for as and when the liabilities are determined or legally arise or finally settled.

**h)** The Company has followed the Accounting Standards 11 in respect of Effect of Changes in Foreign Exchange Rates. According to AS-11, the Company has translated all the transaction denominated in foreign currency at the rate of exchange prevailing on the day of the transaction occurred and the balance outstanding of creditors and debtors denominated in foreign currency are translated at the exchange rate ruling on the balance sheet date. Exchange difference arising on account of foreign currency transactions are debited or/and credited to Profit & Loss account

**i) Accounting for Taxes on Income**

**(i) Deferred Tax:** In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, as specified in the Companies (Accounting Standard) Rules, 2006, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future. Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

**(ii). Current Taxation** Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years

**j) Accounting for intangible assets** The Company does not have any intangible assets. Deferred revenue expenditure on account of fee for increase in the Authorized capital and on account of installation of gas connection are amortized over a period of 5 years.

**PROXY FORM**

Registered Folio No:

No of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member / Members of Kohinoor Techno Engineers Limited, hereby appoint Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ or failing him Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 27<sup>th</sup> Day of September, 2013 at 2.30 p.m.

Signed by the said \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature: \_\_\_\_\_

<p><b>Affix Rs. 1 Revenue Stamp</b></p>
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Applicable to the members holding shares in electronic form.

**NOTE:**

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**ATTENDANCE SLIP**

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg.Folio No:

I hereby record my presence at the Annual General Meeting of the Company held at "Kohinoor House", Plot No.1, Gajera, Industrial Estate, Opp. I.C.Gandhi Mill, A.K.Road, Surat- 395006, Gujarat on the 27<sup>th</sup> Day of September, 2013 at 2.30 p.m.

Full Name of the Members/Proxy \_\_\_\_\_

(In Block Letters, to be filled in if the proxy attends instead of the Member)

\_\_\_\_\_  
Members/ Proxy Signature

Application to the members holding shares in electronic form.

**NOTES:**

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.



**AN ISO 9001-2008 Certified**

If Undelivered, please return to:-  
**Kohinoor Techno Engineers Limited**  
"Kohinoor House"  
Plot No.1, Gajera,  
Industrial Estate,  
Opp. I. C. Gandhi Mill,  
A. K. Road, Surat- 395006, Gujarat  
Email Id: [sales@kohinoormachineries.com](mailto:sales@kohinoormachineries.com)  
Website: [www.kohinoormachineries.com](http://www.kohinoormachineries.com)

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

[Clause 31 (a) of the Listing Agreement]

1.	Name of the Company	KOHINOOR TECHNO ENGINEERS LIMITED
2.	Annual Financial Statement for the year ended on	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-Qualified
4.	Frequency of Observation	N.A.
5.	To be signed by	
	• CEO and Managing Director	Kirit S. Bhatt
	• CFO	NA
	• Auditors of the Company	For Bharat & Company Chartered Accountant CA Bharat Gandhi Proprietor (Membership No. 125227)
	• Audit Committee Chairman	Mr. Bhavin P Shashtri Chairman of the Audit committee

For Kohinoor Techno Engineers Limited

  
Director