





FORM A

Covering letter of the annual audit report to be filed with stock exchange

1	Name of the Company	S Kumars Online Limited
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	N. A.
5	Signatures:-	
	O. P. Pacheria (Whole Time Director)	
	Sameer Patil (Accounts Chief)	
	Shyam Malpani & Associates (Statutory Auditor)	
	Ramesh Gangwal (Chairman of Audit Committee)	

S Kumars Online Limited

CIN : L45400MH1999PLC119875

Registered & Corporate Office : "Avadh", Avadhesh Parisar, G. K. Marg, Worli, Mumbai - 400 013. (INDIA)

Tel.: 022-2491 4795 • Fax : 022-2498 0390 • E-mail : skumars.support@gmail.com

S. Kumars

skumars dot com

e-defining business

S Kumars Online Limited

FIFTEENTH ANNUAL REPORT 2013-2014

Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Ramesh Gangwal
Shri R.N.Jha
Shri O. P. Pachheria
Smt. Chandra Mundhra

15th ANNUAL GENERAL MEETING

Date : 30th Sept., 2014
Day : Tuesday
Time : 9.00 a.m.
Place : "The Victoria Memorial School",
Opp. Tardeo A.C. Market, Tardeo Road,
Mumbai – 400034.
Book : 24th Sep., 2014 to 30th Sept., 2014
Closure (both days inclusive)

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BANKERS

HDFC Bank Ltd.
Oriental Bank of Commerce
IDBI Bank Ltd.

AUDITORS

Shyam Malpani & Associates
307, Chartered House, 297/299
Dr. Cawasji Hormasji Street,
Mumbai 400 002

REGISTERED OFFICE:

"Avadh", Avadhesh Parisar,
G.K.Marg, Worli, Mumbai 400 018
Tel.: 91-22-2491 4795
Fax : 91-22-2498 0390
www.skumaronline.com
grievance.skol@gmail.com

Compliance Officer :

Mr. Sameer Patil
Tel.: 91-22-2491 4795

REGISTRARS & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
E-2/3 Ansal Indl. Estate,
Saki Vihar Road,
Sakinaka, Andheri (E.)
Mumbai - 400 072.
Tel.: 91-22-4043 0200
Fax : 91-22-2847 5207
investor@bigshareonline.com

NOTICE

NOTICE is hereby given that the Fifteenth Annual general meeting of the members of S KUMARS ONLINE LIMITED will be held at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034 on Tuesday, 30th September 2014 at 9.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended March 31, 2014 and Balance Sheet as at that date together with the reports of the Director and the Auditors thereon.
2. To appoint a Director in place of Mrs. Chandra Mundhra (DIN 02636133) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :

RESOLVED that pursuant to the provision of section 139 and other applicable provision, if any of the companies Act, 2013 read with the underlying rules viz. Companies (Audit and auditors) rules, 2014 as may be applicable the retiring auditors M/s. Shyam Malpani & Associates, Chartered Accountant (registration no. 120438W), be re-appointed as statutory auditors of the company to hold office from the conclusion of this Meeting until the conclusion of the Eighteenth Annual General Meeting (AGM) of the company subject to ratification of the appointment at every AGM at a remuneration (including term of payment) to be fixed by the Board of Direction of the company, plus service tax and such other tax(es), as may be applicable & reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the company.

SPECIAL BUSINESS:

1. To appoint Mr. Ramesh Gangwal as an independent director of the company

To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

RESOLVED that Mr. Ramesh Gangwal (DIN 01281635) in respect of whom the company has receive a notice in writing along with deposit of Rs. 1 Lakh only from a member proposing him as a candidate for the office of director under the provisions of section 160 of the Companies Act, 2013, and who is eligible for appointment as an independent director be and is hereby appointed as an independent director of the company up to 30.09. 2019.

2. To appoint Mr. Rudra Narain Jha as an independent director of the company

To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

RESOLVED that Mr. Rudra Narain Jha (DIN 00033291) in respect of whom the company has receive a notice in writing along with deposit of Rs. 1 Lakh only from a member

proposing him as a candidate for the office of director under the provisions of section 160 of the Companies Act, 2013, and who is eligible for appointment as an independent director be and is hereby appointed as an independent director of the company upto 30.09 2019.

NOTES :

a) The relative explanatory statement pursuant to section 102(1) of the Companies Act, 2013, in respect of item Nos.4 & 5 set out in the notice is annexed hereto.

b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty in numbers and holding in the aggregate not more than ten per cent of the total share capital of the company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing such a representative to attend and vote on their behalf at the meeting.

c) Voting through electronic means:

l) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 15th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Securities Depository Limited (CSDL):

The instructions for members for voting electronically are as under:-.

Members whose shareholding is in the dematerialised form and whose email addresses are registered with the company/ depository participants(s) will receive an email from CDSL

II In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.co
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "S KUMAR ONLINE LIMITED" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar or R.Amit Kumar with Sr.No. 1 then enter RA00000001 in the PAN field.(For your password please refer to address sticker affixed on AGM report i.e. 2 character of your name and 8 digit of Sr. numbers.)
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant S KUMAR ONLINE LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

III In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 24, 2014 (9.00 a.m) and ends on September 26, 2014 (6.00 p.m). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

- IV) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the relevant date (record date) of August 29, 2014.
- V) Mr Shiv HariJalan Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- VI) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizers Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.skumaronline.com and on the website of CSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges.
- d) Members are requested to note that the company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- e) The register of members & the share transfer books of company will remain closed from 24/09/2014 to 30/09/2014. (both days inclusive).
- f) Members holding shares in physical form are requested to immediately notify change in their address, to the Registrar & Transfer Agent of the company, Viz. Big Share Services Pvt. Ltd. quoting their Folio Numbers.
- g) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, changes of address/name etc. To their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
- h) Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
- i) Pursuant to the requirements on corporate governance under Clause 49 of listing agreements entered into with stock exchanges, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to the Notice.
- j) The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.skumaronline.com.
- k) Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
- l) All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10 a.m. and 04 p.m. on all working days from the date hereof up to the date of the Meeting.

By Order of the Board of Directors
sd/-

O. P. Pacheria
Whole Time Director

Place: Mumbai.
Date: 04.08.2014

CIN: L45400MH1999PLC119875
Website: www.skumarsoline.com
E-mail: skumars.support@gmail.com

EXPLANATORY STATEMENT U/S. 102 (1) OF THE COMPANIES ACT 2013

The Explanatory Statement of the accompanying notice set out herein above is as under:

ITEM NO. 4&5:

Pursuant to provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of Directors as independent directors, who are not liable to retire by rotation.

The Board of Directors has recommended the appointment of these directors as independent directors from October 1, 2014 to September 30, 2019.

Mr. Ramesh Gangwal and Mr. Rudra Narain Jha have given a declaration to the board that they meet the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday

The details of the independent directors and retiring directors are as under:

Sr. No	Name of the Director	Mr. Ramesh Gangwal	Mr. Rudra Narain Jha	Mrs. Chandra Mundhra
1	Director Identification Number	01281635	00033291	02636133
2	Date of Birth	10/08/1947	02/07/1939	22/10/1955
3	Age	67 Years	75Years	58 Years
4	Permanent Account Number (PAN)	ABQPG0480R	ACCPJ7011J	AAQPM1457R
5	Date of Appointment on the Board	13/04/2007	19/05/2007	26/03/2009
6	Experience in specific functional Area	Textile Industry	Former Executive Director of Life Insurance Corporation of India. Expertise in Marketing, Investments, Corporate Restructuring and Management, Human Resource Development, Corporate Governance, Financial Services, Real Estate Management and Knowledge Management.	Information Technology Business Processes &Solutions, and Mass communication.
7	Expertise in specific functional areas	Textile Industry	Marketing, Investments, and Corporate Restructuring Management, Human Resource Development, Corporate Governance, Financial Services, Real Estate Management and Knowledge Management.	Information Technology Business Processes &Solutions, and Mass communication.

8	No. of equity shares held in the Company (as on 31 st March, 2014)	Nil	Nil	3753
9	Qualification	Bachelor of Arts	Bachelor of Arts(Hons.)	Master of Arts & Communication
10	List of other directorship	1. Padma Syntex Pvt Ltd. 2. E-Assurance Services(India)Ltd. 3. Roderick Commodities Pvt. Ltd.	1. e-Assurance Services (India) Ltd. 2. Next Gen Publishing Ltd. 3. Gokak Textiles Ltd. 4. Vasundhara Hospitality Pvt. Ltd. 5. Raghuvveer Urban Construction Co. Pvt. Ltd.	Nil
11	Membership/Chairman of Committees of the other Companies	Nil	5	Nil
12	Relationships, if any, between Directors inter se	N.A.	N.A.	N.A.

Your director recommends resolutions at the item no. 4&5 for your approval as an ordinary resolution.

Except Mr. Ramesh Gangwal & Mr. Rudra Narain Jha, none of the other directors are concerned or interested in the resolution.

Place: Mumbai
Date : 04.08.2014
CIN: L45400MH1999PLC119875
Website: www.skumarsoline.com
E-mail: skumars.support@gmail.com

By order of the Board of Directors

sd/-
O P Pacheria
Whole-Time Director

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present this 15th Report on the business and operations of your Company along with the Annual Report and Audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

Financial Results	Year Ended March 31,2014 (Audited) Amount in ₹	Year Ended March 31,2013 (Audited) Amount in ₹
Total Income	86,45,797	1,71,31,780
Less: Total Expenditure	(1,23,04,166)	(4,27,41,433)
Profit / (Loss) before taxation & Exception item	(36,58,369)	(2,54,23,653)
Less: Provision for Taxation		
Current Tax	—	—
Deferred Tax (Liability)/Assets	(2,75,790)	(57,107)
Prior period adjustment & Exceptional items	—	2,58,18,209
Profit / (Loss) after taxation	(39,34,159)	3,37,450
Balance brought from previous year	(37,17,50,376)	(37,20,87,824)
Balance carried to Balance sheet.	(37,56,84,534)	(37,17,50,376)

Review of operations:

During the year Company continued with its IT Management Consultancy and Equipment Renting business. During the year, Company discontinued its E-Commerce business as it was not yielding as predicted. The Company is exploring new ideas in other segments as well.

Dividend :

In view of overall accumulated losses, the Directors express their inability to recommend any dividend on Equity Shares for the current financial year.

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and Developments:

Slothful business due to immense competition among the e-Commerce sector forced us to keep ourselves in the back foot for considerably long span during the year. It is the snapping factor responsible for our declined business growth & development and ultimately resulted in closing the E-Commerce unit. However the Company continued with its I. T. Management consultancy services and “Moviegear” Equipment Rental business during the year.

Industry Outlook:

Over the last 3 years we have put in place several business strategies and created a stronger platform to support the growth of the company, while successfully combating various external challenges. We had curtailed the e-commerce business during the year. We will look to expand our presence primarily in other segments.

Opportunities and Threats:

The Company recognizes the need to accelerate ability to connect more deeply with our customers to enable true transformation. The domestic e-Commerce market too is coming into its own and witnessing a high degree of merger and acquisitions activity, involving some of the key players in the market. Increasing IT usage and adoption within the country is enhancing competitiveness of the Indian economy and the user community. Indian businesses, that are using e-Commerce, as an enabler, are becoming increasingly competitive in the global arena.

The demand environment will continue to remain buoyant in the coming fiscals due to increased e-Commerce spend by organizations as well as greater acceptance of the global delivery model. Due to immense competition the company is facing threat to its e-Commerce business.

Segment – wise performance:

During the year the your Company operated in three segments viz.,

1. E-Commerce;
2. I. T. Management Consultancy;
3. Equipment Rental;

Research and Development::

Our Research and Development (R & D) focus is to drive innovation in all areas of our business, resulting in improvements in product quality, cost savings, higher efficiencies. We have integrated our R&D practices to operate in cope with all our businesses and various product categories. We leverage R & D activities to keep well informed of changing consumer preferences. This includes consumer studies to gauge feedback on new products, modifying products to suit consumer tastes and adding features and variants to existing products to provide alternative solutions to our consumers.

Risks and Concerns:

Your Company has an elaborate risk management procedure, which is entirely based on different parameters related to business operations. Some of the risks relate to competitive

intensity and cost volatility. Major risks identified by the Audit Committee are systematically addressed. These are discussed with both Board and Audit Committee. These are routinely tested and certified by Statutory Auditors and cover all offices, divisions and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Internal control system and their adequacy:

Your Company has proper and adequate system of internal controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of external audits and periodic review by the management.

The system is designed to adequately ensure that financial and other records are reliable for presenting financial information and other data and maintaining accountability of assets.

Financial Performance:

This is summarized as follows:

(₹ in lacs)

	2013-14	2012-13
Income from Operations	85.35	169.51
Profit / (Loss) before tax	(36.58)	3.95
Net Profit / (Loss)	(39.34)	3.37

Human Resource:

Your Company regularly organizes in-house training programmes for employees to improve operational efficiency. Company's strategy is to recruit qualified and talented employees.

Subsidiaries:

During the year under review 'e-Assurance Services (India) Ltd' is the only subsidiary of the Company.

The said subsidiary is non-material, non-listed subsidiary company as defined under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd.

Pursuant to Section 212 of the Companies Act, 1956, the Company is required to attach to its Annual Report, the Directors' Report and financial statements as well as the Company's interest in the Subsidiary Company. Accordingly, all the above details pertaining to e-Assurance Services (India) Limited have been annexed and form part of this report.

Directors:

Smt. Chandra Mundhra, who retires by rotation from the Board in the forthcoming Annual General Meeting and being eligible, offers herself for reappointment at the said Annual General Meeting. The Board recommends her re-appointment.

Mr. Ramesh Gangwal And Mr. Rudra Narain Jha have given a declaration to the board that they meet the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

Auditors:

The Auditors M/s. Shyam Malpani & Associates, Chartered Accountants, Mumbai, who were appointed as Auditors to hold office until the conclusion of the ensuing Annual General Meeting are eligible for reappointment. Members are requested to appoint them as Auditors and authorize the Board to fix their remuneration.

Auditors Qualification:

- a) Company is taking all reasonable efforts to appoint a Whole – Time Secretary. However, the Company has appointed a semi – qualified Company Secretary for looking after all the secretarial & compliance related work. Company is also taking services of full-time practicing Company Secretary for timely and proper secretarial compliances.
- b) The Company does not have a formal internal audit system at any time during the year under review. However the Company has its own internal check and audit mechanism in place.

Directors Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, in the best of their knowledge and belief, your Directors make the following statement:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2014 and of loss of the company for the year under review.
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing / detecting fraud and other irregularities.
- (iv) Your Directors have prepared the attached Statement of Accounts for the year ended 31st March 2014 on a going concern basis.

Corporate Governance:

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49. A separate report on Corporate Governance, along with a certificate of Statutory Auditor, is annexed herewith. A certificate from the Whole Time Director and Chief Accounts Officer of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2014 was placed before the Board of Directors and the Board has noted the same. A list of the committees and other related information is detailed in the enclosed Corporate Governance Report.

Particulars of Employees:

There is no Employee drawing remuneration covered under Section 217(2 A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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

A. Conservation of Energy:

Except the office power or electricity consumption amounting to Rs. 1.31 Lacs, the Company has nothing to report as per the requirements of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

B. Technology Absorption:

During the year under review the Company has not absorbed any technology and hence the Company has nothing to report as per the requirements of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

C. Foreign Exchange Earning & Outgo:

Earning : NIL

Outgo : NIL

The Company is taking all possible and reasonable efforts to have export earnings.

Cautionary Statement:

Statement in this Management Discussion and Analysis deals with Company's objectives, projections, estimates, expectations and predictions. The expectations of the management are regarded as forward looking statements with meaning of applicable securities, laws and regulations. These 'forward looking statements' are inherently subject to risks and uncertainties, beyond the control of the Company or its management. Many factors could cause the actual results, performance and achievements of the Company to be materially different from any future results, performances or achievement that may be expressed or implied by such forward looking statements. S Kumars Online Limited shall not be liable for any loss which may arise as a result of any action taken on the basis of the information contained herein nor would be under any obligation to update the forward looking statements to reflect developments of events of circumstances hereafter.

Acknowledgements:

The Directors thank the Company's customers, franchisees, contractors, vendors, bankers, Government & other authorities and the shareholders for their support to the Company. The Directors also sincerely acknowledge the contribution made by all the employees for their services to the company.

For and on behalf of the Board of Directors

sd/-

O. P. Pacheria

Whole Time Director

sd/-

R. N. Jha

Director

Place: Mumbai.

Date : 04th August 2014

CORPORATE GOVERNANCE

In accordance with clause 49 of the Listing Agreement, the report containing the details of governance systems and processes at S Kumars Online Limited

1. Corporate Governance Philosophy:

The Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners/vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings, which avoids all conflicts of interest. In order to conduct business with these principles, the Company creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems. The Corporate Governance policies of your Company recognizes the accountability of the Board vis-à-vis its various constituents including Customers, Shareholders, Investors, Employees, Government and other Regulatory Authorities, with prime objective to deliver "Superior Shareholder Value". In brief, the Company's Corporate Governance philosophy is woven around its total commitment to the ethical practices in the conduct of its business.

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

2. Board Of Directors :

- a) The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirements of Code of Corporate Governance. As on 31st March, 2014, out of the total strength of the Board of 4 Directors, 3 are Non-Executive Directors. The Company has a Non-Executive Chairman and the number of Independent Directors is 2, which is half of the total strength of the Board as required by the provisions of the Listing Agreement. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under clause 49 (a) (iii) of the Listing Agreement.

Board Meetings / Directors' Particulars:

During the financial year 2013-14, 4 meetings of the Board of Directors were held on 30th May, 2013, 18th July, 2013, 2nd November, 2013 and 13th February, 2014. The Company has complied with the provisions of clause 49 of the Listing Agreement for holding a Board Meeting at least once in each quarter and the maximum time gap between two meetings was not more than 4 months.

The Board Agenda papers are prepared by the Compliance Officer in consultation with the Chairman. The Directors are free to bring up any matter for discussion at the Board Meeting with the permission of the Chairman.

Agenda papers for Board Meetings containing all necessary documents / information, as specified in clause 49 of the Listing Agreement, wherever applicable and materially significant, are made available to the Board well in advance.

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The draft minutes of the meetings are approved by the Chairman and thereafter circulated to all the Directors generally within three weeks after conclusion of the meeting.

The annual calendar of Board Meetings is decided by the Board of Directors in advance. The Meetings of the Board are generally held at 'Avadh' Avadhesh Parisar, G. K. Marg, Worli, Mumbai.

None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees [Committees being, Audit Committee and Shareholders' / Investors' Grievance Committee] across all companies in which they are Directors.

The following table gives the attendance of the Directors at the Board Meetings of the Company and also the number of other Directorships [other than the Company] and Chairmanships / Memberships in Board Committees of Public Limited Companies.

Name of the Directors	Category and Position	Board Meeting Held	Board Meeting Attended	Whether attended last AGM	Member [Chairman]* of Board Committees**	Number of other Directorships held
Mr. Ramesh Gangwal	Non-Executive Independent	4	4	Yes	Nil	3
Mr. R. N. Jha	Non-Executive Independent	4	4	Yes	4 [1]	5
Mrs. Chandra Mundhra***	Non-Executive	4	-	No	Nil	Nil
Mr. O. P. Pacheria	Executive Whole Time Director	4	4	Yes	Nil	Nil

*Figures in [] indicate the number of Board Committees of which Director is a Chairman, wherever applicable.

**Board Committees mean Audit Committee and Shareholders' / Investors' Grievance Committee

***Mrs. Chandra Mundhra has resigned as Whole Time Director of the Company w.e.f. 30th June, 2013.

Review of compliance reports by the Board of Directors:

Compliance certificates confirming the due compliance with the statutory requirements are placed at the Board Meetings for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and business & affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and their due compliances are monitored.

b) Non-Executive Directors' Compensation and Disclosures:

None of the Non-Executive Directors were paid by way of sitting fees, commission, or by any other way.

Apart from the above, there are no material significant related party transactions, pecuniary transaction or relationship between the Company and its Directors except those disclosed in the financial statements for the year ended on 31st March, 2014.

3. Committees of the Board:

As on 31st March, 2014 the Company has the following Board level Committees, namely:

- A. Audit Committee,
- B. Share Transfer Committee,
- C. Shareholders' / Invertors' Grievance Committee and
- D. Remuneration Committee

A] Audit Committee:

Composition, Names of Members and Chairman:

The Audit Committee comprises of 2 Independent. Mr. Ramesh Gangwal is the Chairman of the Committee. All the members of the Committee have sound knowledge of accounting, financial and law.

Meetings and Attendance during the year:

During the year, four (4) Audit Committee meetings were held on 30th May, 2013, 18th July, 2013, 2nd November, 2013 and 13th February, 2014. The time gap between the two meetings was less than four months.

The details of attendance of Audit Committee members at the meetings are provided in the following table:

Name of Director	No. of Meetings Held	No. of Meetings Attended
Shri Ramesh Gangwal	4	4
Shri R. N. Jha	4	4

The Statutory Auditors are invited to the meetings of the Audit Committee.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 30th September, 2013 to respond to the queries of the shareholders.

The Audit Committee discharges such functions and duties which are generally specified under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

The management of the Company is responsible for the Company's internal controls and the financial reporting process, while the Statutory Auditors are responsible for performing independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and for issuing reports based on such audits . The Audit Committee supervises these processes and thus ensures proper and timely disclosures to maintain the transparency, integrity and quality of financial control and reporting.

The Company continued to benefit from the deliberations in the Audit Committee Meetings, as members of the Audit Committee have sound knowledge of finance, accounts, taxation and corporate laws.

B) Share Transfer Committee:

The Share Transfer Committee is empowered to perform all the functions o f the Board in relation to approval and monitoring transfer, transmission, dematerialisation,

rematerialisation, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company.

The Share Transfer Committee comprises of the following members:

Mr. Ramesh Gangwal – Chairman

Mr. R. N. Jha – Member

The Committee meets on a need basis to ensure the regular process of transfer / transmission and dematerialisation / rematerialisation of shares and issuance of duplicate share certificates.

C] Shareholders' / Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee is empowered to perform all functions of the Board in relation to attending shareholders' / investors' grievances. The Committee primarily focuses on redressal of shareholders' / investors' complaints received by the Company and their resolution. The Committee also oversees the performance of the Registrar and Share Transfer Agent as well recommends the suggestions to improve services to the investors.

Meetings and Attendance during the year:

During the year, four (4) meetings were held on 30th May, 2013, 18th July, 2013, 2nd November, 2013 and 13th February, 2014. The details of attendance of Committee members at the meetings are provided in the following table.

Name of Director	No. of Meetings Held	No. of Meetings Attended
Shri Ramesh Gangwal	4	4
Shri R. N. Jha	4	4

The Committee ensures that the shareholders'/investors' grievances and correspondence are attended and resolved expeditiously. During the year under review, zero (0) grievances were received. There were no investor grievances remaining unattended and pending as on 31st March, 2014.

Investors may send their query to the Compliance officer at the following address.

Mr. Sameer Patil,
Compliance Officer
S Kumars Online Ltd.

Registered Office:

'Avadh' Avadhesh Parisar, G. K. Marg, Worli, Mumbai – 400018.
grievance.skol@gmail.com

D] Remuneration Committee:

The Remuneration Committee comprises of 2 Non-Executive Directors namely, [1] Mr. Ramesh Gangwal, [2] R. N. Jha. Mr. Ramesh Gangwal is the Chairman of the Committee.

The Remuneration Committee evaluates the performance, determine and propose remuneration for the Executive Director and any compensation payment within the limits approved by the shareholders and as permissible under the Companies Act, 1956. One meeting of Remuneration Committee was held on 2nd November, 2013.

4. Whole Time Director / Accounts Chief Certification:

The requisite certification from the Whole Time Director and Chief Accounts Officer required to be given under clause 49[v] of the Listing Agreement was placed before the Board of Directors of the Company.

5. General Body Meetings:

Details of last three Annual General Meetings held are mentioned below:

Year	AGM/EGM	Date	Time	Venue
2010-11	12 th AGM	30.09.2011	10:00 a.m.	Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Rd., Mumbai – 400034
2011-12	13 th AGM	29.09.2012	9.00 a.m.	Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Rd., Mumbai – 400034
2012-13	14 th AGM	30.09.2013	9.00 a.m.	Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Rd., Mumbai – 400034

6. Subsidiaries:

'e-Assurance Service (India) Limited' a Subsidiary Company is a non-material unlisted Indian Subsidiary whose turnover is NIL.

7. Disclosures:

a) Related Party Transactions:

The Company has not entered into any transaction of material nature with related parties i.e. Directors or their relatives, which may conflict with the interest of the Company at large. The details of related party transactions are disclosed in the financial section of this Annual Report.

b) Remuneration of Directors:

The Non-Executive Directors neither draw any remuneration nor paid any sitting fees from the Company. The details of remuneration paid to Whole Time Director are as under

Name of Director	Position	Salary & Perquisite	Service Contract
Mr. O. P. Pachheria	Whole Time Director	Rs. 9,60,000/- p.a	3 years w.e.f. 26 th July 2013
Mrs. Chandra Mundhra	Whole Time Director	Rs. 18,00,000/- p.a	Resigned w.e.f. 30 th June 2013.

c) Directors liable to retire by rotation:

Mrs. Chandra Mundhra is liable to retire by rotation at the ensuing Annual General Meeting scheduled to be held on 30th September, 2014. Mrs. Chandra Mundhra, being eligible, offered herself for reappointment at the ensuing Annual General Meeting. The information as required under clause 49 of the Listing Agreement for the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed to the notice of Annual General Meeting.

d) There were no cases of non-compliance by the Company. During last three years, no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

- e) No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been given in the preparation of financial statements.
- f) The Company has complied with all mandatory requirements of clause 49 of the Listing Agreement.

8. Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the Company's website (www.skumaronline.com). All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

9. Prohibition of Insider Trading:

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct for Insider Trading, which is applicable to all Directors and Senior Officers of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Code lays down guidelines which advise them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

Share held by the Directors as at 31st March 2014:

Name of the Director	No. of Shares held
Mr. Ramesh Gangwal	—
Mr. R. N. Jha	—
Mrs. Chandra Mundhra	3753
Mr. O. P. Pacheria	5600

10. Means of Communication:

The Annual and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and published in Apla Mahanagar (Vernacular Newspaper) and Business Line (English Newspaper). The Information is also uploaded by BSE at their website www.bseindia.com and at the website of the Company www.skumaronline.com

A separate e-mail ID grievance.skol@gmail.com has been designated for the purpose of registering complaints by shareholder. The Company also registered with the SCORES portal for the said purpose according to the SEBI Guidelines.

11. General Shareholders' Information:

a) Annual General Meeting

Date and Time	: 30 th September 2014, at 9.00 A.M.
Venue	: Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034.
Book Closure Date	: 24.09.2014 to 30.09.2014 [Both days inclusive]
Financial year	: 1st April, 2013 to 31st March, 2014.
Registered office	: Skumars Online Limited "Avadh" Avadesh Parisar, G.K.Marg, Worli, Mumbai-400 018.

Equity Shares listed : The Bombay Stock Exchange Ltd.
 Scrip Code No. : 532316
 ISIN No. : INE827A01018

b) Financial Calender:

Key financial reporting dates for the financial year 2014-15 (tentative)

Quarter	Release Date
First Quarter Results	4 th August 2013
Half yearly Results	Before 14 th November, 2014
Third Quarter Results	Before 14 th February, 2015
Audited results for the year 2014-15	Before 30 th May, 2015

c) Market Price Data:

High, low during each month in last financial year:

Month	High (Rs.)	Low (Rs.)
April, 2013	1.68	1.26
May, 2013	1.30	1.05
June, 2013	1.03	0.78
July, 2013	0.96	0.75
August, 2013	0.75	0.64
September, 2013	0.61	0.50
October, 2013	0.56	0.48
November, 2013	0.52	0.40
December, 2013	0.55	0.48
January, 2014	0.54	0.48
February, 2014	0.54	0.52
March, 2014	0.70	0.54

Source: www.bseindia.com

d) Registrar and Transfer Agent:

For lodgment of transfer deeds and other documents or for any grievances / complaints, investors may contact the Company's Registrar and Transfer Agent at the following address:

Bigshare Services Pvt. Ltd.

E/2, Ansa Industrial Estate,
 Sakivihar Road, Saki Naka, Andheri (East),
 Mumbai - 400 072.
 Phone No: 022-40430200,
 Fax No: 022-28475207.

e) Share Transfer System:

A Committee of Directors has been constituted to approve the transfers, transmissions, issue of duplicate shares, etc. The Company's Share Transfer Agent-M/s. Bigshare Services Pvt. Ltd. has adequate infrastructure to process the above matters.

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A predetermined process cycle at regular interval ensures the transfer of shares in physical form within the stipulated time limit.

As per the requirements of clause 47[c] of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of shares transfer formalities.

f) Reconciliation of Share Capital Audit:

The Reconciliation of Share Capital Audit was carried out by Practicing Company Secretary for each of the quarters in the financial year 2013-14, to reconcile the total admitted capital with National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL] and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

g) Dematerialisation of Shares and Liquidity:

With effect from 26th June, 2000, trading in Equity Shares of the Company at the Stock Exchange is permitted only in dematerialised form. The Company's shares are available for trading in the depository systems with National Securities Depository Limited [NSDL] and the Central Depository Services [India] Limited [CDSL].

As on 31st March, 2014, 94.93 % of the Share Capital of the Company is held by the members in electronic form.

h) Distribution of shareholding as on 31st March 2014:

No. Equity Shares held	SHAREHOLDERS		SHARES	
	Nos.	%	Nos.	%
1 – 500	3985	75.79	731066	2.55
501-1000	586	11.14	514352	1.80
1001-2000	272	5.17	434683	1.52
2001-3000	133	2.53	354572	1.24
3001-4000	42	0.80	149644	0.52
4001-5000	49	0.93	235446	0.82
5001-10000	85	1.62	660745	2.31
10001 – Above	106	2.02	25544492	89.24
Total	5258	100.00	286250000	100.00

i) Shareholding Pattern as on 31st March 2014:

Category	No. of Shares held			% of Shareholding
	Physical	Electronic	Total	
Promoters' holding	—	18484806	18484806	64.58
Directors / Relatives	—	65908	65908	00.23
Banks FIs and Insurance Cos.	—	300	300	00.00
Clearing Members	—	2011	2011	00.01
NRIs / OCBs	—	5603	5603	00.02
Other Corporate Bodies	823600	3840842	4664442	16.29
Indian Public	626146	4775784	5401930	18.87
Total....	1449746	27175254	28625000	100.00

j) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs, warrants or any convertible instruments.

k) Address for correspondence:

Shareholders should send all communication to the Company's Registrar and Transfer Agent at the address mentioned in this report.

Shareholders may also contact Mr. Sameer Patil, Compliance Officer at the Registered Office address for any assistance.

e-mail id: skumars.support@gmail.com

Investors can also send their complaints at grievance.skol@gmail.com, a special e-mail ID created pursuant to clause 47[f] of the Listing Agreement.

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

As stipulated in clause 49 of the Listing Agreement, the certificate from Statutory Auditors regarding compliance of conditions of Corporate Governance is annexed herewith.

DECLARATION

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31st March, 2014.

Place : Mumbai.

Date : 4th August, 2014

O. P. Pacheria
Whole Time Director

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members of
S Kumars Online Limited

We have examined the compliance conditions of Corporate Governance by **S KUMARS ONLINE LIMITED** for the year ended 31st March 2014 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination has been limited to a review of the procedure and implementation therefore, adopted by the Company for ensuring the compliance of the condition of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of 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 and the representations, made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements. *However, the Company has not complied with the requirements of Section 383-A of the Companies Act, 1956 wherein the Company does not have a Whole Time Company Secretary at any time during the year.*

Except for what is stated in the preceding paragraph, in our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the Management, in our opinion the Company has complied in all material respects with the condition of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement. As required by the guidance issued by the Institute of Chartered Accountant of India, we have to state that as explained to us and as per the records made available to us by the Company, no investor grievances are pending for a period exceeding 30 days.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency nor effectiveness with which the Management has conducted the affairs of the Company.

For **Shyam Malpani & Associates**
Chartered Accountants
Firm Registration No. 120438W

Shyam Malpani
Proprietor
Membership No: F34171

Place : Mumbai
Dated: 4th August, 2014

Independent Auditor's Report

The Members

S Kumars Online Limited

I. Report on the Financial Statements

We have audited the attached financial statements of **S Kumars Online Limited** (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (hereinafter referred to as the Act), read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' 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 of 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 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, but not for the purpose of expressing opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall financial statement presentation.

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

IV. Opinion

In our opinion and to the best of our information and according to the 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 31st March 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit/ Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

V. Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order, to the extent applicable to the Company during the year under review.
- 2. Further to our comments in the Annexure referred to in 1.above, as required by Section 227(3) of the Act, we report as follows:
 - (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 the 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 the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013;
 - (e) On the basis of written representations received from the respective directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

For **Shyam Malpani & Associates**
Chartered Accountants
Firm Registration No. 120438W

Shyam Malpani
Proprietor
Membership No: F34171

Place : Mumbai
Dated: 22nd May, 2014

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks, as we considered appropriate, we further report as under:

(i) Fixed Assets:

- a) In our opinion, the Company is maintaining proper records showing the relevant particulars including quantitative details of its fixed assets.
- b) The Company has conducted a physical verification of its fixed assets during the year. Further, the Company is in the process of tagging the individual fixed assets.
- c) During the year, the Company has not disposed off any substantial part of the fixed assets.

(ii) Inventories:

- a) We were explained that the management has conducted physical verification of inventories as at close of the year under review.
- b) Based on the explanations as above, we are of the opinion that the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on the year end physical verification of the same and upon comparison with the said records.

(iii) Loans & Advances granted and taken:

During the year, the Company has neither granted nor taken any loans and advances, secured or unsecured, to/from any parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) Internal Controls:

In our opinion, 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 for sale of goods/provision of services except to the extent stated in (i) and (ii) above. During the course of our audit, we have not come across any major weakness in internal controls prevailing in the Company.

(v) Transactions covered by Section 301 of Companies Act, 1956:

As per the records verified by us, during the year under review, there were no transactions entered with the parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(vi) Public Deposits:

During the year, the Company has not accepted any deposits from the public within the meaning of Sections 58-A and 58-AA of the Companies Act, 1956 and the rules framed in this regard by the Reserve Bank of India

(vii) Internal Audit:

The Company does not have a formal internal audit system at any time during the year under review.

(viii) Cost Records:

As explained to us, maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, is not applicable to the Company during the year under review.

(ix) Statutory Dues:

a) As per the records verified by us, the Company is generally regular in depositing the statutory dues involving Provident Fund, Profession Tax, Service Tax, Sales Tax and Income-tax with the appropriate authorities which have remained outstanding for more than six months as at the close of the financial year.

We were explained that the statutes pertaining to Employees' State Insurance Corporation, Wealth tax, Excise Duty, Customs Duty, Investor Education and Protection Fund and Cess are not applicable to the Company during the year under review.

b) According to the information and explanations given to us, there were no disputed dues of Sales Tax and Income Tax which have not been deposited by the Company during the year under review, except in respect of Income Tax matters as per the details given below:

Authority	Nature of Dues	Amount (₹)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	8,20,73,960	2002-2003	Mumbai High Court

(x) Accumulated Losses:

The accumulated losses of the Company till the end of current financial year have exceeded the entire Net worth of the Company as on the Balance Sheet date. During the current financial year, the Company has incurred cash losses amounting to Rs. 15.87 Lacs (Previous Year – Rs. 232.60Lacs).

(xi) Dues to Financial Institutions/Banks/Debenture Holders:

As per the records verified by us and based on our audit procedures, there was no secured loans taken by the Company during the current year. The Company has not issued any debentures since its inception.

(xii) Loans against pledge of Securities:

Based on the explanations and information provided to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities during the year.

(xiii) Dealing in Shares, Securities, etc.:

The Company has not dealt with or traded in shares and securities during the year under review. In our opinion, the Company has maintained proper record in respect of its investments. The Company holds the said Investments in its own name.

(xiv) Guarantees given:

As per the records verified by us, during the year, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xv) Application of Funds raised:

- a) During the year, the Company has not raised any term loans.
- b) Based on the overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investment.

(xvi) Preferential allotment of shares:

According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Companies Act, 1956 during the year under review.

(xvii) Security against Debentures:

As per the records verified by us, the Company has not issued any debentures and hence the question of creation of security does not arise.

(xviii) Frauds:

As per the records verified by us, no fraud on or by the Company has been noticed or reported during the year under review that causes the financial statements to be materially misstated.

(xix) Other Clauses:

Based on the records verified and as per the explanations given to us, clauses no. (xiii) and (xx) of the said Order are not applicable to the Company during the year under review.

For **Shyam Malpani & Associates**
Chartered Accountants
Firm Registration No. 120438W

Shyam Malpani
Proprietor
Membership No: F34171

Place : Mumbai
Dated: 22nd May, 2014

FINANCIAL STATEMENTS

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Balance Sheet as at 31st March 2014

	Note No.	March 31, 2014 Amount (₹)	March 31, 2013 Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	28,62,50,000	28,62,50,000
Reserve And Surplus	2	-37,56,84,534	-37,17,50,376
		-8,94,34,534	-8,55,00,376
Non -Current Liabilities			
Long Term Borrowings	3	1,62,212	3,35,481
Long Term Provisions	4	3,67,963	4,41,518
		5,30,175	7,76,999
Current Liabilities			
Short Term Borrowings	5	10,62,44,760	10,57,09,360
Trade Payables	6	30,46,736	32,74,567
Short-Term Provisions	7	2,73,028	2,35,100
Other Current Liabilities	8	34,28,929	43,01,925
		11,29,93,453	11,35,20,953
Total...		2,40,89,094	2,87,97,576
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible Assets	9	1,11,20,008	1,22,99,006
Capital Work in progress		-	-
		1,11,20,008	1,22,99,006
Non-Current Investments	10	1,99,400	1,99,400
Deferred Tax Assets	11	70,574	3,46,364
Long-Term Loans and Advances	12	36,57,901	29,37,858
		39,27,875	34,83,622
Current Assets			
Inventories	13	20,48,968	28,69,717
Trade Receivables	14	18,78,418	23,08,037
Cash and Cash Equivalents	15	37,13,916	58,72,885
Short-Term Loans and Advances	16	13,07,983	17,47,761
Other Current Assets	17	91,926	2,16,547
		90,41,211	1,30,14,948
Total...		2,40,89,094	2,87,97,576

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Shyam Malpani & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Shyam Malpani

Proprietor

O. P. Pacharia

Whole Time Director

R. N. Jha

Director

Place : Mumbai

Date : 22nd May, 2014

Statement of Profit and Loss Account for the year ended 31st March, 2014

	Note No.	March 31, 2014 Amount (₹)	March 31, 2013 Amount (₹)
Revenue From Operations (Gross)	18	85,35,329	1,69,51,942
Other Income	19	1,10,468	3,65,838
Total Revenue		86,45,797	1,73,17,780
Purchases of Stock-in-Trade	20	2,48,010	71,82,849
Changes in Inventories	21	8,20,751	-65,216
Employee Benefits Expense	22	46,54,274	1,05,94,304
Finance Costs	23	1,56,849	98,067
Depreciation and Amortisation Expense	9	11,78,998	12,35,907
Other Expenses	24	52,45,284	2,36,95,521
Total...		1,23,04,166	4,27,41,432
Profit/(Loss) Before Exceptions and Extraordinary Items And Tax		-36,58,369	-2,54,23,652
Exceptional item (Refer Note No. 25.13)		-	2,59,52,959
Prior Period Adjustments		-	-1,34,750
Profit/(Loss) Before Extraordinary items and Tax		-36,58,369	3,94,557
Extraordinary Items		-	-
Profit / (Loss) Before Tax		-36,58,369	3,94,557
Current Tax		-	-
Deferred Tax		2,75,790	57,107
Total...		2,75,790	57,107
Profit/(Loss) after tax From Continuing Operation		-39,34,159	3,37,450
Profit/(Loss) for the year		-39,34,159	3,37,450
EPS Before Extraordinary and Exceptional Item			
Basic		-0.13	-0.89
Diluted		-0.13	-0.89
EPS After Extraordinary and Exceptional Item			
Basic		-0.14	0.01
Diluted		-0.14	0.01
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Shyam Malpani & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Shyam Malpani
Proprietor

O. P. Pacheria
Whole Time Director

R. N. Jha
Director

Place : Mumbai

Date : 22nd May, 2014

Annual Report 2013-2014

Cash Flow Statement for the Year Ended 31st March 2014 Amount (₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash Flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-36,58,369	3,94,557
Adjustments for:		
Depreciation and amortisation	11,78,998	12,35,907
Finance costs	1,56,849	98,067
Loss on Sale of Fixed Asset	-	65,074
Interest Received	-1,10,468	-3,60,303
Sundry Balances W/Back	-	-2,59,52,959
Provision for Doubtful Debts.	13,91,085	6,97,700
Provision for diminution in investment	-	3,00,000
	26,16,464	-2,39,16,514
Operating profit / (loss) before working capital changes	-10,41,905	-2,35,21,957
Changes in working capital:		
<i>Adjustments for (Increase) / decrease in operating assets:</i>		
Inventories	8,20,751	-65,217
Trade receivables	-8,61,466	-8,09,966
Short-term loans and advances	4,39,778	-8,47,645
Long-term loans and advances	-7,20,042	-7,99,000
Other current assets	1,24,621	84,532
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	-2,27,832	1,81,83,637
Other current liabilities	-8,72,996	-1,67,81,755
Long-term provisions	-73,555	97,481
Short-term provisions	37,928	40,325
	-14,32,814	-8,97,608
Net cash flow from / (used in) operating activities (A)	-24,74,719	-2,44,19,565
B. Cash flow from investing activities		
Capital expenditure on fixed assets	-	39,52,147
Income From Investment	1,10,468	3,60,303
Net cash flow from / (used in) investing activities (B)	1,10,468	43,12,450
C. Cash flow from financing activities		
Repayment of Long / Short Term borrowings	3,62,131	1,44,91,881
Finance cost	-1,56,849	-98,067
	2,05,282	1,43,93,814
Net cash flow from / (used in) financing activities (C)	2,05,282	1,43,93,814
Net increase/(decrease) in Cash and Cash equivalents (A + B + C)	-21,58,969	-57,13,301
Cash and Cash equivalents at the beginning of the year	58,72,885	1,15,86,186
Cash and Cash equivalents at the end of the year	37,13,916	58,72,885

See accompanying notes forming part of the financial in terms of our report attached.

As per our attached report of even date

For Shyam Malpani & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Shyam Malpani

O. P. Pacheria

R. N. Jha

Proprietor

Whole Time Director

Director

Place : Mumbai

Date : May 22, 2014

Notes forming part of the Financial Statements

1 Corporate information:

S Kumars Online Ltd. is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is mainly engaged in E-Commerce business. The company also provides IT Management Consultancy and Equipment Rental Services.

2 Significant accounting policies:

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The significant accounting policies are as follows:

2.1 Basis of Accounting:

The Financial Statements are prepared in accordance with the historical cost convention.

2.2 Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Fixed Assets:

Fixed assets includes only tangible assets and are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds relating to acquisition of fixed assets up to the date of commissioning/commercial exploitation of assets.

2.4 Depreciation / Amortisation:

Depreciation on fixed assets is provided on straight-line method in accordance with the rates specified in Schedule XIV of the Companies Act, 1956.

2.5 Investments:

.An investment in the shares of subsidiary Companies in India is stated at cost.

2.6 Valuation of Inventories:

Trading goods are valued at cost or realizable value whichever is lower.

2.7 Foreign Exchange Fluctuations :

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. The realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss account.

2.8 Revenue recognition:

Sales are recognised when goods are supplied in accordance with the terms of sale and are recorded net of trade discounts, rebates and sales tax. Income from services is accrued as per terms of relevant agreement.

Income and Expenditure are accounted on an accrual basis.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

2.9 Retirement Benefits:

- i. Contribution to defined contribution schemes such as Provident Fund and Employer's Pension Scheme is charged to the Profit and Loss account.
- ii. Provision for the employees' Gratuity is based on actuarial valuation carried out at the end of the year. Actuarial gains or losses arising from such valuation are charged to revenue in the year in which they arise.

2.10 Taxation :

Provision for current taxation is made in accordance with the relevant Income Tax provisions applicable.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that has been enacted as of the Balance Sheet date.

Deferred Tax Assets are recognized on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

2.11 Impairment of Assets:

The carrying amount of assets is reviewed periodically for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

2.12 Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit & Loss Account.

2.13 Provisions for Contingencies:

A provision is recognised when:

- i. The company has a present obligation as a result of a past event;

- ii. It is probable that an outflow of resources embodying economic benefits which will be required to settle the obligation; and
- iii. A reliable estimate can be made of the amount of the obligation

2.14 Segment Reporting:

The Company prepares its segment information if any, in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.15 Earning per Share:

In determining earnings per share, the Company considers the net profit/ (Loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.

'For the purpose of computing diluted earnings per share, the net profit /(Loss) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.

2.16 Preoperative expenses, pending allocation:

'Expenses incurred by the Company on the projects under implementation and have not yet commenced operations are considered as preoperative expenses to be capitalised / amortised upon commencement of operations by the said projects.

Notes forming part of the Balance Sheet as at 31st March, 2014

Particulars	As at	
	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Note No. 1 Share Capital		
Authorized:		
11,00,00,000 (2013: 11,00,00,000)		
Equity shares of ₹ 10 each with voting rights	1,10,00,00,000	1,10,00,00,000
Issued Subscribed and Paid up:		
2,86,25,000 (2013: 2,86,25,000)		
Equity shares of ₹ 10 each with voting rights	28,62,50,000	28,62,50,000
Total	28,62,50,000	28,62,50,000

(i) No. of Equity shares and amount outstanding at the beginning and at the end of the year

	2014		2013	
	Number	₹	Number	₹
Per last Balance Sheet	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000

Shares held by each shareholder holding more than 5% of equity shares capital

	Year ended March 31, 2014		Year ended March 31, 2013	
	Nos.	Percentage	Nos.	Percentage
Hanumesh Investments Pvt. Ltd.	1,22,72,814	42.87%	1,22,72,814	42.87%
Mandakini Investfin Pvt. Ltd.	25,76,598	9.00%	25,76,598	9.00%
Yashaswini Investment Co. Pvt. Ltd.	20,82,198	7.27%	20,82,198	2.27%

Company has not issued any bonus shares during the last 5 years.

Term/Rights attached to equity shares.

The company has only one class of equity shares having a per value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share except & otherwise stated.

Note 2 Reserves and Surplus

	As at	
	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
(a) Surplus / (Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet	-37,17,50,376	-37,20,87,824
Add: Profit / Loss for the Year	-39,34,159	3,37,450
Less: Appropriation	-	-
Total Appropriation	-	-
Net Deficit in Statement of Profit and Loss	-37,56,84,534	-37,17,50,376
Total	-37,56,84,534	-37,17,50,376

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 3 Long Term Borrowings		
Loan and advances from financial institutions (Secured against the asset financed)	1,62,212	3,35,481
Total	<u>1,62,212</u>	<u>3,35,481</u>
Note 4 Long-Term Provisions		
For Gratuity (Refer Note no. 25.4)	3,67,963	4,41,518
Total	<u>3,67,963</u>	<u>4,41,518</u>
Note 5 Short Term Borrowings		
Loan and advances from related parties		
From a wholly owned Subsidiary Company (Unsecured)	1,91,668	1,92,268
From other bodies Corporate (Unsecured)	10,60,53,092	10,55,17,092
Total	<u>10,62,44,760</u>	<u>10,57,09,360</u>
Note 6 Trade Payables		
Trade payables (including acceptances) (Refer Note no. 25.5 for details of dues to micro and small enterprises)	30,46,736	32,74,567
Total	<u>30,46,736</u>	<u>32,74,567</u>
Note 7 Short-Term Provisions		
For Gratuity (Refer Note no.25.4)	2,73,028	2,35,100
Total	<u>2,73,028</u>	<u>2,35,100</u>
Note 8 Other Current Liabilities		
Current Maturities of Long Term Debts	3,72,450	5,34,661
Other Liabilites (*includes balances of Franchisees, SBAs, provision for expenses, statutory liabilities and salary payable)	30,56,479	37,67,264
Total	<u>34,28,929</u>	<u>43,01,925</u>

Notes forming part of the financial statements
Note 9 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As on 1st April, 2013	Additions	Deductions Adjustments	As on Mar. 31, 2014	Upto Mar. 31, 2013	For the Year	Deductions/ Adjustments	Upto Mar. 31, 2014	As at Mar. 31, 2014	As at Mar. 31, 2013
i) Tangible Assets										
Furniture and Fittings	25,80,424	-	18,83,039	6,67,385	24,06,744	44,144	19,07,439	5,43,450	1,53,935	1,73,680
Office Equipments	39,79,074	-	32,29,559	7,49,515	33,32,090	35,602	32,09,459	1,58,233	5,91,282	6,46,984
Computer	77,61,999	-	67,48,723	10,13,276	73,20,343	1,64,252	67,44,423	7,40,172	2,73,104	4,41,656
VSAT	1,30,000	-	-	-	1,30,000	-	1,30,000	-	-	-
Vehicles	16,37,927	-	1,30,000	16,37,927	96,948	1,55,603	-	2,52,551	13,85,376	15,40,979
Renovation to Rented Premises	20,88,833	-	20,88,833	-	20,88,833	-	20,88,833	-	-	-
Plant & Machinery	1,14,91,637	-	-	1,14,91,637	19,95,930	7,79,396	-	27,75,326	87,16,311	94,95,707
Total	2,96,69,894	-	1,40,80,154	1,55,89,740	1,73,70,889	11,78,998	1,40,80,155	44,69,732	1,11,20,008	1,22,99,006
Previous year	3,42,55,514	19,04,427	64,90,047	2,96,69,894	1,67,03,381	12,35,907	5,68,399	1,73,70,889	1,22,99,006	-

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 10 Non Current Investments		
(At cost) (Non Trade - Unquoted)		
Investment in Subsidiaries		
49,940 (2012: 49,940) Equity Shares having Face Value of Rs. 10 per share fully paid-up in E-Assurance Services (India) Ltd.	4,99,400	4,99,400
Less Provision for Diminution in Value of Investment	-3,00,000	3,00,000
Total	1,99,400	1,99,400
Note 11 Deferred Tax Asset		
Deferred Tax Asset		
Impact of difference between depreciation under Income Tax and Company Law	-1,37,395	1,26,835
Provision of Gratuity	2,07,970	2,19,529
Total	70,574	3,46,364
Note 12 Long-Term Loans and Advances		
Unsecured, Considered Good		
Advance Income Tax (net of provision)	32,63,848	25,43,805
Security Deposits	3,94,053	3,94,053
Total	36,57,901	29,37,858
Note 13 Inventories		
(At lower of cost and net realizable value)		
Trading Goods	20,48,967	28,69,717
Total	20,48,967	28,69,717
Note 14 Trade Receivables		
Unsecured, Considered Good		
Debts outstanding for more than six months	23,85,736	15,34,251
Less: Provision for Doubtfull Debts	20,88,785	6,97,700
	2,96,951	8,36,551
Other Debts	15,81,467	14,71,486
Total	18,78,418	23,08,037
Note 15 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	3,75,386	29,89,080
Cash on Hand	26,77,005	11,88,307
Other Bank Balance		
Deposit with original maturity less than 12 months	6,61,525	16,95,498
Total	37,13,916	58,72,885

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Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 16 Short Term Loans and Advances		
Unsecured, Considered Good		
Advance to supplier	9,05,728	9,05,728
Security Deposits	2,88,910	6,81,910
Loans and advances to Employees	1,13,344	1,60,123
Total	13,07,983	17,47,761
Note 17 Other Current Assets		
Unsecured, considered good	91,926	2,16,547
Total	91,926	2,16,547

Note Forming part of the Financial Statements

Particulars	31st March, 2014	31st March, 2013
	Amount (₹)	Amount (₹)
Note 18 Revenue from Operation		
Sales of Products	9,60,829	93,23,877
Sale of Services	75,74,500	76,28,065
Total	85,35,329	1,69,51,942
Note 19 Other Income		
Interest income		
From Banks	1,10,468	3,60,303
Other Non-Operating Income		
Other	-	5,535
Total	1,10,468	3,65,838
Note 20 Purchase of Stock in Trade		
Materials and Related Expenses	2,48,010	71,82,849
Total	2,48,010	71,82,849
Note 21 Changes in Inventories		
Inventories at the end of the year		
Finished Goods	20,48,967	28,69,717
	<u>20,48,967</u>	<u>28,69,717</u>
Inventories at the beginning of the year		
Finished Goods	28,69,717	28,04,501
	<u>28,69,717</u>	<u>28,04,501</u>
Net (increase) / decrease	8,20,751	-65,216
Note 22 Employee Benefit Expense		
Salaries and Wages	43,62,027	1,00,33,778
Contribution to Provident	2,92,247	5,60,526
Total	46,54,274	1,05,94,304
Note 23 Finance Costs		
Interest	1,49,088	66,739
Bank Charges	7,761	31,328
Total	1,56,849	98,067

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Particulars	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Note 24 Other Expenses		
Auditor's Remuneration	1,68,540	1,68,540
Business Promotion	-	24,76,191
Car Expenses	3,19,594	6,87,575
Communication	1,62,924	3,08,600
Electricity Expenses	1,31,447	3,90,455
Insurance	1,29,612	1,96,866
Legal And Professional	6,88,129	69,48,326
Lodging & Boarding Expense	15,000	25,216
Online Business Expenses	82,102	4,84,553
Office Expenses	68,231	4,26,889
Printing And Stationery	97,916	2,42,409
Rent , Rates & Taxes	5,35,500	14,85,000
Repairs And Maintenance - Others	31,511	1,55,638
Shipping Charges	2,21,851	5,11,633
Travelling And Conveyance	6,28,671	14,65,174
Technology & Computer Expenses	32,467	2,88,347
Membership & Subscription Charges	58,333	1,51,244
General Expenses	96,623	2,24,918
Postage & Courier	55,199	97,610
Doubtful Debts	13,91,085	6,97,700
Diminution in value of investment	-	3,00,000
Pre-operative expenses written off (Refer Note no.25.15)	-	52,56,574
Loss on Settlement	1,85,808	3,24,963
Miscellaneous Expenses	1,44,740	3,81,100
Total	52,45,284	2,36,95,521
Payments to the auditors comprises:		
For Statutory Audit	84,270	84,270
For Tax Audit	28,090	28,090
For Other Services	56,180	56,180
Total	1,68,540	1,68,540

Note 25 : Additional Information to the Financial Statements

(fig. in lacs)

	Mar. 31, 2014	Mar. 31, 2013
	Amount in ₹	Amount in ₹
25.1 Contingent liabilities and commitments (to the extent not provided for)		
(a) Income Tax Matters (Details given in table below)	820.74	1,360.78
(b) Legal cases with Franchisees and Strategic Business Associates	32.14	38.13

Authority	Nature of dues	Amount (₹)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	820.74	2002-03	Mumbai High Court

25.2 During the year, the Company has settled certain pending legal cases with the Franchisees and SBAs by opting for Out of Court Settlements with the said parties. This has resulted in a charge to the Profit and Loss Account by Rs. 1.86 Lacs under the head Loss on Settlement (Net) (Previous Year – Rs. 3.25 Lacs).

25.3 In the opinion of the management, the Current Assets, Loans and Advances are realizable at the values represented in the accounts and adequate provision has been made in the accounts for all known liabilities, except to the extent wherever stated otherwise.

25.4 The following table summarizes the components of the net employee benefit expenses recognized in the Profit and Loss Account and in the Balance Sheet for the gratuity as per the recommendations of the Accounting Standard – 15 Employee Benefits. No provision towards leave encashment is considered in the Company's accounts.

Particulars	March 31, 2014 Gratuity	March 31, 2013 Gratuity
Amount Recognised in Statement of Profit and Loss A/c		
Actuarial losses/(gains)	-35,627	1,54,006
Expense recognised in the Profit and Loss A/c	-35,627	1,54,006
Net asset / (liability) recognised in the Balance Sheet		
Liability at the end of the year	6,40,991	6,76,618
Net asset / (liability) recognised in the Balance Sheet	6,40,991	6,76,618
Actuarial assumptions		
Retirement Age	60 Years	60 Years
Attrition Rate	2% p.a.	2% p.a.
Future Salary Rate	5% p.a.	5% p.a.
Rate of Discounting	9.32% p.m	8.25% p.a.
Mortality Table	Indian Assured Live Mortality (2006-08) Ultimate	Indian Assured Live Mortality (2006-08) Ultimate

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The defined Gratuity benefit obligation of the Company is unfunded and hence there are no planned assets which are maintained exclusively therefore. Accordingly, the said disclosure is not given.

25.5 Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors – Nil (Previous year- Nil).

25.6 Earnings Per Share (EPS): Equity Shares of Rs 10, fully paid-up

Particulars	March 31, 2014	March 31, 2013
A. Net Profit for	-39,34,159	3,37,450
B. Weighted Average No of Equity Shares	2,86,25,000	2,86,25,000
C. Earning Per share		
Basic & Diluted	0.14	0.01

25.7 Related Party Transactions

Details of related parties:

Description of relationship	Names of related parties
Subsidiary Company	e-Assurance Services (India) Limited
Key Management Personnel (KMP)	Shri O. P. Pacheria - Whole Time Director Smt. Chandra Mundhra - Whole Time Director (upto 30.06.14)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended and balances outstanding:

	Subsidiaries	KMP
Transactions		
Remuneration Paid	-	14,10,000 (21,60,000)
Advance for Office Expenses	-	88,000 (1,26,357)
Unsecured Loans repaid	600 (600)	-
Unsecured Loans taken	-	-
	-	-
Balances outstanding at the end of the year		
Unsecured Loans	1,91,668 (1,92,268)	-
Investment	4,99,400 (4,99,400)	-

Previous year's figure are given in parenthesis

25.8 **Taxation**

No provision has been made towards Current taxation keeping in view the carried forward losses under the Income Tax Act, 1961

25.9 The Company has two reportable segments i.e. E-Commerce and IT Management Consultancy. The disclosure requirements as per the recommendations of Accounting Standard – 17 Segment Reporting, during the year under review, are given as under:

Particulars	E-Commerce Amount in ₹	IT Consultancy Amount in ₹	Total Amount in ₹
Revenue:			
External	9,55,781 (93,03,520)	61,95,000 (67,10,000)	71,50,781 (1,60,13,520)
Total	9,55,781 (93,03,520)	61,95,000 (67,10,000)	71,50,781 (1,60,13,520)
Results			
Segment results	-34,47,768 (-1,69,76,402)	8,48,728 (19,78,471)	-25,99,040 (-1,49,97,931)
Unallocable corporate Income/(expenses)	-	-	-11,69,797 (-1,07,91,558)
Operating Profit / (Loss) (PBIT)	-	-	-37,68,837 (-2,57,89,489)
Interest Expenses	-	-	-
Interest / Other Income	-	-	1,10,468 (2,61,84,047)
Profit / (Loss) before tax (PBT)			-36,58,369 (5,29,308)
Provision for current tax	-	-	-
Deferred tax	-	-	-2,75,790 (-57,107)
Prior period adjustments			-
			(-1,34,750)
Profit / (Loss) After Tax			-39,34,159 (3,37,450)
Other Information			
Segment Asset:	25,40,167 (65,73,171)	18,01,600 (7,18,294)	43,41,767 (72,91,465)
Unallocable corporate assets	-	-	1,97,47,325 (2,24,42,968)
Total Assets	25,40,167 (65,73,171)	18,01,600 (7,18,294)	2,40,89,093 (2,97,34,433)
Segment liabilities	24,96,011 (48,26,356)	18,05,601 (1,11,086)	43,01,612 (49,37,442)
Unallocable corporate liabilities	-	-	10,92,22,015 (11,02,97,365)
Total Liabilities	24,96,011 (48,26,356)	18,05,601 (1,11,086)	11,35,23,627 (11,52,34,807)
Depreciation	-	-	11,78,998 (12,35,907)

Previous year's figures are given in parenthesis.

25.10 The Company is of the view that there are no indications of material impairment and the carrying amount of its fixed assets or where applicable, the cash generating unit to which these assets belong, do not exceed their recoverable amounts (i.e., the higher of the assets' net selling price and value in use). Hence, no impairment had arisen during the year as per the recommendations of AS 28 - "Impairment of Assets".

25.11 Product wise details

Sales	March 31, 2014 Amount in ₹	March 31, 2013 Amount in ₹
Retail Products - E-Commerce	9,55,781	93,03,520
Cans	5,048	20,358
Total	9,60,829	93,23,878
Inventory		
Retail Products - E-Commerce	14,74,854	22,89,040
Cans	5,74,113	5,80,677
Total	20,48,967	28,69,717
Purchase		
Retail Products - E-Commerce	2,48,010	71,82,849
Cans	-	-
Total	2,48,010	71,82,849

25.12 Expenditure in Foreign Currency- Rs. Nil Lacs (Previous Year - Rs. 28.28 Lacs)

Earnings in Foreign Currency- Rs. Nil (Previous Year – Nil Lacs).

25.13 During the previous year Company has written back the balances identified as not payable to the extent of Rs. 263.46 Lacs and written off the balances identified as not receivable to the extent of Rs. 3.93 Lacs. The same has been reflected under Exceptional Items in Profit & Loss Account amounting to Rs. 259.53 Lacs (Net).

25.14 The Company has asked for account confirmations from all the Franchisees and Strategic Business Associates (SBAs) of which a substantial part have been received and duly settled by the Company from time to time. During the previous year, the Company has written back the balances of remaining Franchisees and SBAs, who did not reply to the confirmation letters sent for more than 3 years, to the extent of Rs. 106.41 Lacs and Rs. 73.79 Lacs respectively.

25.15 During the previous year Company has written off pre-operative expenses amounting to Rs. 52.57 Lacs pertaining the project Bollywood Central Online (BCOL), a new business which has been discontinued during the year.

In terms of our report attached.

For Shyam Malpani & Associates

Chartered Accountants

Shyam Malpani

Proprietor

For and on behalf of the Board of Directors

O. P. Pacharia

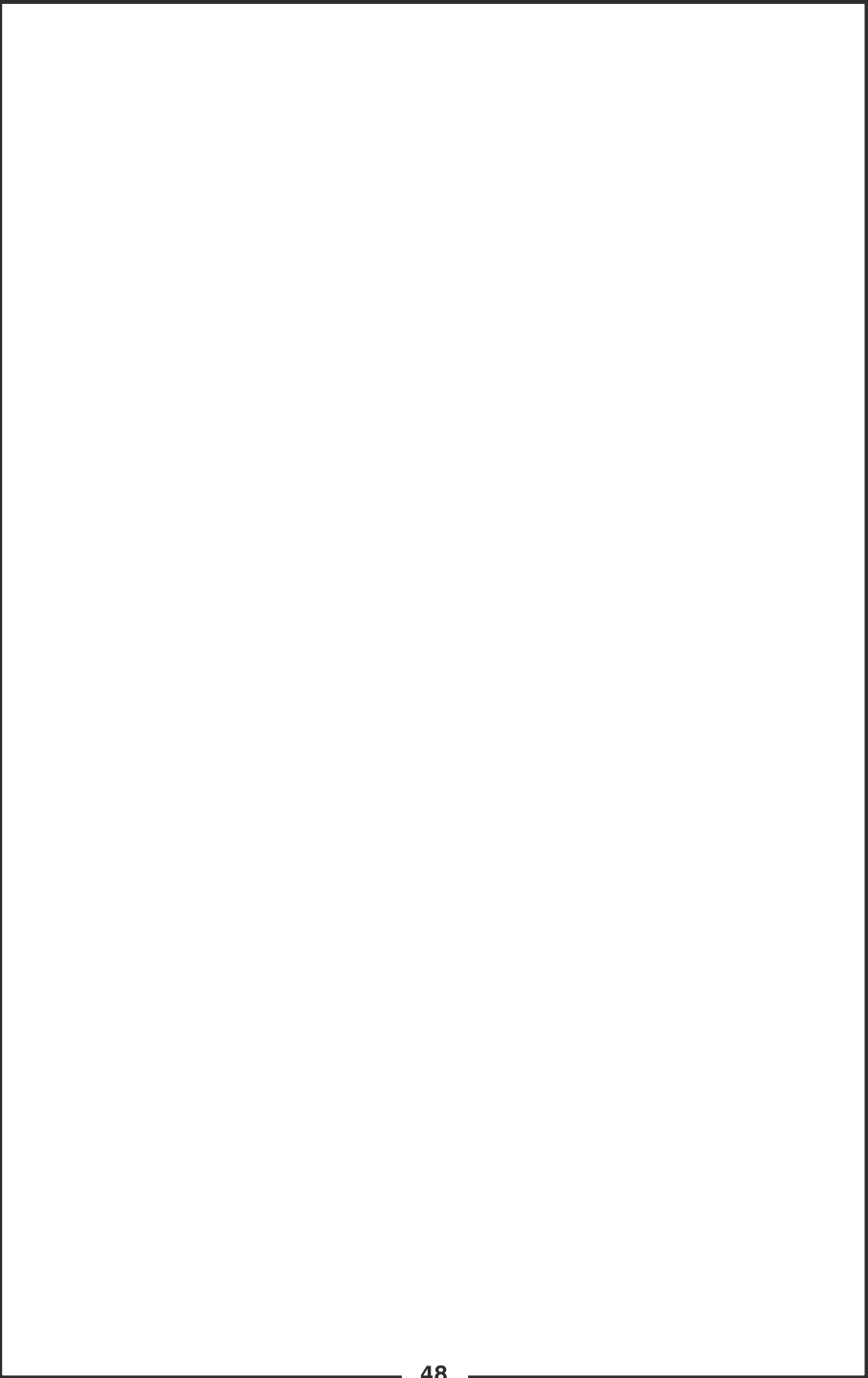
Whole Time Director

R. N. Jha

Director

Place : Mumbai

Date : May 22, 2014



SUBSIDIARY FINANCIAL STATEMENT
e-Assurance Services (India) Ltd.

DIRECTORS REPORT

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL PERFORMANCE

	Current Year 2013-2014 Amount (₹)	Previous Year 2012-2013 Amount (₹)
INCOME		
Sales	—	—
Other Income	—	—
Total	—	—
EXPENDITURE		
Purchase	—	—
Other Expenditure	6,218	6,218
Total	6,218	6,218
Profit/ (Loss) for the year	-6,218	-6,218
Excess/ Short Provision of Earlier Years W/ off	—	—
Less: Provision for Tax	—	—
Net Profit/ (Loss)after Tax Carried to Balance Sheet	-6,218	-6,218

OPERATING PERFORMANCE:

The company is continuously trying to gain business in insurance area.

DIVIDEND:

The Board of Directors has not recommended Dividend for the year ended 31st March 2014 due to losses in the current year.

PUBLIC DEPOSITS:

The Company has not taken any deposits from public during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under the provisions of Section 217(2AA) of The Companies Act, 1956, the Directors confirm that:-

- (a) In the preparation of The Annual Accounts for the year ended 31st March, 2014 the applicable accounting standards have been followed and that no material departures have been made from the same.

- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year ended 31st March, 2014 and of the profits or loss of the Company for that period.
- (c) They have taken proper and sufficient care for the maintenance of adequate account, records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- (d) They have prepared the annual accounts for the year ended 31st March, 2014 on a going concern basis.

AUDITORS:

The Statutory Auditors M/s Vinay Doshi & Co. retires at the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

COMPLIANCE CERTIFICATE:

Under Section 383 A of the Companies Act, 1956 the company is not required to furnish the Compliance Certificate.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy:

Since there are no operations in the Company, it has nothing to report as per requirements of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) rules 1988.

B. Technology Absorption:

Since there are no operations in the Company there has been no technology absorption during the period under review.

C. Foreign Exchange earnings and outgo: (₹)

- i) Foreign Exchange earnings NIL
- ii) Foreign Exchange outgo NIL

DISCLOSURES U/S 274(1) (G):

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

PARTICULARS OF EMPLOYEES:

The Information required u/s 217(2A) of The Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended is not given, as there are no employees drawing remuneration in the excess of specified limit.

ACKNOWLEDGEMENTS:

The Director sincerely appreciates the enthusiasm and hard work displayed by all employees during the year. Your directors also acknowledge their appreciation of the continued assistance and support given by the esteemed customers, suppliers, bankers and various departments of control and state government.

For and on behalf of the Board of Director of
e-Assurance Services (India) Ltd.

O.P. Pacheria
Director

R. N. Jha
Director

Place : Mumbai

Date : 4th August 2014

Independent Auditors' Report

The members,
e- Assurance Services (India) Ltd.

I. Report on the Financial Statements

We have audited the attached financial statements of **e- Assurance Services (India) Ltd.** (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

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

III. Auditors' 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 of 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 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 the management, as well as evaluating the overall financial statement presentation.

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

VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we

enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order, to the extent applicable to the Company during the year under review.

2. Further to our comments in the Annexure referred to in 1.above, as required by Section 227(3) of the Act, we report as follows:
 - (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 the 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 the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the respective directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

V. Opinion

In our opinion and to the best of our information and according to the 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 31st March 2014;
- b. In the case of the Statement of Profit and Loss, of the Profit/ Loss of the Company for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **Vinay Doshi & Co.**
Chartered Accountants
Firm Registration No. 115247W

Vinay Doshi
Proprietor
Membership No. F 49169

Place : Mumbai

Date : 22th May, 2014

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks, as we considered appropriate, we further report as under:

(i) **Fixed Assets:**

The Company does not have any fixed asset during the year under review.

(ii) **Inventories:**

The Company does not have any inventory during the year under review.

(iii) **Loans & Advances granted and taken:**

During the year under review, the Company has not taken any loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.

During the year under review, the Company has not given any loan to any party covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) **Internal Controls:**

In our opinion, 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 for sale of goods. No continuing failure to correct major weakness in internal control was noticed by us during our verification.

(v) **Transactions covered by Section 301 of the Companies Act, 1956 :**

As per the records verified by us, there were no transactions entered with the parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(vi) **Public Deposits:**

During the year, the Company has not accepted any deposits from the public.

(vii) **Internal Audit :**

The requirement of a formal Internal Audit system is not applicable to the Company for the year under review.

(viii) **Cost Records :**

As explained to us, maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956, as prescribed by Central Government, is not applicable to the Company during the year under review.

(ix) **Statutory Dues :**

As per the records verified by us, the Company is generally regular in depositing the statutory dues involving Provident Fund and Income-tax with the appropriate authorities and no undisputed amount representing the above is remaining outstanding for more than six months as at the close of the financial year. Keeping in

view the present circumstances, statutes pertaining to Employees' State Insurance Corporation, Wealth tax, Sales Tax, Excise Duty, Service Tax, Customs Duty, Investor Education and Protection Fund and Cess are not applicable to the Company during the year under review.

According to the information and explanation given to us, there are no disputed dues of Sales Tax, Income Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not been deposited by the Company during the year under review.

(x) **Accumulated Losses:**

The accumulated losses of the Company as at the close of the year have exceeded 50% of its Net Worth. The Company has incurred cash losses as at the end of the current financial year as well as immediately preceding financial year.

(xi) **Dues to Financial Institutions/Banks/Debenture Holders:**

As per the records verified by us and based on our audit procedures, there were no secured loans from banks and hence the question of default does not arise. The Company has neither taken any loans from financial institutions nor issued any debentures during the year under review.

(xii) **Loans against pledge of Securities :**

Based on the records verified by us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debenture and other securities during the year.

(xiii) **Dealing in shares, securities etc:**

The Company has not dealt with or traded in Shares, securities during the year under review hence the question of maintaining proper records does not arise.

(xiv) **Guarantees given :**

As per the records verified by us, during the year the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xv) **Application of Funds raised:**

- a) During the year, the Company has not raised any Term Loans.
- b) Based on the overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investment.

(xvi) **Security against Debentures:**

As per the records verified by us, the Company has not issued any debentures from its inception and hence the question of creation of security does not arise.

(xvii) Frauds

As per the records verified by us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

(xviii) Other Clauses

As per the explanations given to us and as per the information available made available to us, clauses no. (xiii), (xix) and (xx) of the said Order are not applicable to the Company during the year under review.

For **Vinay Doshi & Co.**
Chartered Accountants
Firm Registration No. 115247W

Vinay Doshi
Proprietor
Membership No. F 49169

Place : Mumbai

Date : 22nd May, 2014

e-Assurance Services (India) Ltd.
Statement of Balance Sheet as at 31st March, 2014

	Note No.	As at	As at
		31st March, 2014	31st March, 2013
		Amount (₹)	Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	5,00,000	5,00,000
Reserves And Surplus	2	-2,99,923	-2,93,705
		2,00,077	2,06,295
Current Liabilities			
Other Current Liabilities	3	65,649	60,031
		65,649	60,031
TOTAL		2,65,726	2,66,326
ASSETS			
Non-Current Assets			
Long-Term Loans And Advances	4	32,699	32,699
		32,699	32,699
Current Assets			
Cash And Cash Equivalents	5	41,359	41,359
Short-Term Loans And Advances	6	1,91,668	1,92,268
		2,33,027	2,33,627
TOTAL		2,65,726	2,66,326

See accompanying notes forming part of the financial statements
As per our attached report of even date

For Vinay Doshi & Co.
Chartered Accountants

Vinay Doshi
Proprietor

Place : Mumbai,
Dated : 22nd May, 2014

For and on behalf of the Board of Directors

O. P. Pacheria
Director

R. N. Jha
Director

e-Assurance Services (India) Ltd.

Statement of Profit and Loss Account for the year ended 31st March, 2014

	Note No.	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Revenue From Operations (Gross)		-	-
Other Income		-	-
Total Revenue		-	-
Other Expenses	7	6,218	6,218
		6,218	6,218
Profit / (Loss) Before Extraordinary Items And Tax		-6,218	-6,218
Extraordinary Income		-	-
Exceptional Expenses		-	-
Profit / (Loss) Before Tax		-6,218	-6,218
Profit / (Loss) From Continuing Operation		-6,218	-6,218
Current Tax Expense For Current Year		-	-
Current Tax Expense Relating To Prior Years		-	-
Net Current Tax Expenses		-	-
Deferred Tax		-	-
Total		-	-
Prior Period Adjustments		-	-
Profit/(Loss) after Tax From Continuing Operation		-6,218	-6,218
Profit/(Loss) From Discounting Operation		-	-
Tax Expense		-	-
Profit/ (Loss) For The Year		-6,218	-6,218
EPS Before Extraordinary and Exceptional Item			
Basic		-0.12	-0.12
Diluted		-0.12	-0.12
EPS After Extraordinary and Exceptional Item			
Basic		-0.12	-0.12
Diluted		-0.12	-0.12

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Vinay Doshi & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Vinay Doshi
Proprietor

O. P. Pacharia
Director

R. N. Jha
Director

Place : Mumbai.
Dated : 22nd May, 2014

e-Assurance Services (India) Ltd.**Cash Flow Statement for the Year Ended 31st March 2014**

Particulars	For the year ended 31 Mar., 2014 Amount (₹)		For the year ended 31 Mar. 2013 Amount (₹)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-6,218		6,218
Adjustments for:				
Operating profit / (loss) before working capital changes		-6,218		-6,218
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	600		600	
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	5,618		5,618	
		6,218		6,218
Net cash flow from / (used in) operating activities (A)		-		-
B. Cash flow from investing activities				
Net cash flow from / (used in) investing activities (B)		-		-
C. Cash flow from financing activities				
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A + B + C)		-		-
Cash and cash equivalents at the beginning of the year		41,359		41,359
Cash and cash equivalents at the end of the year		41,359		41,359

See accompanying notes forming part of the financial statements

In terms of our report attached

For Vinay Doshi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Vinay Doshi
Proprietor

O. P. Pacheria
Director

R. N. Jha
Director

Place : Mumbai.
Dated : 22nd May, 2014

e-Assurance Services (India) Ltd.
Notes forming part of the Financial Statement

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	Amount (₹)	Amount (₹)
Note 1 Share Capital		
Authorized:		
50,000 (2013: 50,000) Equity shares		
of ₹ 10 each with voting rights	5,00,000	5,00,000
Issued Subscribed and Paid up:		
50,000 (2013:50,000) Equity shares		
of ₹ 10 each with voting rights	5,00,000	5,00,000
Total	5,00,000	5,00,000

Shares held by each shareholder holding more than 5% of equity share capital

	Year ended March 31, 2014		Year ended March 31, 2013	
	Nos.	Percentage	Nos.	Percentage
S Kumars Online Limited	49,940	99.88%	49,940	99.88%

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	Amount (₹)	Amount (₹)

Note 2 Reserves and Surplus**(a) Surplus / (Deficit) in Statement of Profit and Loss**

As per Last Balance Sheet	-2,93,705	-2,87,487
Add: Loss for the Year	-6,218	-6,218
Less: Appropriation	-	-
Total Appropriation	-	-
Net Deficit in Statement of Profit and Loss	-2,99,923	-2,93,705
Total	-2,99,923	-2,93,705

Note 3 Other Current Liabilities

Other Liabilities	65,649	60,031
Total	65,649	60,031

Annual Report 2013-2014

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	Amount (₹)	Amount (₹)
Note 4 Long-Term Loans and Advances		
Advance Tax (unsecured, considered good)	32,699	32,699
Total	32,699	32,699
Note 5 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	41,327	41,327
Cash on Hand	33	33
Total	41,359	41,359
Note 6 Short-Term Loans and Advances		
To Holding Company (unsecured, considered good)	1,91,668	1,92,268
Total	1,91,668	1,92,268
Note 7 Other Expenses		
Auditor's Remuneration	5,618	5,618
ROC Filing Fees	600	600
Total	6,218	6,218

e-Assurance Services (India) Ltd.

Note - 8

Notes forming part of the Accounts – 31.03.2014

Significant Accounting Policies and Notes on Accounts.

I. Significant Accounting Policies:

1. Basis of Accounting:

The financial statements have been prepared on accrual basis, except wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in exercise of the powers conferred under sub-section (1)(a) of Section 642 and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Revenue Recognition:

Income and expenditure are consistently recognized on accrual basis.

II. Notes on Accounts:

1. The Company is a wholly owned Subsidiary Company of S Kumars Online Ltd.
2. The Company is engaged in the business of soliciting or procuring Life Insurance business and General Insurance Business as a Corporate Agent of Life Insurers and General Insurers or as otherwise permitted by Insurance Regulatory and Development Authority (IRDA) from time to time.
3. No provision has been considered necessary towards gratuity since there are no employees in service with the Company.
4. Balances under the heads Sundry Debtors, Loans and Advances and Current Liabilities are subject to confirmation / reconciliation from the respective parties and consequent reconciliation, if any.
5. Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors – Nil (Previous year- Nil).
6. No provision towards Deferred tax liability / Asset is considered as there are no items representing timing differences during the year under review.
7. Computation of Earnings Per Share (Basic and Diluted)

Annual Report 2013-2014

Particulars	Current Year	Previous Year
Amounts used as numerator in calculating EPS (₹)	(6,218)	(6,218)
No. of Equity Shares used as denominator (Nos.)	50,000	50000
Nominal value per Equity Share (₹)	10	10
Earnings/(Loss) Per Share (Basic and Diluted) (₹)	(0.12)	(0.12)

9. Disclosure of Related Party transactions as per Accounting Standard - 18 is as under:

Related Parties:

Holding Company	S Kumars Online Ltd.
Associates	None
Key Management Personnel	None

Nature of Transactions	Amount (₹)	Closing Balance (₹)
Loans repaid by Holding Company	600	1,91,668

10. Previous year's figures are regrouped/rearrange wherever necessary.

For and on behalf of the Board

O. P. Pacharia
Director

R. N. Jha
Director

Place : Mumbai.

Dated : 22nd May, 2014

**CONSOLIDATED
FINANCIAL STATEMENT**

Independent Auditor's Report on Consolidated Financial Statement

To the Members

S Kumars Online Limited

I. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of S Kumars Online Limited (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

II. Management's Responsibility for the Consolidated Financial Statements

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

III. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

V. Opinion

In our opinion and to the best of our information and according to the 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

VI. Other Matters

Financial statement of the subsidiary which reflects total assets of Rs 2.66 Lacs as at March 31, 2014, total revenue (net) of Rs (0.06) Lacs and net cash flows amounting to ₹ 0.41 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For **Shyam Malpani & Associates**
Chartered Accountants
Firm Registration No. -120438W

Shyam Malpani
Proprietor
Membership No. F 34171

Place : Mumbai,
Dated : 22nd May, 2014

Annual Report 2013-2014

Consolidated Statement of Balance Sheet as at 31st March 2014

	Note No.	31st Mar., 2014 Amount (₹)	31st Mar., 2013 Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	28,62,50,000	28,62,50,000
Minority Interest	2	248	248
Reserve And Surplus	3	-37,56,84,099	-37,17,43,729
		<u>-8,94,33,859</u>	<u>-8,54,93,481</u>
Non -Current Liabilities			
Long Term Borrowings	4	1,62,212	3,35,481
Long-Term Provisions	5	3,67,963	4,41,518
		<u>5,30,175</u>	<u>7,76,999</u>
Current Liabilities			
Short Term Borrowings	6	10,60,53,092	10,55,17,092
Trade Payables	7	30,46,736	32,74,565
Short-Term Provisions	8	2,73,028	2,35,100
Other Current Liabilities	9	34,94,578	43,61,956
		<u>11,28,67,434</u>	<u>11,33,88,716</u>
Total...		<u><u>2,39,63,750</u></u>	<u><u>2,86,72,234</u></u>
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible Assets	10	1,11,20,008	1,22,99,006
Capital Work in progress		-	-
		<u>1,11,20,008</u>	<u>1,22,99,006</u>
Deferred Tax Assets	11	70,574	3,46,364
Long-Term Loans and Advances	12	36,90,599	29,70,557
		<u>37,61,174</u>	<u>33,16,921</u>
Current Assets			
Inventories	13	20,48,967	28,69,717
Trade Receivables	14	18,78,418	23,08,037
Cash and Cash Equivalents	15	37,55,275	59,14,245
Short-Term Loans and Advances	16	13,07,982	17,47,761
Other Current Assets	17	91,926	2,16,547
		<u>90,82,568</u>	<u>1,30,56,307</u>
Total...		<u><u>2,39,63,750</u></u>	<u><u>2,86,72,234</u></u>

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Shyam Malpani & Associates

Chartered Accountants

Shyam Malpani

Proprietor

For and on behalf of the Board of Directors

O. P. Pacheria

Whole Time Director

R. N. Jha

Director

Place : Mumbai

Date : 22nd May, 2014

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2014

	Note No.	March 31, 2014 Amount (₹)	March 31, 2013 Amount (₹)
Revenue From Operations (Gross)	18	85,35,329	1,69,51,942
Other Income	19	1,10,468	3,65,838
Total Revenue		86,45,798	1,73,17,780
Purchases of Stock-in-Trade	20	2,48,010	71,82,849
Changes in Inventories	21	8,20,751	-65,216
Employee Benefits Expense	22	46,54,274	1,05,94,304
Finance Costs	23	1,56,850	98,067
Depreciation and Amortisation Expense	10	11,78,998	12,35,907
Other Expenses	24	52,51,502	2,34,01,739
Total...		1,23,10,385	4,24,47,650
Profit/(Loss) Before Exceptions and Extraordinary Items And Tax		-36,64,587	-2,51,29,870
Exceptional item		-	2,59,52,959
Prior Period Adjustments		-	-1,34,750
Profit /(Loss) Before Extraordinary items and Tax		-36,64,588	-6,88,339
Extraordinary Items		-	-
Profit / (Loss) Before Tax		-36,64,588	6,88,339
Current Tax		-	-
Deferred Tax		2,75,790	57,107
Total		2,75,790	57,107
Profit /(Loss) After Tax From Continuing Operation (before adjustment of minority interest)		-39,40,378	6,31,232
Share of Loss transferred to Minority		8	7
Profit /(Loss) for the year		-39,40,370	6,31,239
EPS Before Extraordinary and Exceptional Item			
Basic		-0.13	-0.88
Diluted		-0.13	-0.88
EPS After Extraordinary and Exceptional Item			
Basic		-0.14	0.02
Diluted		-0.14	0.02

See accompanying notes forming part of the financial statements
In terms of our report attached.

As per our attached report of even date

For Shyam Malpani & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Shyam Malpani
Proprietor

O. P. Pacheria
Whole Time Director

R. N. Jha
Director

Place : Mumbai

Date : 22nd May, 2014

Annual Report 2013-2014

Cash Flow Statement for the Year Ended 31st March 2014 Amount (₹)

Particulars	For the year ended March 31, 2014 Amount (₹)	For the year ended March 31, 2013 Amount (₹)
A. Cash Flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-36,64,588	6,88,339
Adjustments for:		
Depreciation and amortisation	11,78,998	12,35,907
Finance costs	1,56,849	98,067
Loss on Sale of Fixed Assets	-	65,074
Interest Received	-1,10,468	-3,60,303
Sundry Balance W/Back	-	-2,59,52,959
Provision for Doubtful Debts	13,91,085	6,97,700
	26,16,464	-2,42,16,514
Operating profit / (loss) before working capital changes	-10,48,124	-2,35,28,175
Changes in working capital:		
Adjustments for (Increase) / decrease in operating assets:		
Inventories	8,20,751	-65,217
Trade receivables	-9,61,466	-8,09,966
Short-term loans and advances	4,40,378	-8,47,045
Long-term loans and advances	-7,20,042	-7,99,000
Other current assets	1,24,621	84,532
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	-2,27,832	1,81,83,639
Other current liabilities	-8,67,378	-1,67,76,137
Long-term provisions	-73,555	97,481
Short-term provisions	37,928	40,325
	-14,26,597	-8,91,388
Net cash flow from / (used in) operating activities (A)	-24,74,721	-2,44,19,563
B. Cash flow from investing activities		
Capital expenditure on fixed assets	-	39,52,147
Income From Investment	1,10,468	3,60,303
Net cash flow from / (used in) investing activities (B)	1,10,469	43,12,450
C. Cash flow from financing activities		
Repayment of Long / Short Term borrowings	3,62,131	1,44,91,881
Finance cost	-1,56,849	-98,067
	2,05,281	1,43,93,814
Net cash flow from / (used in) financing activities (C)	2,05,281	1,43,93,814
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	-21,58,972	-57,13,299
Cash and Cash equivalents at the beginning of the year	59,14,245	1,16,27,544
Cash and cash equivalents at the end of the year	37,55,275	59,14,245

See accompanying notes forming part of the financial in terms of our report attached.

For Shyam Malpani & Associates

Chartered Accountants

Shyam Malpani

Proprietor

Place : Mumbai

Date : 22nd May, 2014

For and on behalf of the Board of Directors

O. P. Pacheria

Whole Time Director

R. N. Jha

Director

Notes forming part of the Consolidated Balance Sheet as at 31st March, 2014

Particulars	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Note No. 1 Share Capital		
Authorized:		
11,00,00,000 (2013: 11,00,00,000)		
Equity shares of ₹ 10 each with voting rights	1,10,00,00,000	1,10,00,00,000
Issued Subscribed and Paid up:		
2,86,25,000 (2013:2,86,25,000)		
Equity shares of ₹ 10 each with voting rights	28,62,50,000	28,62,50,000
Total	28,62,50,000	28,62,50,000

(i) No. of Equity shares and amount outstanding at the beginning and at the end of the year

	2014		2013	
	Number	₹	Number	₹
Per last Balance	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000
Add: Issued during the	-	-	-	-
Outstanding at the end of the year	2,86,25,000	28,62,50,000	2,86,25,000	28,62,50,000

Shares held by each shareholder holding more than 5% of equity shares capital

	Year ended March 31,2014		Year ended March 31,2013	
	Nos.	Percentage	Nos.	Percentage
Hanumesh Investments Pvt. Ltd	1,22,72,814	42.87%	1,22,72,814	42.87
Mandakini Investfin Pvt. Ltd.	25,76,598	9.00%	25,76,598	9.00
Yashaswini Investment Co. Pvt. Ltd.	20,82,198	7.27%	20,82,198	7.27

Company has not issued any bonus shares during the last 5 years.

Term/Rights attached to equity shares.

The company has only one class of equity shares having a per value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share except & otherwise stated.

Note 2 Minority Interest

	March 31,2014 ₹	March 31,2013 ₹
Shares held by minorities in e-Assurance Services (India) Ltd.	600	600
Less : Share in Loss of e-Assurance Services (India) Ltd.	360	352
(Current year ₹ 8/- (upto 31st March 2013 ₹ 352)		
Total	240	248

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Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 3 Reserves and Surplus		
(a) Surplus / (Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet	-37,17,43,729	37,23,74,968
Add: Profit / Loss for the Year	-39,40,370	6,31,239
Less: Appropriation	-	-
Total Appropriation	-	-
Net Deficit in Statement of Profit and Loss	-37,56,84,099	-37,17,43,729
Total	-37,56,84,099	-37,17,43,729
Note 4 Long Term Borrowings		
Loan and advance from financial Institutions (Secured against the asset financed)	1,62,212	3,35,481
Total	1,62,212	3,35,481
Note 5 Long-Term Provisions		
For Gratuity (Refer Note no. 25.4)	3,67,963	4,41,518
Total	3,67,963	4,41,518
Note 6 Short Term Borrowings		
Loan and advances from related parties From other bodies Corporate (Unsecured)	10,60,53,092	10,55,17,092
Total	10,60,53,092	10,55,17,092
Note 7 Trade Payables		
Trade payables (including acceptances) (Refer Note no. 25.5 for details of dues to micro and small enterprises)	30,46,736	32,74,568
Total	30,46,736	32,74,568
Note 8 Short-Term Provisions		
For Gratuity (Refer Note no.25.4)	2,73,028	2,35,100
Total	2,73,028	2,35,100
Note 9 Other Current Liabilities		
Current Maturities of Long Term Debts	3,72,450	5,34,661
Other Liabilities (*includes balances of Franchisees, SBAs, provision for expenses, statutory liabilities and salary payable)	31,22,128	38,27,295
Total	34,94,578	43,61,956

Notes forming part of the consolidated financial statements

Note 10 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As on 1st April, 2013	Additions	Deduct-ions	As on Mar. 31, 2014	Upto Mar. 31, 2013	For the Year	Deductions/ Adjustments	Upto Mar. 31, 2014	As at Mar. 31, 2014	As at Mar. 31, 2013
Tangible Assets										
Furniture and Fittings	25,80,424	-	18,83,039	6,97,385	24,06,744	44,144	19,07,439	5,43,450	1,53,935	1,73,680
Office Equipments	39,79,074	-	32,29,559	7,49,515	33,32,090	35,602	32,09,459	1,58,233	5,91,282	6,46,984
Computer	77,61,999	-	67,48,723	10,13,276	73,20,343	1,64,252	67,44,423	7,40,172	2,73,104	4,41,656
VSAT	1,30,000	-	1,30,000	-	1,30,000	-	1,30,000	-	-	-
Vehicles	16,37,927	-	-	16,37,927	96,948	1,55,603	-	2,52,551	13,85,376	15,40,979
Renovation to Rented Premises	20,88,833	-	20,88,833	-	20,88,833	-	20,88,833	-	-	-
Plant & Machinery	1,14,91,637	-	-	1,14,91,637	19,95,930	7,79,396	-	27,75,326	87,16,311	94,95,707
Total	2,96,69,894	-	1,40,80,154	1,55,89,740	1,73,70,889	11,78,998	1,40,80,155	44,69,732	1,11,20,008	1,22,99,006
Previous year	3,42,55,514	19,04,427	64,90,047	2,96,69,894	1,67,03,381	12,35,907	5,68,399	1,73,70,889	1,22,99,006	-

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Notes forming part of the Consolidated Financial Statements

Particulars	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Note 11 Deferred Tax Asset		
Deferred Tax Asset		
Impact of difference between depreciation under Income Tax and Company Provision of Gratuity	-1,37,395 2,07,970	1,26,835 2,19,529
Total	70,574	3,46,364
Note 12 Long-Term Loans and Advances Unsecured, Considered Good		
Advance Income Tax (net of provision) Security Deposits	32,96,546 3,94,053	25,76,504 3,94,053
Total	36,90,599	29,70,557
Note 13 Inventories (At lower of cost and net realizable value)		
Trading Goods	20,48,967	28,69,717
Total	20,48,967	28,69,717
Note 14 Trade Receivables Unsecured, Considered Good		
Debts outstanding for more than six months Less : Provision for Doubtful Debts	23,85,736 20,88,785	15,34,251 6,97,700
	2,96,951	8,36,551
Other Debts	15,81,467	14,71,486
Total	18,78,418	23,08,037
Note 15 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts Cash on Hand	4,16,713 26,77,037	30,30,407 11,88,340
Other Bank Balance		
Deposit with original maturity less than 12 months	6,61,525	16,95,498
Total	37,55,275	59,14,245

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 16 Short Term Loans and Advances		
Unsecured, Considered Good		
Advance to supplier	9,05,728	9,05,728
Security Deposits	2,88,910	6,81,910
Loans and advances to Employees	1,13,344	1,60,123
Total	13,07,982	17,47,761
Note 17 Other Current Assets		
Unsecured, considered good	91,926	2,16,547
Total	91,926	2,16,547

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Note Forming Part of Profit & Loss Account for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
Note 18 Revenue from Operation		
Sales of Products	9,60,829	93,23,877
Sale of Services	75,74,500	76,28,065
Total	85,35,329	1,69,51,942
Note 19 Other Income		
Interest income		
From Banks	1,10,468	3,60,303
Other Non-Operating Income		
Other	-	5,535
Total	1,10,468	3,65,838
Note 20 Purchase of Stock in Trade		
Materials and Related Expenses	2,48,010	71,82,849
Total	2,48,010	71,82,849
Note 21 Changes in Inventories		
Inventories at the end of the year		
Finished Goods	20,48,967	28,69,717
	20,48,967	28,69,717
Inventories at the beginning of the year		
Finished Goods	28,69,717	28,04,501
	28,69,717	28,04,501
Net (increase) / decrease	8,20,751	-65,216
Note 22 Employee Benefit Expense		
Salaries and Wages	43,62,027	1,00,33,778
Contribution to Provident	2,92,247	5,60,526
Total	46,54,274	1,05,94,304
Note 23 Finance Costs		
Interest	1,49,088	66,739
Bank Charges	7,761	31,328
Total	1,56,850	98,067

S Kumars Online Limited

Particulars	31st March, 2014 Amount (₹)	31st March, 2013 Amount (₹)
Note 24 Other Expenses		
Auditor's Remuneration	1,74,158	1,74,158
Business Promotion	-	24,76,191
Car Expenses	3,19,594	6,87,575
Communication	1,62,924	3,08,600
Electricity Expenses	1,31,447	3,90,455
Insurance	1,29,612	1,96,866
Legal And Professional	6,88,729	69,48,926
Lodging & Boarding Expense	15,000	25,216
Online Business Expenses	82,102	4,84,553
Office Expenses	68,231	4,26,889
Printing And Stationery	97,916	2,42,409
Rent	5,35,500	14,85,000
Repairs And Maintenance - Others	31,511	1,55,638
Shipping Charges	2,21,851	5,11,633
Travelling And Conveyance	6,28,671	14,65,174
Technology & Computer Expenses	32,467	2,88,347
Membership & Subscription Charges	58,333	1,51,244
General Expences	96,623	2,24,917
Postage & Courier	55,199	97,610
Doubtful Debts	13,91,082	6,97,700
Pre-operative expenses written off (Refer Note no.25.15)	-	52,56,574
Loss on Settlement	1,85,808	3,24,963
Miscellaneous Expenses	1,44,740	3,81,100
Total	52,51,502	2,34,01,739
Payments to the auditors comprises :		
For Statutory Audit	89,888	89,888
For Tax Audit	28,090	28,090
For Other Services	56,180	56,180
Total	1,74,158	1,74,158

S Kumars Online Limited - Consolidated**Significant Accounting Policies and Notes on Accounts: 31.03.2014****I. Background:**

- a) S Kumars Online Limited (hereinafter called the Company) has controlling interest in the following entity throughout the year that ended on March 31, 2014:

Name of Subsidiary	Country of Incorporation	Name of Company	Percentage of ownership of Company in the subsidiary company (as at the close of the year)
e-Assurance Services (India) Ltd.	India	S Kumars Online Ltd.	99.88%

The Subsidiary Company is primarily engaged in the business of soliciting or procuring Life Insurance business and General Insurance Business as a Corporate Agent of Life Insurers or as otherwise permitted by Insurance Regulatory and Development Authority (IRDA) from time to time.

b) Basis of consolidation:

- i. The consolidated financial statements are prepared by consolidating the accounts of S Kumars Online Limited (the Company) with those of its subsidiary, which constitute the Group, in accordance with the generally accepted accounting principles and in consonance with the Accounting Standard 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii. The financial year of the group have been aligned with the Company and are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2014.

c) Principles of Consolidation:

- i. The consolidated financial statements of the Company and its subsidiaries (together the Group) have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and resulting unrealized profits or losses if any have been fully eliminated.
- ii. Consolidated financial statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances are presented, to the extent possible, in the same manner as the Company's separate financial statements. Changes have been made in the accounting policies followed by the subsidiary to the extent they were material and identifiable from their respective audited accounts to make them uniform with the accounting policies followed by the Holding Company. In case the uniform accounting policy is not followed by each company in the Group, the same, as disclosed in the audited accounts of the said company, are reproduced.

II Summary of Group's Significant Accounting Policies:

1. General:

- a) The financial statements have been prepared on accrual basis, accept wherever otherwise stated, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub-section (1)(a) of Section 642 and the relevant provisions of the Companies Act, 1956.
- b) All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basis except those with significant uncertainties.

2. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Fixed Assets :

Fixed assets of the Company are stated at cost less accumulated depreciation.

4. Depreciation:

Depreciation on Fixed Assets of the Company, has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. Investments:

Investments are carried at cost. Unless otherwise stated, all the investments are of long-term nature. Diminution, other than temporary, in the long-term investment is provided in the Profit and Loss statement.

6. Inventories:

Inventory of the Company is carried at the lower of cost or net realizable value. Adequate provision in the accounts is made in respect of obsolescence, wherever applicable, in the inventory.

7. Foreign Currency Transactions:

Transactions in foreign currency are accounted at the rate of exchange prevailing on the date of transaction. Current Assets and Liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and the fluctuations are charged to the revenue.

8. Retirement Benefits:

Provision for Gratuity in Company has been made in the accounts on the basis of actuarial valuation in respect of employees in service with the Company as per the recommendations of the Accounting Standard – 15, Employee Benefits, issued of The Institute of Chartered Accountants of India. In respect of the Subsidiary Company, the said Accounting Standard is not applicable.

9. Accounting for Taxes on Income:

Provision for Current taxation is made in accordance with the relevant Income Tax provisions applicable. Deferred Taxation in Company is calculated as stipulated in Accounting Standard – 22 issued by the Institute of Chartered Accountants of India.

10. Impairment of Assets:

The carrying amounts of the assets are reviewed at each Balance Sheet date. If any indication of impairment exists, an impairment loss is recognised to the extent of the excess of the carrying amount over the estimated accountable amount.

11. Segment Reporting Policy:

The Company prepares its segment information if any, in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

12. Contingent Liabilities and Provisions:

Disputed liabilities and claims against the Company including claims raised by the various revenue authorities (e.g., Income Tax etc.), pending in appeal /court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

13. Earnings per Share:

In determining earnings per share, the Company considers the net profit/ (Loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period.

For the purpose of computing diluted earnings per share, the net profit /(Loss) attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares from exercise of options on un- issued share capital.

14. Preoperative expense:

Expenses incurred by the Company on the projects under implementation and have not yet commenced operations are considered as preoperative expenses to be capitalised / amortised upon commencement of operations by the said projects.

Note 25 : Additional information to the consolidated Financial Statement

(fig. in lacs)

	Mar. 31, 2014 Amount (₹)	Mar. 31, 2013 Amount (₹)
25.1 Contingent liabilities and commitments (to the extent not provided for)		
(a) Income Tax Matters (Details given in table below)	820.74	13,60.78
(b) Legal cases with Franchisees and Strategic Business Associates	32.14	38.13

Authority	Nature of dues	Amount (₹)	Assessment Year	Forum
Income Tax Department	Income Tax and Interest	820.74	2002-03	Mumbai High Court

25.2 During the year, the Company has settled certain pending legal cases with the Franchisees and SBAs by opting for Out of Court Settlements with the said parties. This has resulted in a charge to the Profit and Loss Account by Rs. 1.86 Lacs under the head Loss on Settlement (Net) (Previous Year – Rs. 3.25 Lacs).

25.3 In the opinion of the management, the Current Assets, Loans and Advances are realizable at the values represented in the accounts and adequate provision has been made in the accounts for all known liabilities, except to the extent wherever stated otherwise.

25.4 The following table summarizes the components of the net employee benefit expenses recognized in the Profit and Loss Account and in the Balance Sheet for the gratuity as per the recommendations of the Accounting Standard – 15 Employee Benefits. No provision towards leave encashment is considered in the Company's accounts.

Particulars	March 31, 2014 Gratuity Amount in (₹)	March 31, 2013 Gratuity Amount in (₹)
Amount Recognised in Statement of Profit and Loss A/c		
Actuarial losses/(gains)	-35,627	1,54,006
Expense recognised in the Profit and Loss A/c	-35,627	1,54,006
Net asset / (liability) recognised		
Liability at the end of the year	6,40,991	6,76,618
Net asset / (liability) recognised	6,40,991	6,76,618
Actuarial assumptions		
Retirement Age	60 Years	60 Years
Attrition Rate	2% p.a	2% p.a
Future Salary Rate	5% p.a	5% p.a
Rate of Discounting	9.32%	8.25% p.a
Mortality Table	Indian Assured Live Mortality (2006-08) Ultimate	Indian Assured Live Mortality (2006-08) Ultimate

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The defined Gratuity benefit obligation of the Company is unfunded and hence there are no planned assets which are maintained exclusively therefore. Accordingly, the said disclosure is not given.

25.5 Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors – Nil (Previous year- Nil).

25.6 Earnings Per Share (EPS): Equity Shares of ₹ 10, fully paid-up

Particulars	March 31, 2014	March 31, 2013
A. Net Profit for	-36,64,588	6,31,239
B. Weighted Average No of Equity Shares	2,86,25,000	2,86,25,000
C. Earning Per share		
Basic & Diluted	-0.13	0.02

25.7 Related Party Transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Shri O. P. Pacheria - Whole Time Director Smt. Chandra Mundhra - Whole-Time Director (upto 30.06.2013)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended and balances outstanding:

	Subsidiaries	KMP
Transactions		
Remuneration Paid	-	14,10,000 (21,60,000)
Advance for Office Expenses	-	88,000 (1,26,357)

Previous year's figures are given in parenthesis.

25.8 Taxation

No provision has been made towards Current taxation keeping in view the carried forward losses under the Income Tax Act, 1961.

25.9 The Company has two reportable segments i.e. IT Management Consultancy and Equipment Rental. The disclosure requirements as per the recommendations of Accounting Standard – 17 Segment Reporting, during the year under review, are given as under:

Particulars	E-Commerce	IT Consultancy	Total
Revenue:			
External	955,781 (93,03,520)	6,195,000 (67,10,000)	7,150,781 (1,60,13,520)
Total	955,781 (93,03,520)	6,195,000 (67,10,000)	7,150,781 (1,60,13,520)
Results			
Segment results	-3,447,768 (-1,69,76,402)	848,728 (19,78,471)	-2,599,040 (-1,49,97,931)
Unallocable corporate Income/(expenses)			-1,169,797 (-1,07,91,558)
Operating Profit / (Loss) (PBIT)			-3,768,837 (-2,57,89,489)
Interest Expenses			-
Interest / Other Income			110,468 (2,61,84,047)
Profit / (Loss) before tax (PBT)			-3,658,369 (5,29,308)
Provision for current tax			-
Deferred tax			-275,790 (-57,107)
Prior period adjustments			-
			(-1,34,750)
Profit / (Loss) After Tax			-3,934,159 (3,37,450)
Other Information			
Segment Asset:	2,540,167 (65,73,171)	1,801,600 (7,18,294)	4,341,767 (72,91,465)
Unallocable corporate assets			19,747,325 (2,24,42,968)
Total Assets	2,540,167 (65,73,171)	1,801,600 (7,18,294)	24,089,093 (2,97,34,433)
Segment liabilities	2,496,011 (48,26,356)	1,805,601 (1,11,086)	4,301,612 (49,37,442)
Unallocable corporate liabilities			109,222,015 (11,02,97,365)
Total Liabilities	2,496,011 (48,26,356)	1,805,601 (1,11,086)	113,523,627 (11,52,34,807)
Depreciation			1,178,998 (12,35,907)

Previous year's figures are given in parenthesis.

25.10 The Company is of the view that there are no indications of material impairment and the carrying amount of its fixed assets or where applicable, the cash generating unit to which these assets belong, do not exceed their recoverable amounts (i.e., the higher of the assets' net selling price and value in use). Hence, no impairment had arisen during the year as per the recommendations of AS 28 - "Impairment of Assets".

25.11 Product wise details

Sales

	March 31, 2014	March 31, 2013
Retail Products - E-Commerce	955,781	9,303,520
Cans	5,048	20,358
Total	960,829	9,323,878

Inventory

	March 31, 2014	March 31, 2013
Retail Products - E-Commerce	1,474,854	2,289,040
Cans	574,113	580,677
Total	2,048,967	2,869,717

Purchase

	March 31, 2014	March 31, 2013
Retail Products - E-Commerce	248,010	7,182,849
Cans	-	-
Total	248,010	7,182,849

25.12 Expenditure in Foreign Currency- Rs. Nil Lacs (Previous Year - Rs. 28.28 Lacs)
Earnings in Foreign Currency- Rs. Nil (Previous Year – Nil Lacs).

25.13 During the previous year Company has written back the balances identified as not payable to the extent of Rs. 263.46 Lacs and written off the balances identified as not receivable to the extent of Rs. 3.93 Lacs. The same has been reflected under Exceptional Items in Profit & Loss Account amounting to Rs. 259.53 Lacs (Net).

25.14 The Company has asked for account confirmations from all the Franchisees and Strategic Business Associates (SBAs) of which a substantial part have been received

and duly settled by the Company from time to time. During the previous year, the Company has written back the balances of remaining Franchisees and SBAs, who did not reply to the confirmation letters sent for more than 3 years, to the extent of Rs. 106.41 Lacs and Rs. 73.79 Lacs respectively.

25.15 During the previous year Company has written off pre-operative expenses amounting to Rs. 52.57 Lacs pertaining the project Bollywood Central Online (BCOL), a new business which has been discontinued during the year.

In terms of our report attached.

For Shyam Malpani & Associates

Chartered Accountants

For and on behalf of the Board of Directors

Shyam Malpani

Proprietor

O. P. Pacharia

Whole Time Director

R. N. Jha

Director

Place : Mumbai

Date : 22nd May, 2014

S Kumars Online Limited

CIN : L45400MH1999PLC119875

Registered Office: 'Avadh' Avadesh Parisar, G K Marg, Worli Mumbai- 400018

Tel: 24914795/24980390 Email ID: skumars.support@gmail.com

ATTENDANCE SLIP

(to be handed over at the entrance of the Meeting Hall)

15th ANNUAL GENERAL MEETING ON TUESDAY 30TH SEPTEMBER, 2014 AT 9.00 A.M at
The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034

Folio No.: _____ DP ID No.: _____ Client ID No.: _____

Name of the Member: _____ Signature: _____

Name of the Proxy holder: _____ Signature: _____

I/We hereby record my/our presence at the Fifteenth Annual General Meeting of the Members of S Kumar Online Limited held on Tuesday, 30th September, 2014 at 9.00 am at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034.

Electronic Voting Particulars :-

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN
	*	*

Note: *

Please read the instructions printed at note (b) of the Notice of Fifteenth Annual General Meeting dated 30th September 2014, before casting your vote through electronic mode.

S Kumars Online Limited

CIN : L45400MH1999PLC119875

Registered Office: 'Avadh' Avadesh Parisar, G K Marg, Worli Mumbai- 400018

Tel: 24914795/24980390 Email ID: skumars.support@gmail.com

PROXY FORM.

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID No. : _____ DP ID No.: _____

I / We, being the member(s) of _____ Shares of S Kumar Online Limited, hereby appoint

1. Name: _____ E-mail Id _____

Address: _____

_____ Signature: _____

or failing him

2. Name: _____ E-mail Id _____

Address: _____

_____ Signature: _____

or failing him

3. Name: _____ E-mail Id _____

Address: _____

_____ Signature: _____

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Tuesday, 30th September, 2014 at 9.00 a.m. at The Victoria Memorial School, Opp. Tardeo A.C. Market, Tardeo Road, Mumbai – 400034 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
 2. Re-appointment of Mrs. Chandra Mundhra who retires by rotation.
 3. Re-appointment of Auditors M/s. Shyam Malpani & Associates, Chartered Accountants
 4. Appointment of Mr. Ramesh Gangwal as an independent director of the company
 5. Appointment of Mr. Rudra Narain Jha as an independent director of the company
- Signed this day of 2014

Affix
Revenue
Stamp
of Rs. 1/-
Here

Signature of shareholder _____ Signature of Proxy holder(s) _____

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 'Avadh' Avadesh Parisar, G K Marg, Worli Mumbai-400018, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/ Proxy.