

REGISTERED OFFICE :
'Bommidala House'
5-87-15/A, Lakshmiipuram Main Road
GUNTUR - 522 007, INDIA
Tel : +91 863 2355108
Fax : +91 863 2358453
e-mail : bkvind@bommidala.co.in
PAN : AACCB3364P

BKV INDUSTRIES LIMITED

"and reduced"

Statement of Audited results for the Quarter ended 31st March,2014.

(Rs. In Lakhs)

PART I		Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
			31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
			(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:						
	a	Net Sales/ Income from operations	6.75	6.75	-	37.29	-
	b	Other operating Income	-	-	-	-	15.71
		Total Income from operations	6.75	6.75	-	37.29	15.71
2	Expenditure:						
	a	Cost of materials consumed	0.19	-	6.06	3.54	6.06
	b	Purchase of stock-in-trade	-	-	-	-	-
	c	Change in inventories of finished goods, work-in-progress and stock-in-trade	-	-	(8.39)	8.39	(8.39)
	d	Employee benefits expense	2.27	3.18	2.49	12.66	16.68
	e	Depreciation and amortisation expense	0.69	0.68	0.77	2.72	3.22
	f	Other Expenses	3.40	2.57	5.25	15.71	17.97
		Total expenses:	6.55	6.43	6.18	43.02	35.54
3	Profit/(Loss) from Operations before Other Income, finance costs and Exceptional Items(1-2)		0.20	0.32	(6.18)	(5.73)	(19.83)
4	Other Income		-	-	1.73	-	1.73
5	Profit/(Loss) from ordinary activities before finance costs and Exceptional Items(3+4)		0.20	0.32	(4.45)	(5.73)	(18.10)
6	Finance costs		-	-	-	-	-
7	Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)		0.20	0.32	(4.45)	(5.73)	(18.10)
8	Exceptional Items		5.52	-	1.40	6.09	108.35
9	Profit/(Loss)from Ordinary activities before tax (7+8)		5.72	0.32	(3.05)	0.36	90.25
10	Tax Expences		-	-	-	0.15	-
11	Net Profit /(Loss) from Ordinary activities after tax (9-10)		5.72	0.32	(3.05)	0.21	90.25
12	Extraordinary Items (net of tax expences Rs. Nil Lakhs)		1.16	-	-	1.16	-
13	Net Profit /(Loss) for the period (11-12)		4.56	0.32	(3.05)	(0.95)	90.25
14	Paid -up equity share capital (Face value of the share Rs.1/ each)		154.49	154.49	154.49	154.49	154.49
15	Reserve excluding Revaluation reserves as per balance sheet of previous accounting year.		211.81	211.81	211.81	211.81	211.81
16	i	Earning per share (before extraordinary items) (of Rs. 1/- each) (not annualised):					
		(a) Basic	0.04	0.01	-0.02	0.01	0.59
		(b) Diluted	0.04	0.01	-0.02	0.01	0.59
	ii	Earning per share (after extraordinary items) (of Rs.1/- each) (not annualised):					
		(a) Basic	0.03	0.01	-0.02	-0.01	0.59
		(b) Diluted	0.03	0.01	-0.02	-0.01	0.59
PART II							
A	Particulars of Shareholding:						
	1	Public share holding					
		No.of shares	4628300	4628300	4628300	4628300	4628300
		% of share holding	29.96	29.96	29.96	29.96	29.96
	2	Promoters and promoter group Share holding					
	a	Pledged/Encumbered					
		Number of shares	Nil	Nil	Nil	Nil	Nil
		Percentage of shares	Nil	Nil	Nil	Nil	Nil
		(as a % of the shareholding of promoter and promoter group)					
		Percentage of shares	Nil	Nil	Nil	Nil	Nil
		(as a % of the total share capital of the Company)					
	b	Non-encumbered					
		Number of shares	10820284	10820284	10820284	10820284	10820284
		Percentage of shares	100	100	100	100	100
		(as a % of the shareholding of promoter and promoter group)					
		Percentage of shares	70.04	70.04	70.04	70.04	70.04
		(as a % of the total share capital of the Company)					

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ANNEXURE - 2

STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2014.

(Rs. In Lakhs)

PARTICULARS	As at	As at
	31.03.2014	31.03.2013
	(Audited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders funds		
(a) Share Capital	154.48	154.48
(b) Reserves and surplus	(130.37)	(129.41)
Sub total - Shareholders funds	24.11	25.07
2 Non-current liabilities		
(a) Long term borrowings	-	-
(b) Long- term provisions	6.00	9.74
Sub total - Non current liabilities	6.00	9.74
3 Current liabilities		
(a) Short term borrowings	10.90	11.45
(b) Trade payables	11.52	6.65
(c) Other current liabilities	1.28	6.95
Sub total - Current liabilities	23.70	25.05
TOTAL - EQUITY AND LIABILITIES	53.81	59.86
B ASSETS		
1 Non current assets		
(a) Fixed assets - Tangible Assets	37.70	38.96
(b) Non current investments	0.03	0.03
(c) Other non current assets	2.42	5.52
Sub total - Non current assets	40.15	44.51
2 Current assets		
(a) Inventories	-	8.58
(b) Trade receivables	2.77	4.46
(c) Cash and cash equivalents	2.92	1.49
(d) Short term loans and advances	3.67	0.79
(e) Other current assets	4.30	0.03
Sub total - Current assets	13.66	15.35
TOTAL - ASSETS	53.81	59.86

Particulars	Three months ended
B Investor Complaints	
Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	NIL

Note:

1	The above results have been reviewed by the Audit Committee and taken on record at the meeting of Board of Directors held on 24th May,2014.
2	Deferred Tax for the current year is not considered in view of earlier year's substantial losses as there is no convincing evidence that sufficient future profits and taxable income would be available against which deferred tax asset can be realised.
3	As there was only farming activity in the company, hence no separate Segment Report is furnished in the Quarterly Financial Results.
4	Figures of last Quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third Quarter of the current financial year.

Place: Guntur
 Date: 24.05.2014

For GARLAPATI & CO.,
 Chartered Accountants
 FRN No: 000892S

(Signature)

Satyanarayana G. F.C.A. DISA
 Partner
 M.No. 022101

For BKV Industries Limited

(Signature)

Bommidala Rama Krishna

Chairman & Managing Director.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s. BKV Industries Limited. "and reduced"
Guntur

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. BKV Industries Limited, "and reduced" (the company), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (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 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.

Auditor's Responsibility:

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements 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 circumstance, but not for the purpose of expressing an 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

As shrimp farm has given for operating lease, the company has not carried out the operations on its own after giving farm lease. However, the accounts are prepared on going concern basis in view of the income from operating lease and the company propose to undertake operations after expiry of operating lease.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Statement of Profit & Loss, of the loss of the Company for the year ended on that date;

and

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

Report of Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order') issued by the Central Government of India in terms of Section 227(4A) of the Act., we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that :
 - (i) 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.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appear from our examination of those books.



- (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statements dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13th September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013.
- (v) On the basis of written representations received from the directors, as on March 31, 2014 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

Place: Guntur
Date: 23.05.2014



for Garlapati & Co,
Chartered Accountants
(Firm Regn.No. 000892S)

G. Satyanarayana
Partner
Membership No. 22101

ANNEXURE TO THE AUDITOR'S REPORT

Annexure to the auditor's report of M/s. BKV Industries Limited, 'and reduced' for the year ending 31st March, 2014 referred to paragraph (3) there of:

- 1) In respect of Fixed Assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) We have been informed that all the fixed assets have been physically verified by the management during the year and to the best of our knowledge no serious discrepancies have been noticed on such verification.
 - c) During the year, the company has disposed off the unutilized assets as company was given on lease, however in view of lease income from farm property and operations will be undertaken after expiry of operating lease, the going concern concept is not affected.
- 2)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us the company has maintained proper records of inventories and there was no material discrepancies noticed on physical verification as compared to the book records.
- 3)
 - a) The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (b), (c) and (d) of this order are not applicable.
 - e) The company has taken interest free unsecured loan from a director and the maximum amount involved during the year was Rs. 22.85 lakhs and the year end balance taken from the director was Rs. 10.90 lakhs.
 - f) In our opinion and according to the information and explanations given to us, loans taken from the individual, firms, companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prejudicial to the interest of the company.
 - g) Unsecured loans taken from the parties are payable on demand. During the year certain payments are made on demand, hence the question of irregularity does not arise.
 - h) There is no overdue amount of loans taken from the companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any major weakness in internal control systems.



- 5) The company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- 6) According to the information and explanations given to us the company has not accepted any fixed deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Hence, the provisions of clause 4 (vi) are not applicable.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9)
 - a) According to the information and explanations given to us, in our opinion, the company is regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to information and explanations given to us and the opinion sought by the management, the Provident Fund and ESI are not applicable to this company.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education & Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, P.F and ESI, Customs Duty, Excise Duty, and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable. The amounts due to Investor Education & Protection Fund for a period exceeding six months as at 31st March, 2014 does not arise as the company has not declared dividends to the shareholders since its inception.
 - c) According to the information and explanations given to us, there are no dues of Sales Tax, Income-Tax, Customs Duty, Wealth Tax, Excise Duty which have not been deposited on account of dispute and in the case of levy of Non-Agricultural Lands Assessment under Andhra Pradesh Non-Agricultural Land Assessment Act, the matter is pending before courts and an amount of Rs. 53.65 lakhs is shown under contingent liability.
- 10) The Company has accumulated losses to the extent of Rs.342.18 lakhs and the Company reported a cash profit of Rs 1.76 lakhs during the financial year 2013-14 and made a cash profit of Rs.93.47 lakhs during the financial year 2012-13.



- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the financial year under consideration.
- 12) In our opinion and according to the explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 14) The company has not dealt or traded in shares, securities, debentures or other investments during the year.
- 15) In our opinion and according to the explanations given to us, the company has not given any guarantees for loans taken by others from bank and financial institutions.
- 16) In our opinion and according to information and explanations given to us, the company has not raised any term loans during the year.
- 17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- 18) During the year the company has not issued any preferential shares, hence the clause (XVIII) is not applicable to the company.
- 19) According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
- 20) The company has not raised any monies by way of public issue during the year.
- 21) Based on the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Guntur
Date : 23.05.2013

For Garlapati & Co,
Firm Regn. No. 000892S
Chartered Accountants



G.Satyanarayana
Partner,

