

# STAYING FOCUSED DELIVERING PERFORMANCE



ANNUAL REPORT  
2013-2014

HGI INDUSTRIES LIMITED



**MANAGEMENT TEAM**

**DIRECTORS**

Jyoti Prakash Kanoria  
Ravindra (Ravi) Kastia  
Arvind Kumar Newar  
Yashwant Kumar Daga

**REGISTERED OFFICE**

Industry House  
18<sup>th</sup> Floor  
10, Camac Street  
Kolkata – 700017

**CHIEF EXECUTIVE OFFICER**

Hukam Chand Daga

**AUDITORS**

M/s. S. V. Ghatalia & Associates LLP

**COMPANY SECRETARY**

Shubhradip Bose

**BANKERS**

HDFC Bank Limited  
United Bank of India

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## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW AND ANALYSIS

The performance highlights of your Company during the year are as under : –

(₹ in Thousands)

Particulars	2013-14	2012-13
Total Income	3,633	3,552
Total Expenditure	1,892	2,689
Profit Before Finance Cost, Tax & Depreciation & Amortization	1,741	863
Finance cost	157	140
Profit Before Tax, Depreciation & Amortization	1,584	723
Depreciation	23	23
Profit before Tax	1,561	700
Tax Expenses	–	–
Net Profit after Tax	1,561	700

### REVIEW OF OPERATIONS

During the financial year 2013-14, your Company earned an Income of ₹ 36,32,582/- as compared to previous financial year 2013 of ₹ 35,52,590/-. The income comprises mainly of rental income.

### OUTLOOK

Your Company is looking for suitable business opportunities for growth.

### RISK MANAGEMENT

The Risk Management framework is reviewed by the management and recognized as an integral part of business and an aid to improvement and achievement of targets. The Audit Committee also reviewed the Risk Management framework.

No material risk is envisaged in the present operations of the Company.

### INTERNAL CONTROL SYSTEM

The internal control system of your Company is adequate and commensurate with its size of operations. The internal control is structured through internal audit being carried out by the Group's Corporate Audit Cell. The Audit Committee and the Management regularly review findings of the Internal Auditors, if any, and steps/measures are taken to implement the suggestions/observations of the Internal Auditors.

### CAUTIONARY STATEMENT

*Statement in this "Management Discussion and Analysis" describing Outlook is "forward looking statement". Important factors that could make a difference to the Company's operations include changes in Government regulations, tax regimes, economic developments. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.*

## REPORT ON CORPORATE GOVERNANCE

### Company's Corporate Governance Philosophy

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long-term wealth and create value for all its stakeholders.

We, at HGI Industries Limited, are committed to the adoption of best governance practices and its adherence in true spirit, at all times. Our governance practices are self-driven, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic growth process. Our Governance philosophy rests on five basic tenets, viz.,

- Board's accountability to the Company and shareholders,
- Equitable treatment to all shareholders,
- Strategic guidance and effective monitoring by the Board,
- Protection of minority interests and rights, and
- Transparency and timely disclosure.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement, the details of compliance for the year ended 31<sup>st</sup> March 2014 are as follows:

#### 1. BOARD OF DIRECTORS

##### Composition of the Board

The Board of Directors of your Company comprises of a 100% Non-Executive Directors and majority of them are Independent having proficiency in their respective fields. Independent Director means a director as defined in Section 149(6) of the Companies Act, 2013 and Clause 49(I) (A) (iii) of the Listing Agreement. None of the Director is related to any other Director on the Board. No Directors have any business or professional relationship with the Company. None of the Directors is a member of more than 10 Committees or acts as Chairman of more than 5 Committees across all companies in which he is a Director.

##### Details of the number of Directorships and Committee memberships held by the Board of Directors in other Companies:

Director	Non-Executive / Independent	No. of outside Directorship in Public Companies as on 31.03.2014*		No. of outside Committee positions in Public Companies as on 31.03.2014**	
		Chairman	Member	Chairman	Member
Mr. J. P. Kanoria	Independent	—	1	—	—
Mr. Ravindra (Ravi) Kastia	Independent	—	—	—	—
Mr. A. K. Newar	Non-Executive	—	3	—	—
Mr. Yashwant Daga	Independent	—	5	—	7

\* Number of directorships does not include directorship in Private, Foreign and Section 25 Companies.

\*\* Represents Chairmanship / Membership of Audit Committee and Shareholders/ Investors Grievances Committee only.

### Disclosures: Shareholding of Directors

Director	No. of Shares held
Mr. J. P. Kanoria	720
Mr. Ravindra (Ravi) Kastia	100
Mr. A.K. Newar	500
Mr. Yashwant Kumar Daga	6100

### Board Meetings

During the year, five Board meetings were held and the gap between two meetings did not exceed four months. Your Company makes available to the Board, all information as required under Annexure IA to Clause 49 of the Listing Agreement and places before the Board financial and other statements, containing status of various matters and compliance certificates covering all laws applicable to the Company.

#### Dates on which the Board Meetings held

Date of Board Meeting	No. of Directors present
08.05.2013	2
28.05.2013	3
14.08.2013	3
11.11.2013	4
12.02.2014	3

In the notice to the shareholders, your Company provides a brief resume, details of the expertise in specific functional areas of the Directors proposed to be appointed or re-appointed, names of other companies in which they hold Directorship and list of their membership in Committees of Boards of other Companies.

#### Details of the Board and Committee Meetings attended and sitting fees paid

Director	Whether last AGM* attended	Board Meetings		Committee Meetings**		Sitting fees Paid (in ₹)
		No. of Meetings		No. of Meetings		
		Held	Attended	Held	Attended	
Mr. J. P. Kanoria	Y	5	5	8	8	24,000/-
Mr. A. K. Newar	—	5	3	8	6	18,000/-
Mr. Yashwant Daga	Y	5	4	8	6	18,000/-
Mr. Ravindra (Ravi) Kastia	—	5	3	8	6	18,000/-

\* Annual General Meeting (AGM) of the Company was held on 27<sup>th</sup> September 2013 at Industry House, 19<sup>th</sup> Floor, 10, Camac Street, Kolkata – 700 017.

\*\* Committee Meetings includes Audit Committee and Shareholders / Investors Grievances Committee Meetings.

## REPORT ON CORPORATE GOVERNANCE

The Board of Directors has laid down a Code of Conduct ("the Code") which is circulated to all the Board Members and Senior Management of the Company. A declaration of affirmation as to adherence of the Code is attached and forms a part of this report. The Code is posted on the website of the Company.

### 2. AUDIT COMMITTEE

#### Composition

Your Company has a Qualified Audit Committee comprising of three (3) Independent Directors and one (1) Non – Executive Director as members, with requisite qualifications as mentioned hereunder:

- Mr. Jyoti Prakash Kanoria Chairman
- Mr. Ravindra (Ravi) Kastia Member
- Mr. Arvind Kumar Newar Member
- Mr. Yashwant Kumar Daga Member

The Chairman of the Audit Committee is an Independent Director.

Mr. Shubhradip Bose, Company Secretary acts as Secretary to the Committee. The Statutory and Internal Auditors of your Company are also invited to the Audit Committee Meetings as and when required.

The Audit Committee met four times during the year to deliberate on various matters.

The Audit Committee of your Company acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. It monitors and supervises the financial reporting process. The terms of reference, powers and role of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

The Audit Committee is endowed with the following powers:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Role of Audit Committee is as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 5A. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

## REPORT ON CORPORATE GOVERNANCE

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussing with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any;
12. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

### Meetings of the Audit Committee

Dates on which the Audit Committee Meetings were held:

Date of Audit Committee Meeting	No. of Members present
28.05.2013	3
14.08.2013	3
11.11.2013	4
12.02.2014	3

### 3. REMUNERATION COMMITTEE

#### Composition

The Remuneration Committee comprises of the following Directors as Members:

- Mr. Jyoti Prakash Kanoria Chairman
- Mr. Ravindra (Ravi) Kastia Member
- Mr. Arvind Kumar Newar Member
- Mr. Yashwant Kumar Daga Member

Mr. Shubhradip Bose, Company Secretary acts as Secretary to the Committee.

Terms of reference of the Remuneration Committee includes determination of your Company's policy for specific remuneration packages, any commission / compensation to Directors / Executive Directors, sitting fees and other expenses payable to the Directors for attending meeting of the Board or Committees thereof

Your Company does not have any Executive / Whole-time Director on its Board hence no remuneration was paid. Sitting fees paid to Directors is within the limits prescribed under the Companies Act, 1956 and the details of sitting fees paid during FY 2013-14 for attending meetings of the Board and Committees of Directors is given elsewhere in this Report. Your Company has a policy of not advancing any loans and paying commission on profits to its Directors and hence it is not highlighted separately.

### 4. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Shareholders / Investors Grievances Committee constituted under the Chairmanship of a Non-Executive & Independent Director. The Committee handles the issues related to shareholders, including transfer and

## REPORT ON CORPORATE GOVERNANCE

transmission of shares, issue of duplicate shares, non-receipt of dividend, if declared, Annual Report, etc.

### Composition

The Shareholders / Investors Grievances Committee comprises of the following Directors as Members:

- Mr. Jyoti Prakash Kanoria Chairman
- Mr. Ravindra (Ravi) Kastia Member
- Mr. Arvind Kumar Newar Member
- Mr. Yashwant Kumar Daga Member

The Chairman of the Committee is a non-executive Director.

Mr. Shubhradip Bose, Company Secretary acts as Secretary to the Committee.

### Meetings of the Shareholders / Investors Grievances Committee

#### Dates on which the Shareholders / Investors Grievances Committee Meetings were held:

Date of Shareholders / Investors Grievances Committee Meeting	No. of Members present
28.05.2013	3
14.08.2013	3
11.11.2013	4
12.02.2014	3

The shares of the Company are compulsorily traded in the dematerialized form and have to be delivered in the dematerialized form in the Stock Exchange. For transfer in the physical segment, the authority has been delegated to the Shareholders / Investors Grievances Committee of the Board, in order to expedite action taken. Share transfers / transmission approved by the Committee are placed at the Board Meeting from time to time. A statement of complaints received from the investors, if any, is also placed at the Board Meeting.

There were no share transfers pending as on 31<sup>st</sup> March 2014. Details of number of shares transferred during the year, time taken for effecting transfers and the number of complaints received, number of complaints pending etc, are highlighted in the "Shareholder Information" section of the Annual Report.

### 5. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. Shubhradip Bose, Company Secretary.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis form part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

### 7. DETAILS OF THE GENERAL BODY MEETINGS

#### i. Location and time of last three AGMs

Year	Location	Date	Time
2012-13	Industry House, 19 <sup>th</sup> Floor, 10, Camac Street, Kolkata – 700 017.	27.09.2013	4.00 P.M.
2011-12	Industry House, 19 <sup>th</sup> Floor, 10, Camac Street, Kolkata – 700 017.	28.09.2012	3.30 P.M.
2010-11	Industry House, 19 <sup>th</sup> Floor, 10, Camac Street, Kolkata – 700 017.	26.09.2011	3.00 P.M.

#### ii. Whether any Special Resolution was passed in any of the previous 3 AGMs?

Yes, the following Special Resolutions were passed during the 3 AGMs and approved by the shareholders:

Date	Resolution
27.09.2013	Re-appointment of M/s. S.V. Ghatalia & Associates LLP, Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Financial Year 2013-14.
28.09.2012	Re-appointment of M/s. S.V. Ghatalia & Associates, Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Financial Year 2012-13.
26.09.2011	Appointment of M/s. S.V. Ghatalia & Associates, Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Financial Year 2011-12.

#### iii. No Special Resolution was passed through postal ballot during the previous financial year.

#### iv. No Special Resolution is proposed to be adopted through postal ballot this year.

## REPORT ON CORPORATE GOVERNANCE

### 8. DISCLOSURES

Disclosures are made to the Board by the management relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of your Company at large. These includes dealing in company's shares, commercial dealings with bodies Corporate, which have shareholding of management and their relatives, etc.

No transaction of material nature has been entered into by your Company with the Promoters, Directors or the Management, their Subsidiaries or Relatives etc., that may have a potential conflict with interests of your company.

- i. **Disclosures on materially significant related party transactions i.e. transactions of your Company of material nature, with its Promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of your Company at large:**

*Transactions with related parties as per requirements of Accounting Standard – 18 are disclosed elsewhere in this Annual Report.*

*None of these transactions have potential conflict with interest of your Company at large.*

- ii. **Disclosure of accounting treatment**

Your Company has followed all relevant accounting standards in preparing the financial statements.

- iii. **There has not been any non-compliance, penalties or strictures imposed on your Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.**

- iv. **Risk management**

During the year, the Audit Committee reviewed the efficacy of the Risk Management framework and the key risks associated, if any.

- v. **Proceeds from public issue, rights issue, preferential issue etc.**

During the year, your Company did not raise any funds by way of public, rights or preferential issues etc.

### 9. MEANS OF COMMUNICATION

- |       |   |   |   |
|-------|---|---|---|
| 9.1   | Half yearly report sent to each household of Shareholders                 | : | No. The quarterly results of the Company are published in the newspapers. |
| 9.2   | Quarterly results:  |   |   |
| 9.2.1 | Which newspapers normally published in                                    | : | Business Standard<br>Aarthik Lipi   |
| 9.2.2 | Any website, where displayed  | : | www.hgiil.com   |
| 9.3   | Whether it also displays:   |   |   |
| 9.3.1 | All official news releases  | : | No release during the year.   |
| 9.3.2 | Presentation made to Investors/ Analysts                                  | : | No presentations during the year  |
| 9.4   | Whether Shareholders' Information section forms part of the Annual Report | : | Yes   |

## REPORT ON CORPORATE GOVERNANCE

### CEO/CFO CERTIFICATION

To,  
The Board of Directors  
HGI Industries Limited

We, Hukam Chand Daga, Chief Executive Officer, and Shubhradip Bose, Company Secretary, to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial Statements and the cash flow statement of the Company, for the financial year 2013-14 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and disclosed to the Auditors and the Audit Committee, that there are no material deficiencies in the design and operation of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee that
  - i. there is no significant change in internal control over financial reporting during the year;
  - ii. there is no significant change in accounting policies during the year; and
  - iii. there is no instance of significant fraud, in which the management or an employee having a significant role in the company's internal control system over financial reporting was involved.

**For HGI INDUSTRIES LIMITED**

Place: Kolkata

H.C. DAGA

SHUBHRADIP BOSE

Date: 30<sup>th</sup> May, 2014

Chief Executive Officer

Company Secretary

### DECLARATION REGARDING CODE OF CONDUCT

The Code of Conduct (Code) laid down by Board in accordance with clause 49 of the Listing Agreement, was circulated to all Board Members and Senior Management Personnel of the Company. It is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed the compliance with the Code for the year ended 31<sup>st</sup> March, 2014.

**For HGI INDUSTRIES LIMITED**

HUKAM CHAND DAGA  
Chief Executive Officer

Place: Kolkata

Date: 2<sup>nd</sup> April, 2014

## REPORT ON CORPORATE GOVERNANCE

### AUDITORS' CERTIFICATE

To

**The Members of HGI Industries Limited**

We have examined the compliance of conditions of corporate governance by HGI Industries Limited ("the Company"), for the year ended on 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Calcutta Stock Exchange Limited.

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

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

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

**For S.V. Ghatalia & Associates LLP**

**Chartered Accountants**

**Firm Registration Number: 103162W**

per G L Choudhary

Partner

Membership No. 52112

Place : Kolkata

Date : May 30, 2014

## SHAREHOLDER INFORMATION

1	<b>Annual General Meeting</b>	
	Date and Time	25 <sup>th</sup> September, 2014, 4.00 P.M.
	Venue	'Industry House' 19 <sup>th</sup> Floor, 10, Camac Street Kolkata – 700 017 West Bengal, India
2	<b>Financial Calendar</b>	April 2014 to March 2015
	Financial reporting for the quarter ending June 30, 2014	Second week of August, 2014
	Financial reporting for the quarter ending September 30, 2014	Second week of November, 2014
	Financial reporting for the quarter ending December 31, 2014	Second week of February, 2015
	Financial reporting for the quarter/year ending March 31, 2015	Second / Third week of May, 2015
	Annual General Meeting for the year ending March 31, 2015	September, 2015
3	<b>Dates of Book Closure</b>	18.09.2014 to 25.09.2014 (Both days inclusive)
4	<b>Dividend Payment Date</b>	N.A.
5	<b>Registered Office</b>	'Industry House' 18 <sup>th</sup> Floor, 10, Camac Street Kolkata - 700 017 West Bengal, India Tel : (033) 3987-6000 / 30 Fax : (033) 3051-8300 Email : hgiho@adityabirla.com Website : www.hgiil.com
6	<b>Listing on Stock Exchange at</b>	Kolkata
7	<b>Name of the Stock Exchange</b>	The Calcutta Stock Exchange Limited Stock Code: 10018159
8	<b>Name of Depositories</b>	<ol style="list-style-type: none"> <li>1. <b>National Securities Depository Ltd.</b> 4<sup>th</sup> Floor, Trade World, Kamala Mills Compound, Senapat Bapat Marg, Lower Parel, Mumbai - 400 013</li> <li>2. <b>Central Depository Services (India) Ltd.</b> Phiroze Jeejeebhoy Tower, 28<sup>th</sup> Floor, Dalal Street Mumbai - 400 023</li> </ol>
9	<b>ISIN</b>	INE 869B01018

## SHAREHOLDER INFORMATION

10	<b>Stock Price Data</b>			
	The Calcutta Stock Exchange Limited			(in ₹)
		<b>High</b>	<b>Low</b>	<b>Close</b>
	F.Y. 2013- 2014	–	–	–
	Since there has been no trading during the year under review, the monthly data are not available and hence not furnished.			
11	<b>Registrar and Transfer Agents (Physical and Demat both)</b>	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road Kolkata - 700 026 Ph : (033) 4072-4051/53 Fax : (033) 4072-4054 E-Mail : mcsstal@rediffmail.com		
12	<b>Share Transfer System</b>	Share Transfers in physical form are registered normally within 15 days from the date of receipt, provided that the documents are complete in all respects.  During the year, there were no transfer of shares in physical mode.		

Transfer period (in days)	2013-2014				2012-2013			
	No. of transfers	No. of Shares	%	Cumulative Total	No. of transfers	No. of Shares	%	Cumulative Total
1 - 10	–	–	–	–	–	–	–	–
11 - 15	–	–	–	–	2	200	100	200
16 - 20	–	–	–	–	–	–	–	–
21 - 30	–	–	–	–	–	–	–	–
30 & above	–	–	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	<b>2</b>	<b>200</b>	<b>100</b>	<b>–</b>

Number of pending Share Transfers as on 31<sup>st</sup> March, 2014 is Nil.

13	<b>Investor Services: Complaints received during the year</b>				
	<b>Nature of Complaints</b>	<b>2013-14</b>		<b>2012-13</b>	
		<b>Received</b>	<b>Resolved</b>	<b>Received</b>	<b>Resolved</b>
	1. Relating to Transfer, Transmission etc.	–	–	–	–
	2. Dividends, Interest, Redemption etc.	–	–	–	–
	3. Demat - Remat	–	–	–	–
	4. Others	–	–	–	–

Legal proceedings on share transfer issues, if any: There are no legal proceedings relating to transfer of shares.

## SHAREHOLDER INFORMATION

14	Distribution of Shareholding as on								
	No. of Equity Shares held	31 <sup>st</sup> March, 2014				31 <sup>st</sup> March, 2013			
		No. of Share holders	% of Share holders	No. of Shares held	% Share holding	No. of Share holders	% of Share holders	No. of Shares held	% Share holding
1- 500	1,275	83.06	2,03,016	5.36	1272	82.97	2,02,716	5.35	
501-1000	120	7.82	91,042	2.40	120	7.83	91,042	2.40	
1001-2000	69	4.49	97,389	2.57	69	4.50	97,889	2.58	
2001-3000	18	1.17	45,815	1.21	18	1.17	45,815	1.21	
3001-4000	10	0.65	34,130	0.90	11	0.72	38,130	1.01	
4001-5000	7	0.45	32,542	0.86	6	0.39	28,342	0.75	
5001-10000	11	0.72	69,681	1.84	11	0.72	69,681	1.84	
10001-50000	11	0.72	2,23,148	5.89	13	0.85	3,01,952	7.97	
50001 –100000	7	0.46	4,95,621	13.09	6	0.39	4,16,817	11.01	
100001 and Above	7	0.46	2,495,271	65.88	7	0.46	2,495,271	65.88	
<b>Total</b>	<b>1,535</b>	<b>100.00</b>	<b>3,787,655</b>	<b>100.00</b>	<b>1,533</b>	<b>100.00</b>	<b>3,787,655</b>	<b>100.00</b>	

### Category of Shareholding as on 31<sup>st</sup> March, 2014

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoters	7	0.46	6,51,730	17.21
Financial Institutions, Banks & Mutual Funds	13	0.85	15,92,739	42.05
NRI/OCB	3	0.19	5,762	0.15
Private Body Corporate	66	4.30	9,30,693	24.57
Individuals	1,446	94.20	6,06,731	16.02
<b>Total</b>	<b>1,535</b>	<b>100.00</b>	<b>37,87,655</b>	<b>100.00</b>

**SHAREHOLDER INFORMATION**

15	<b>Dematerialization of Shares and Liquidity</b>	Trading in Equity Shares of the Company is permitted only in the dematerialized form with effect from 25 <sup>th</sup> September 2000, as per notifications issued by SEBI.
16	<b>Details on use of public funds obtained in the last three years</b>	No funds have been raised from the public in last 3 years.
17	<b>Outstanding GDR / Warrants and Convertible Bonds, Conversion date and likely impact on Equity</b>	N.A.
18	<b>Plant Locations</b>	None
19	<b>Investor Correspondence Share Transfer / De-materialization or other queries relating to Shares of the Company</b>	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata - 700 026 Ph : (033) 4072-4051/53 Fax : (033) 4072-4054 E-mail : mcsstal@rediffmail.com

**20 Per Share Data:**

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Net Earnings [PAT] (₹ in Lacs)	<b>15.61</b>	7.00	6.49	17.35	5.47
Cash Earnings [PBDT] (₹ in Lacs)	<b>15.84</b>	7.23	6.72	17.58	5.70
Dividend Per Share (₹)	Nil	Nil	Nil	Nil	Nil
Book Value Per Share (₹)	Nil	Nil	Nil	Nil	Nil

**21. Other useful information for Shareholders:*****How to claim Unpaid Dividends?***

- In terms of Section 205A of the Companies Act, 1956, unclaimed Equity Dividend for the financial years(s) upto the financial year 1994-95, had been transferred to the General Revenue Account of the Central Government. Shareholders, who have so far not claimed or collected their dividend for the said financial year(s) may claim the same from the Registrar of Companies, West Bengal, Nizam Palace, M.S.O.II, 234/4, A.J.C. Bose Road, 2<sup>nd</sup> Floor, Kolkata-700 020.
- Pursuant to Section 205A & 205C of the Companies Act, 1956, unclaimed equity dividend for the financial years 1995-96 up to 1999-2000, had been transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central government. No claim by the Shareholders shall lie against IEPF in respect of the said unclaimed amount.

***Change of Address***

- Members are requested to notify immediately any change of address (with PIN CODE) to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company in respect of their physical share folios, if any, quoting reference of their folio number.

In case mailing address mentioned in this Annual Report is without PIN CODE, members are requested to kindly inform their PIN CODE immediately to their DPs in respect of their electronic share accounts and to MCS

## SHAREHOLDER INFORMATION

Share Transfer Agent Ltd, in respect of their physical share folios, if any, quoting reference of their folio numbers.

### ***Communication to the Company***

Members are requested to make all correspondence in connection with the shares held by them by addressing letters directly to MCS Share Transfer Agent Ltd., 12/1/5, Manoharpukur Road, Kolkata – 700 026, quoting reference of their folio numbers and / or Client ID and DP ID number.

### ***Share Transfer / Dematerialization***

- (a) Share transfer requests are acted upon in 15 days from the date of their receipt. In case no response is received from the Company within 20 days of lodgement of transfer request, the lodger may write to the Company with full details so that necessary action could be taken to safeguard interest of the concerned against any possible loss/interception during postal transit.
- (b) Dematerialization requests duly complete in all respects are normally processed within 7 days from the date of their receipt at Registered Office.
- (c) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.

**DIRECTORS' REPORT****TO THE SHAREHOLDERS**

The Board of Directors of your Company takes pleasure in presenting 70<sup>th</sup> Annual Report and Audited Financial Statement of your Company for the financial year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS****(₹ in Thousands)**

Particulars	2013-14	2012-13
Total Income	<b>3,633</b>	3,552
Less: Expenditure	<b>1,892</b>	2,689
<b>Earning before Finance Cost Tax &amp; Depreciation</b>	<b>1,741</b>	863
Less : Finance Cost	<b>157</b>	140
<b>Profit before Depreciation</b>	<b>1,584</b>	723
Less : Depreciation	<b>23</b>	23
<b>Profit before Taxation</b>	<b>1,561</b>	700
Less: Tax Expenses	<b>-</b>	-
<b>Profit after Taxation</b>	<b>1,561</b>	700
Balance as per last Financial Statements	<b>(198,486)</b>	(199,186)
<b>Net Deficit in the Statement of Profit &amp; Loss</b>	<b>(196,925)</b>	(198,486)

**OPERATIONS AND OVERALL PERFORMANCE**

The total income of the Company during the financial year 2013-14 was Rs. 36,32,582/- as against Rs. 35,52,590/- during the previous year.

**FUTURE PROSPECTS**

Your Company is looking for suitable business opportunities for growth.

**DIVIDEND**

In view of the accumulated losses, your Directors regret their inability to recommend any Dividend.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report, forms a part of this Annual Report.

**PUBLIC DEPOSITS**

Your Company has not accepted any deposits from public in terms of Section 58A and/or 58AA of the Companies Act, 1956 during the year under review.

**DIRECTORS**

Pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jyoti Prakash Kanoria, Mr. Yashwant Kumar Daga and Mr. Ravi Kastia are Independent Directors (IDs) of the Company. These IDs shall not be liable to retire by rotation. As per the requirement of the Act, they shall hold office for a term of 5 consecutive years as detailed in the notice convening AGM. Mr. Arvind Kumar Newar, Director retiring by rotation and being eligible offered himself for re-appointment.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors confirm:

- i] that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii] that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year ended 31<sup>st</sup> March, 2014 and of the profit of the Company for that year;

## DIRECTORS' REPORT

- iii] that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv] that the Directors have prepared the annual accounts on a going concern basis.

### CORPORATE GOVERNANCE

Your Company has observed principles of good Corporate Governance, over the years and a separate section on Corporate Governance forms part of the Annual Report. The Board of Directors supports the broad principles of Corporate Governance.

The certificate of compliance of Corporate Governance dated 30<sup>th</sup> May, 2014 received from the Statutory Auditors of your Company, as stipulated in Clause 49 of the Listing Agreement with Stock Exchange, is reproduced elsewhere in the Annual Report.

### AUDITORS

M/s. S. V. Ghatalia & Associates LLP, Chartered Accountants, Kolkata, who retire at the ensuing Annual General Meeting of the Company, have expressed their unwillingness for re-appointment as Statutory Auditors. The Company has received a proposal from one of its members regarding the appointment of M/s. Salarpuria, Jajodia & Co., Chartered Accountants, Kolkata as Statutory Auditors, vide letter dated 28<sup>th</sup> May, 2014. The Company has received a certificate from M/s. Salarpuria, Jajodia & Co., under section 139(1) of the Companies Act, 2013.

The Audit Committee has recommended the appointment of M/s Salarpuria, Jajodia & Co., Chartered Accountants, Kolkata as Statutory Auditors of the Company. Your Directors also recommend the same.

Your approval for appointment of Statutory Auditors would be sought at the ensuing Annual General Meeting.

### AUDITORS' REPORT

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

### INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

There was no employees of the Company, in receipt of remuneration, which exceeds the amount stipulated under section 217(2A) of the Companies Act, 1956.

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

Provisions of Sec. 217(1)(e) of the Companies Act, 1956 as amended, are not applicable to your Company, as the Company has no manufacturing unit. During the year, there was no earnings or outgo in foreign exchange.

### DEPOSITORY SYSTEM

Your Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. The ISIN Number of the Company is INE 869B01018. Your Company has also made arrangements for simultaneous dematerialization of share certificates lodged for transfer. Since dematerialization facilitates quick share transfers and prevents forging of documents, those shareholders who have not opted for this facility are advised to dematerialize their shares with either of the depositories.

The name of the new Registrar and Share Transfer Agent of the Company is MCS Share Transfer Agent Ltd. 12/1/5, Manoharpukur Road, Kolkata – 700026.

### APPRECIATION

Your Directors place on record their appreciation for the unstinted support and the dedicated efforts put in by the employees.

Your Directors wish to take this opportunity to express their gratitude for the co-operation and support received from the Central and State Governments, Banks, Shareholders and business associates during the year under review.

On behalf of the Board  
JYOTI PRAKASH KANORIA  
YASHWANT KUMAR DAGA

Place : Kolkata

Date : 30<sup>th</sup> May 2014

*Directors*

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF HGI INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of HGI INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S. V. GHATALIA & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NUMBER : 103162W**

Per G. L. Choudhary

*Partner*

Place : Kolkata

Dated : 30<sup>th</sup> May, 2014

Membership No. 52112

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF HGI INDUSTRIES LIMITED AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014)**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets of the Company have been physically verified by the management during the year and, no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
2. The Company does not have any inventory and hence clause 4 (ii) of the order is not applicable.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
4. During the year, the Company has not made any sale of goods or rendered any services or purchased any inventory or fixed assets. Consequently, we are not required to comment whether there is an adequate internal control system commensurate with the size of the Company with respect to the above areas. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in the internal control system of the Company in respect of the above areas.
5. In our opinion, there are no contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. Since the Company is not engaged in any manufacturing, processing or mining activities during the year, the clause for maintenance of cost records under Section 209(1)d of the Companies Act, 1956 is not applicable and hence not commented upon.
9. (a) Undisputed statutory dues including income-tax, service tax, provident fund and other material statutory dues have been regularly deposited with the appropriate authorities. The provisions relating to investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, provident fund and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and cess are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax on account of any dispute are as below. There are no dues in respect of income tax, custom duty, wealth tax, service tax, excise duty, and cess which have not been deposited on account of any dispute.

Name of the statute	Nature of dues	Period to which the amount relates	Amount (₹ in thousands)	Forum where dispute is pending
Maharashtra Sales Tax	Sales Tax	1990 - 1991	337	Deputy Commissioner of Sales Tax

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF HGI INDUSTRIES LIMITED AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014)**

10. *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to any financial institution or bank during the year. Further, the Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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 Order are not applicable to the Company and hence not commented upon.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding 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 report that no funds raised on short term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. Based upon the audit procedures performed for the purpose 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 year.

**For S. V. GHATALIA & ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NUMBER : 103162W**

Per G. L. Choudhary

*Partner*

Place : Kolkata  
Dated : 30<sup>th</sup> May, 2014

Membership No. 52112

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

		(₹ in Thousands)	
I. EQUITY & LIABILITIES	Notes	As at 31.3.2014	As at 31.3.2013
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	37,877	37,877
(b) Reserves & Surplus	4	(32,044)	(33,605)
		<u>5,833</u>	<u>4,272</u>
<b>2. Current Liabilities</b>			
(a) Short Term Borrowings	5	-	1,400
(b) Trade Payables	6	286	1,044
(c) Other Current Liabilities	7	1,124	3,785
		<u>1,410</u>	<u>6,229</u>
<b>TOTAL</b>		<u><u>7,243</u></u>	<u><u>10,501</u></u>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	8	703	726
(b) Non Current Investments	9	115	120
(c) Long Term Loans & Advances	10	1,304	1,304
(d) Other Non Current Assets	11	-	5,381
		<u>2,122</u>	<u>7,531</u>
<b>2. Current Assets</b>			
(a) Cash & Bank Balances	12	4,163	1,956
(b) Short Term Loans & Advances	10	838	882
(c) Other Current Assets	11	120	132
		<u>5,121</u>	<u>2,970</u>
<b>TOTAL</b>		<u><u>7,243</u></u>	<u><u>10,501</u></u>

**Significant Accounting Policies** 2

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For S.V.Ghatalia & Associates LLP  
Firm Registration Number: 103162W  
Chartered Accountants

per G L Choudhary  
a Partner  
Membership No.52112

22, Camac Street,  
3<sup>rd</sup> Floor, Block-'C',  
Kolkata-700 016  
Dated: 30<sup>th</sup> May, 2014

Shubhradip Bose  
Company Secretary

Jyoti Prakash Kanoria  
Director

Yashwant Kumar Daga  
Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

		(₹ in Thousands)	
	Notes	2013-14	2012-13
<b>I. INCOME</b>			
Other Income	13	<u>3,633</u>	<u>3,552</u>
		<u>3,633</u>	<u>3,552</u>
<b>II. EXPENSES</b>			
Employee Benefit Expenses	14	70	20
Other Expenses	15	<u>1,822</u>	<u>2,669</u>
<b>Total Expenses</b>		<u>1,892</u>	<u>2,689</u>
<b>Earning Before Finance Cost, Tax and Depreciation</b>		<b>1,741</b>	863
Less : Depreciation	8	<b>23</b>	23
Finance Cost	16	<b>157</b>	140
<b>Profit for the year</b>		<u><b>1,561</b></u>	<u>700</u>
Earning per Equity Share (nominal value of share ₹10/-each)			
- Basic and diluted (in ₹)	17	<b>0.41</b>	0.18
<b>Significant Accounting Policies</b>	2		

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For S.V.Ghatalia & Associates LLP  
Firm Registration Number: 103162W  
*Chartered Accountants*

per G L Choudhary  
*a Partner*  
Membership No.52112

22, Camac Street,  
3<sup>rd</sup> Floor, Block-'C',  
Kolkata-700 016  
Dated: 30<sup>th</sup> May, 2014

Shubhradip Bose  
*Company Secretary*

Jyoti Prakash Kanoria  
*Director*

Yashwant Kumar Daga  
*Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	(₹ in Thousands)	
	2013-14	2012-13
<b>(A) Cash Flow from Operating Activities:</b>		
Profit before tax	1,561	700
Add: Adjustments for :		
Depreciation	23	23
Finance Cost	157	140
Interest Income	(531)	(557)
Investment written off	5	-
	<u>(346)</u>	<u>(394)</u>
Operating Profit before Working Capital changes	1,215	306
Decrease/(Increase) in Loans and Advances	54	-
Increase/(Decrease) in Current Liabilities & Provisions	(775)	(212)
	<u>(721)</u>	<u>(212)</u>
Cash Generation from / (Used in) operations	494	94
Direct Tax ( Payments)/ Refunds	(10)	(318)
<b>Net Cash Inflow From / (Used in) Operating Activities</b>	<u>484</u>	<u>(224)</u>
<b>(B) Cash Flow from Investing Activities :</b>		
Interest received	1,321	202
Fixed Deposits Matured	5,660	-
Fixed Deposits made during the year	(1,212)	(147)
<b>Net Cash Inflow From Investing Activities</b>	<u>5,769</u>	<u>55</u>
<b>(C) Cash Flow from Financing Activities:</b>		
Repayment of short term borrowings	(1,400)	-
Interest paid	(2,801)	(14)
<b>Net Cash Flow Used in Financing Activities</b>	<u>(4,201)</u>	<u>(14)</u>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	2,052	(183)
<b>*Cash and Cash equivalents as at 1<sup>st</sup> April, 2013</b>	45	228
<b>*Cash and Cash equivalents as at 31<sup>st</sup> March, 2014</b>	<u>2,097</u>	<u>45</u>

\* Represents cash & bank balances as indicated in Note 12 and excludes ₹ 2,066 thousands (₹ 1,911 thousands) being Fixed Deposits with maturity of more than three months.

**Significant Accounting Policies**

2

As per our report of even date

For S.V.Ghatalia & Associates LLP  
Firm Registration Number: 103162W  
Chartered Accountants

per G L Choudhary  
a Partner  
Membership No.52112

22, Camac Street,  
3<sup>rd</sup> Floor, Block-'C',  
Kolkata-700 016  
Dated: 30<sup>th</sup> May, 2014

Shubhradip Bose  
Company Secretary

Jyoti Prakash Kanoria  
Director

Yashwant Kumar Daga  
Director

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****1. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General circular 8/2014 dated 4<sup>th</sup> April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year.

**2. Significant Accounting Policies****i] Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amount of assets and liabilities in future periods.

**ii] Revenue Recognition**

- a) Dividend Income is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- b) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.
- c) Rental Income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

**iii] Tangible Fixed Assets**

- a) Fixed Assets are stated at cost less accumulated depreciation/amortisation and impairment, if any. Cost comprises of the purchase price inclusive of duties (net of CENVAT/VAT), taxes, incidental expenses, erection/commissioning expenses and interest etc. upto the date, the asset is ready for its intended use.
- b) The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and 'Value in use'. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**iv] Depreciation**

- a) Depreciation on Fixed Assets is calculated on a Straight Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956, whichever is higher. Based on this, the Company has depreciated its assets based on the rates prescribed in the Schedule XIV of the Companies Act, 1956.
- b) Depreciation on Fixed Assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal thereof.

**v] Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are stated at lower of cost and market rate on individual investment basis. Long Term Investments are considered

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**vij] Borrowing Costs**

Borrowing Costs relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**vii] Foreign Currency Transactions**

**a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**c) Exchange Differences**

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or as expenses in the year in which they arise.

**d) Forward Exchange Contracts not intended for Trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

**viii] Income Tax**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income taxes reflects the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets and Deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes - down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

available.

**ix] Earnings Per Share**

Basic Earning Per Share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**x] Operating Leases**

**Company as Lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight line basis over the leased term.

**Company as Lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**xi] Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**xii] Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before finance costs, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation expense, finance costs and tax expense.

**xiii] Cash and Cash equivalents**

Cash and Cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**xiv] Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

3. SHARE CAPITAL	( ₹ in Thousands)			
	As at 31.3.2014		As at 31.3.2013	
<b>Authorised</b>				
95,00,000 (95,00,000) Equity Shares of ₹ 10 each	95,000		95,000	
50,000 (50,000) Preference Shares of ₹ 100 each	<u>5,000</u>	<u>100,000</u>	<u>5,000</u>	<u>100,000</u>
<b>Issued,Subscribed &amp; Paid-up</b>				
37,87,655 (37,87,655) Equity Shares of ₹ 10 each fully paid up		<u>37,877</u>		<u>37,877</u>

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Share	As at 31.3.2014		As at 31.3.2013	
	Number	₹ In Thousands	Number	₹ In Thousands
At the beginning of the year	<u>3,787,655</u>	<u>37,877</u>	3,787,655	37,877
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>3,787,655</u>	<u>37,877</u>	<u>3,787,655</u>	<u>37,877</u>

b. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

	As at 31.3.2014		As at 31.3.2013	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity Share of ₹ 10 each fully paid :				
Life Insurance Corporation of India	957,896	25.29	957,896	25.29
Kesoram Industries Limited	496,100	13.10	496,100	13.10
TGS Investment & Trade Private Limited	422,322	11.15	422,322	11.15
Administrator of The Specified Undertaking of The Unit Trust of India	216,269	5.71	216,269	5.71

As per records of the Company, the above shareholding represents legal ownership of shares.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	As at 31.3.2014	(₹ in Thousands) As at 31.3.2013
<b>4. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Financial Statements	30,922	30,922
<b>Capital Redemption Reserve</b>		
Balance as per last Financial Statements	1,200	1,200
<b>Securities Premium Account</b>		
Balance as per last Financial Statements	132,759	132,759
<b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>		
Balance as per last Financial Statements	(198,486)	(199,186)
Profit for the year	1,561	700
<b>Net Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>	<u>(196,925)</u>	<u>(198,486)</u>
<b>Total Reserves and Surplus</b>	<u>(32,044)</u>	<u>(33,605)</u>
<b>5. SHORT TERM BORROWINGS (UNSECURED)</b>		
From a Body Corporate (Repayable on demand)	-	1,400
	<u>-</u>	<u>1,400</u>
<b>6. TRADE PAYABLES</b>		
Due to Micro & Small Enterprises (Refer Note. 19)	-	-
Due to Others	286	1,044
	<u>286</u>	<u>1,044</u>
<b>7. OTHER CURRENT LIABILITIES</b>		
Interest accrued and due on borrowings	-	2,644
Statutory dues payable	1,124	1,141
	<u>1,124</u>	<u>3,785</u>
	<u>1,410</u>	<u>4,829</u>

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

8. TANGIBLE ASSETS

(₹ in Thousands)

Particulars	Freehold Land	Buildings*	Office Equipments	Computer	Total
<b>Cost on Valuation</b>					
At 1 <sup>st</sup> April 2012	125	1,095	103	279	1,602
Additions	–	–	–	–	–
Less: On Disposals	–	–	–	–	–
<b>At 31<sup>st</sup> March 2013</b>	<b>125</b>	<b>1,095</b>	<b>103</b>	<b>279</b>	<b>1,602</b>
<b>Additions</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Less: On Disposals	–	–	–	–	–
<b>At 31<sup>st</sup> March 2014</b>	<b>125</b>	<b>1,095</b>	<b>103</b>	<b>279</b>	<b>1,602</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> April 2012	–	518	70	265	853
Charge for the year	–	18	5	–	23
Less: On Disposals	–	–	–	–	–
<b>At 31<sup>st</sup> March 2013</b>	<b>–</b>	<b>536</b>	<b>75</b>	<b>265</b>	<b>876</b>
<b>Charge for the year</b>	<b>–</b>	<b>18</b>	<b>5</b>	<b>–</b>	<b>23</b>
Less: On Disposals	–	–	–	–	–
<b>At 31<sup>st</sup> March 2014</b>	<b>–</b>	<b>554</b>	<b>80</b>	<b>265</b>	<b>899</b>
<b>Net Block</b>					
At 31 <sup>st</sup> March 2013	125	559	28	14	726
<b>At 31<sup>st</sup> March 2014</b>	<b>125</b>	<b>541</b>	<b>23</b>	<b>14</b>	<b>703</b>

\* Includes cost of shares of ₹ 0.50 thousand (₹ 0.50 thousand) in the Housing Co-operative Society.

9. NON CURRENT INVESTMENTS - AT COST

No.

Face Value

As at 31.3.2014

(₹ in Thousands)

As at 31.3.2013

TRADE INVESTMENTS

₹

Unquoted:

Equity Shares ( Fully paid )

Birla Management Centre Services Ltd. 7,000

10

70

70

70

70

Preference Shares ( Fully paid )

Cumulative Redeemable Preference Shares of West Bengal Development Corporation Limited (50)

–

(100)

– \*

5

70

75

NON TRADE INVESTMENTS

Unquoted:

Equity Shares ( Fully paid )

Padmavati Investment Ltd. 15  
JPM Merchandise Agencies Limited 45  
Mohan Machines Ltd. 500  
Aditya Birla Power Company Ltd. 2,000

10

10

10

10

19

1

5

20

19

1

5

20

45

45

115

120

Aggregate Amount of Investments

- Quoted

–

–

- Unquoted

115

120

115

120

\* Written off during the year.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	(₹ in Thousands)			
	Non-Current		Current	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
<b>10. LOANS &amp; ADVANCES</b> (Unsecured, Considered Good except stated otherwise)				
Trade and other Deposits	33	33	-	-
	<u>33</u>	<u>33</u>	<u>-</u>	<u>-</u>
<b>Advances (Recoverable in cash or in kind or for value to be received or pending adjustments)</b>	<b>905</b>	905	<b>191</b>	236
	<u>905</u>	<u>905</u>	<u>191</u>	<u>236</u>
<b>Other Loans &amp; Advances</b>				
Income Tax Deducted At Source	-	-	647	637
Prepaid Expenses	-	-	-	9
Deposits against demands under dispute	366	366	-	-
	<u>366</u>	<u>366</u>	<u>647</u>	<u>646</u>
	<u><b>1,304</b></u>	<u>1,304</u>	<u><b>838</b></u>	<u>882</u>
<b>11. OTHER ASSETS</b>				
<b>Unsecured, considered good unless stated otherwise</b>				
Non-Current bank balances (Note 12)	-	4,603	-	-
<b>Others</b>				
Interest accrued on fixed deposits	-	778	120	132
	<u>-</u>	<u>5,381</u>	<u>120</u>	<u>132</u>
<b>12. CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
<b>Balances with Banks</b>				
On Current Account	-	-	2,090	41
Cash-on-hand	-	-	7	4
	<u>-</u>	<u>-</u>	<u>2,097</u>	<u>45</u>
<b>Other Bank Balances</b>				
Deposits with original maturity for more than 12 months	-	4,603	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	2,066	1,911
	<u>-</u>	<u>4,603 *</u>	<u>2,066 *</u>	<u>1,911 *</u>
Amount Disclosed under non-current assets (Note 11)	-	4,603	-	-
	<u>-</u>	<u>-</u>	<u>4,163</u>	<u>1,956</u>

\* Receipts for ₹ 1,179 thousands (₹ 4,879 thousands) pledged against Guarantees issued by banks.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	(₹ in Thousands)		
	2013-14	2012-13	
<b>13. OTHER INCOME</b>			
Rent	1,842	2,995	
Interest income on:			
Bank Deposits	531	557	
Tax Refunds	49	-	
Others	505	-	
Recovery of debts written off in earlier years	706	-	
	<u>3,633</u>	<u>3,552</u>	
<b>14. EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, Wages & Bonus	41	-	
Contribution to Provident & other Funds (Including Administrative Charges)	2	-	
Employees' Welfare Expenses	27	20	
	<u>70</u>	<u>20</u>	
<b>15. OTHER EXPENSES</b>			
Rent	939	2,155	
Rates & Taxes	11	11	
Subscription	66	48	
Travelling & Conveyance	239	15	
Telephone, Postage & Stamp	16	16	
Printing & Stationery	21	23	
Software Expenses	6	4	
Payment to Auditors (Refer details below)	140	80	
Legal & Professional Charges	228	207	
Bank Charges	10	11	
Investments written off- Long Term	5	-	
Directors' sitting Fees	88	60	
Miscellaneous Expenses	53	39	
	<u>1,822</u>	<u>2,669</u>	
<b>Payment to Auditors:</b>			
<b>As Auditor:</b>			
- Audit Fees	100	50	
<b>In Other Capacity:</b>			
- For Certificates and other Services	25	20	
- For Expenses	15	10	
	<u>140</u>	<u>80</u>	
<b>16. FINANCE COST</b>			
Interest Expenses	157	140	
	<u>157</u>	<u>140</u>	
<b>17. EARNINGS PER SHARE (EPS)</b>			
The following reflects profit & share data used in the Basic and Diluted EPS computation.			
Profit After Tax	₹ in Thousands	1,561	700
Weighted Average number of Equity Shares	Nos.	3,787,655	3,787,655
Nominal value of Equity Shares	₹	10	10
Basic & Diluted Earning Per Share	₹	0.41	0.18

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(₹ in Thousands)

18. Contingent Liabilities not provided for in respect of :	<b>As at 31.3.2014</b>	As at 31.3.2013
a) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company :-		
i) Sales Tax	<b>637</b>	637
ii) Claims from ex-employees	<b>3,608</b>	3,608
iii) ESI Matters	<b>4,953</b>	4,759
	<b>9,198</b>	9,004
Against the above, payment has been made under protest.	<b>366</b>	366
b) Unredeemed Bank Guarantees	<b>1,179</b>	4,879

19. Based on the information/document available with the Company, no creditor is covered under Micro and Small Enterprises Development Act, 2006. As a result, no interest provisions/payments have been made by the Company to such creditors, if any, and no disclosures are made in these accounts.

20. The accumulated losses of the Company as at 31<sup>st</sup> March, 2014 amounts to ₹ 196,925 thousands against shareholder's funds (total of Share Capital and Reserves & Surplus) of ₹ 202,758 thousands as on the said date. The Company is exploring various business opportunities for its operations and hence, these accounts have been prepared on a going concern basis.

In case, the Company is unable to continue as a going concern in future, the resultant adjustments, if any, are presently not ascertainable.

21. (a) In terms of AS - 22 "Accounting for Taxes on Income", Deferred Tax Asset has not been recognised in the accounts, in the absence of virtual certainty supported by convincing evidence that sufficient taxable profits will be available in future against which the aforesaid deferred tax asset may be realised.

(b) In view of the brought forward business losses and unabsorbed depreciation under the provisions of the Income Tax Act, 1961, no provision for current tax for the year has been made.

22. Since the company has currently no reportable business segment and the Company operates in a single geographical segment, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

23. Related Party Disclosures

a) Names of the related parties

Key Management Personnel	:	Shri Hukam Chand Daga, Group Executive President (upto 30 <sup>th</sup> November, 2012)
Entity in which Key Management Personnel have significant influence	:	Essel Mining & Industries Limited (upto 30 <sup>th</sup> November, 2012 )

(₹ in Thousands)

b) Aggregated Related Party Disclosures for the year ended 31<sup>st</sup> March, 2014

Particulars	Entity in which Key Management Personnel have significant influence	
	Transaction value during the year 2013-14*	Balance As at 31 <sup>st</sup> March, 2014*
<b>Interest Paid</b>		
Essel Mining & Industries Limited	-	-
	(94)	(-)
<b>Rent Received</b>		
Essel Mining & Industries Limited	-	-
	(2,018)	(-)
<b>Trade Payable Paid</b>		
Essel Mining & Industries Limited	-	-
	(40)	(-)

\* Upto 30<sup>th</sup> November, 2012.

24. In case of assets taken on lease:

Operating lease :

Certain office premises are obtained on operating lease. The lease term is renewable from time to time mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. The leases are cancellable.

Particulars	(₹ in Thousands)	
	2013-14	2012-13
Lease payment recognized in Statement of Profit & Loss	939	2,155
Contingent rent recognized in Statement of Profit & Loss	Nil	Nil

25. In case of assets given on lease:

Operating lease :

Certain office premises are given on operating lease. The lease term is renewable from time to time mutually or at the option of the Company. The rent is not based on any contingencies. There are no restrictions imposed by lease agreements. The leases are cancellable.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**26.** Previous year figures including those given in the brackets have been re-grouped and/or re-arranged wherever necessary.

As per our report of even date  
For S.V.Ghatalia & Associates LLP  
Firm Registration Number: 103162W  
Chartered Accountants

per G L Choudhary  
*a Partner*  
*Membership No.52112*

22, Camac Street,  
3<sup>rd</sup> Floor, Block-'C',  
Kolkata-700 016  
Dated: 30<sup>th</sup> May, 2014

Shubhradip Bose  
*Company Secretary*

Jyoti Prakash Kanoria  
*Director*

Yashwant Kumar Daga  
*Director*

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Information pursuant to the provisions of part IV of Schedule VI to the Companies Act, 1956

**1. Registration Details**

State Code	021
Registration Number	11754
Balance Sheet Date	31 <sup>st</sup> March, 2014
CIN	L40200WB1944PLC011754

**2. Capital Raised during the year**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**3. Position of Mobilisation and Deployment of Funds [ ₹ in Thousands]**

Total Liabilities *	7,243
Total Assets	7,243

\*Including Profit & Loss Account Debit Balance ₹ 196,925

**Sources of Funds**

Paid up Capital	37,877
Reserves & Surplus	(32,044)
Current Liabilities	1,410

**Application of Funds**

Tangible Assets	703
Non-Current Investments	115
Long Term Loans & Advances	1,304
Other Non Current Assets	—
Current Assets	5,121

**4. Performance of the Company [ ₹ in Thousands]**

Other Income	3,633
Total Expenditure	2,072
Profit Before Tax	1,561
Profit After Tax	1,561
Basic & Diluted Earning per Share [in ₹ ]	0.41
Dividend Rate	—

**Generic Names of Principal Product of the Company (as per monetary terms)**

Item Code No.	N.A.
Product Description	N.A.







**HGI INDUSTRIES LIMITED**  
"Industry House"  
18<sup>th</sup> Floor, 10, Camac Street  
Kolkata - 700 017