

ADITYA BIRLA



**ANNUAL REPORT
2014-2015**

HGI INDUSTRIES LIMITED



Mr. Aditya Vikram Birla

Our legendary leader. His ideals us.
Integrity, Commitment Passion, Seamlessness and Speed



Dr. Sarala Birla

was an iconic humanitarian.

A highly progressive person, she was way ahead of the times.

An educationist, a philanthropist, a patron of the arts,

Dr. Sarala Birla was exemplar of all that is best in mankind.

Her legacy of values will be cherished forever.

MANAGEMENT TEAM

DIRECTORS

Mr. Jyoti Prakash Kanoria
Mr. Ravindra (Ravi) Kastia
Mr. Arvind Kumar Newar
Mr. Yashwant Kumar Daga
Ms. Neha Agarwal

CHIEF EXECUTIVE OFFICER

Mr. Hukam Chand Daga

COMPANY SECRETARY

Mr. Shubhradip Bose

REGISTERED OFFICE

Industry House
18th Floor
10, Camac Street
Kolkata – 700017

AUDITORS

M/s. Salarpuria, Jajodia & Co.

BANKERS

HDFC Bank Limited
State Bank of India

CONTENTS

Shareholder Information	3
Directors' Report	8
Independent Auditors' Report	21
Balance Sheet	24
Statement of Profit & Loss	25
Cash Flow Statement	26
Notes to Financial Statements	27

SHAREHOLDER INFORMATION

1	Annual General Meeting	
	Date and Time	29 th September, 2015, 11.00 A.M.
	Venue	'Industry House' 19 th Floor, 10, Camac Street Kolkata – 700 017 West Bengal, India
2	Financial Calendar	April 2015 to March 2016
	Financial reporting for the quarter ending June 30, 2015	Second week of August, 2015
	Financial reporting for the quarter ending September 30, 2015	Second week of November, 2015
	Financial reporting for the quarter ending December 31, 2015	Second week of February, 2016
	Financial reporting for the quarter/year ending March 31, 2016	Second / Third week of May, 2016
	Annual General Meeting for the year ending March 31, 2016	September, 2016
3	Dates of Book Closure	23.09.2015 to 29.09.2015 (Both days inclusive)
4	Dividend Payment Date	N.A.
5	Registered Office	'Industry House' 18 th 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	Listing on Stock Exchange at	Kolkata
7	Name of the Stock Exchange	The Calcutta Stock Exchange Limited Stock Code: 10018159
8	Name of Depositories	1. National Securities Depository Ltd. 4 th Floor, Trade World, Kamala Mills Compound, Senapat Bapat Marg, Lower Parel, Mumbai - 400 013 2. Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Tower, 28 th Floor, Dalal Street Mumbai - 400 023
9	ISIN	INE 869B01018

SHAREHOLDER INFORMATION

10	Stock Price Data			
	The Calcutta Stock Exchange Limited			(in ₹)
		High	Low	Close
	F.Y. 2014- 2015	–	–	–
	Since there has been no trading during the year under review, the monthly data are not available and hence not furnished.			
11	Registrar and Transfer Agents (Physical and Demat both)	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	Share Transfer System	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. The Total number of shares transferred in the physical form during the year was 100 (Previous year Nil). The transfers were completed within 15 days from the date of receipt.		

Transfer period (in days)	2014-2015				2013-2014			
	No. of transfers	No. of Shares	%	Cumulative Total	No. of transfers	No. of Shares	%	Cumulative Total
1 - 10	–	–	–	–	–	–	–	–
11 - 15	1	200	100	200	–	–	–	–
16 - 20	–	–	–	–	–	–	–	–
21 - 30	–	–	–	–	–	–	–	–
30 & above	–	–	–	–	–	–	–	–
Total	1	200	100	200	–	–	–	–

Number of pending Share Transfers as on 31st March, 2015 is Nil.

13	Investor Services: Complaints received during the year				
	Nature of Complaints	2014-15		2013-14	
		Received	Resolved	Received	Resolved
	1. Relating to Transfer, Transmission etc.	–	–	–	–
	2. Dividends, Interest, Redemption etc.	–	–	–	–
	3. Demat - Remat	–	–	–	–
	4. Others	1	1	–	–

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 st March, 2015				31 st March, 2014			
		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	1,285	83.33	2,03,370	5.37	1,275	83.06	2,03,016	5.36	
501-1000	119	7.72	90,688	2.39	120	7.82	91,042	2.40	
1001-2000	69	4.48	97,389	2.57	69	4.49	97,389	2.57	
2001-3000	17	1.10	43,427	1.15	18	1.17	45,815	1.21	
3001-4000	10	0.65	34,130	0.90	10	0.65	34,130	0.90	
4001-5000	5	0.33	23,344	0.62	7	0.45	32,542	0.86	
5001-10000	12	0.78	76,767	2.03	11	0.72	69,681	1.84	
10001-50000	11	0.71	2,23,148	5.89	11	0.72	2,23,148	5.89	
50001 –100000	7	0.45	5,00,121	13.20	7	0.46	4,95,621	13.09	
100001 and Above	7	0.45	2,495,271	65.88	7	0.46	2,495,271	65.88	
Total	1,542	100.00	3,787,655	100.00	1,535	100.00	3,787,655	100.00	

Category of Shareholding as on 31st March, 2015

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoters	6	0.39	6,51,730	17.21
Financial Institutions, Banks & Mutual Funds	13	0.84	15,92,739	42.05
NRI/OCB	3	0.20	5,762	0.15
Private Body Corporate	64	4.15	9,30,693	24.57
Individuals	1,456	94.42	6,06,731	16.02
Total	1,542	100.00	37,87,655	100.00

SHAREHOLDER INFORMATION

15	Dematerialization of Shares and Liquidity	Trading in Equity Shares of the Company is permitted only in the dematerialized form with effect from 25 th September 2000, as per notifications issued by SEBI.
16	Details on use of public funds obtained in the last three years	No funds have been raised from the public in last 3 years.
17	Outstanding GDR / Warrants and Convertible Bonds, Conversion date and likely impact on Equity	N.A.
18	Plant Locations	None
19	Investor Correspondence Share Transfer / De-materialization or other queries relating to Shares of the Company	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	2014-15	2013-14	2012-13	2011-12	2010-11
Net Earnings [PAT] (₹ in Lacs)	11.63	15.61	7.00	6.49	17.35
Cash Earnings [PBDT] (₹ in Lacs)	11.79	15.84	7.23	6.72	17.58
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, 2nd Floor, Kolkata-700 020.
- Pursuant to Section 205A & 205C of the Companies Act, 1956, unclaimed equity dividend for the financial years 1995-96 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.

BOARD'S REPORT

DEAR SHAREHOLDERS,

The Board of Directors of your Company takes pleasure in presenting 71st Annual Report and Audited Financial Statement of your Company for the financial year ended 31st March, 2015.

Financial Performance

The summarized financial statement is given hereunder:

₹ in thousands

Particulars	2014-15	2013-14
Total Income	2,276	3,633
Less: Expenditure	1,093	1,882
Earning before Finance Cost, Tax & Depreciation	1,183	1,751
Less: Finance Cost	4	167
Profit before Depreciation	1,179	1,584
Less : Depreciation	16	23
Profit before Taxation	1,163	1,561
Less : Tax Expenses	–	–
Profit after Taxation	1,163	1,561
Balance as per last Financial Statements	(196,942)	(198,486)
Net Deficit in the Statement of Profit & Loss	(195,779)	(196,925)

*previous year figures have been regrouped/rearranged wherever necessary.

Operations and Overall Performance

The total income of the Company during the financial year 2014-15 was ₹ 22.76 lakhs as against ₹ 36.33 lakhs during the previous year. The profit after tax marginally lowers from ₹ 15.61 lakhs to ₹ 11.63 lakhs.

Future Prospects

Your Company is looking for suitable business opportunities for growth.

Human Resources

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Dividend

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

Committees of Board

Pursuant to Section 177 of the Companies Act, 2013, the Audit Committee of the Board of Directors comprises of the following Members as detailed under:-

BOARD'S REPORT**a. Audit Committee**

Sl. No.	Name	Chairman/ Members
1.	Mr. Jyoti Prakash Kanoria	Chairman
2.	Mr. Yashwant Kumar Daga	Member
3.	Mr. Arvind Kumar Newar	Member
4.	Mr. Ravi Kastia	Member

During the year, the Audit Committee had reviewed the unaudited quarterly financial results and also recommended the financial statements for the financial year 2014-15, for approval of the Board. The Committee also reviewed/ approve all the matters which come with the terms of their reference in accordance of provisions of the Companies Act, 2013, from time to time. All the recommendations made by the Committee during the year were accepted by the Board.

In view of the enhanced roles and powers of the Committee under the provisions of the Companies Act, 2013 ('Act'), the Charter of the Audit Committee was framed for effective compliance of the provisions of the Companies Act, 2013 and related Rules made thereunder and adopted by the Committee in its meeting held on 12th November, 2014.

- **Vigil mechanism**

Pursuant to the requirement of the Companies Act, 2013, the Company has established vigil mechanism/ Whistle Blower Policy which lists down the identifiable and non-negotiable set of actions / behavior applicable to all employees across the Company and procedure of reporting of violations/ potential violations. The details of such policy is also provided at the website of the Company, viz., www.hgiil.com.

b. Nomination & Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of the Board of Directors comprises of the following Members detailed as under:-

Sl. No.	Name	Chairman/ Members
1.	Mr. Jyoti Prakash Kanoria	Chairman
2.	Mr. Yashwant Kumar Daga	Member
3.	Mr. Arvind Kumar Newar	Member
4.	Mr. Ravi Kastia	Member

Pursuant to the requirement of the Act, the Board has adopted the Nomination & Remuneration Committee Charter and Executive Remuneration Philosophy/Policy as framed by the Nomination & Remuneration Committee during the year under review.

The role of the committee is to formulate the criteria for determining qualifications, positive attributes and independence of a director, remuneration for the directors, key managerial personnel ('KMP') and senior management as defined under the Act (one level below the KMP) in accordance with the policy.

c. Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013, the Stakeholders Relationship Committee of the Board of Directors comprises of the following Members detailed as under:-

BOARD'S REPORT

Sl. No.	Name	Chairman/ Members
1.	Mr. Jyoti Prakash Kanoria	Chairman
2.	Mr. Yashwant Kumar Daga	Member
3.	Mr. Arvind Kumar Newar	Member
4.	Mr. Ravi Kastia	Member

Details of Board & Committee meetings

During the year, 5 number of Board meetings were held, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
30.05.2014	2
12.08.2014	3
25.09.2014	2
12.11.2014	4
09.02.2015	4

The details of Committee meetings held during the year under review are as under;

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee
Meetings held	5	1	4
Directors' Attendance			
Mr. Jyoti Prakash Kanoria	5	1	4
Mr. Yashwant Kumar Daga	4	1	3
Mr. Arvind Kumar Newar	3	1	3
Mr. Ravi Kastia	1	A*	1

* A denotes absent

Directors & Key Managerial Personnel

Pursuant to the provisions of Section 149, 150, 152 and 161 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), Mrs. Neha Agrawal has been appointed as an Additional Director on the Board who shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Further, in accordance with the provisions of the Companies Act, 2013, Mr. Arvind Kumar Newar, Director, retires from office by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Yours' Directors recommend their appointment/reappointment.

During the year, Mr. Hukam Chand Daga has been appointed as a Chief Executive Officer within the meaning of Section 2(18) of the Companies Act, 2013 w.e.f, 30th May, 2014.

During the year, Mr. Shubhradip Bose has been re-designated as a 'Chief Financial Officer' & 'Company Secretary' within the meaning of Section 2(19) of the Companies Act, 2013 w.e.f, 30th May, 2014.

BOARD'S REPORT

Directors' Responsibility Statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

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

Statutory Auditors, their Report and Notes to Financial Statements

In the last AGM held on 25th September, 2014 M/s. Salarpuria, Jajodia & Co, Chartered Accountants have been appointed as a Statutory Auditors of the Company for a period of 5 years. Your Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 139(1) of the Companies Act, 2013, and that they are not disqualified for reappointment within the meaning of section 141 of the said Act. As recommended by the Audit Committee, the Board proposes the ratification of their appointment for the FY 2015-16. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting.

Further, the report of the Statutory Auditors alongwith notes to Financial Statement are enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Secretarial Audit

In terms of Section 204 of the Act and Rules made there under, M/s. K. Arun & Co., Practicing Company Secretary have been appointed as a Secretarial Auditors of the Company. The report of the Secretarial Auditors is self-explanatory and do not call for any further comments and is annexed to this report as **Annexure-1**.

Related Party Transactions

During the year the Company had not entered into any transactions as enumerated in Section 188 of the Companies Act, 2013 (the 'Act') and Rules made thereunder with its related party as defined in Section 2(76) of the Act.

Risk Management Policy

Your Directors periodically reviewed and identified the element of risk, if any, which may threaten the existence of the Company. As the Company has no business for operation, hence no operational risk exists. Further, during the year no such risk exists which may threaten the existence of the Company.

Loans/ Guarantees or Investment

During the year, the Company has not given any loan or provides any guarantee in any body corporate. Further, during the year the Company has made certain investments by way of fixed deposits in Banks amounting to ₹ 52.66 lakhs.

BOARD'S REPORT

Declaration by Independent Directors

Mr. Jyoti Prakash Kanoria, Mr. Yashwant Kumar Daga and Mr. Ravi Kastia are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

Company's Policy on Appointment and Remuneration

The Company has adopted the charter of "Nomination & Remuneration Committee" (Committee). The prime responsibility of the Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Committee has also formulated a policy relating to the remuneration for the directors, key managerial personnel and other employee.

Further, the Committee also ensures the followings;

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Internal Financial Controls

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Annual Evaluation of the Board of Directors

During the year, Board has adopted an evaluation framework on the recommendation of the Nomination & Remuneration Committee for evaluating its own performance and as well as that of its Committees and Individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

Variation in Market Capitalization

Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out is not ascertainable as since 2004 no shares were traded at the stock exchange.

Public Deposits

Your Company has not accepted any deposits from public in terms of Section 73 and/or 74 of the Companies Act, 2013 during the year under review.

Particulars of Employees

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure 2**.

Further, there is only one number of permanent employee on the rolls of Company, and hence, the Rule pertaining to disclosure of Directors remuneration with Median employee's remuneration is not applicable.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 3**.

BOARD'S REPORT**Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo**

The particulars as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

Further during the year under review, the Company has neither earned nor used any foreign exchange.

Corporate Governance

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.

As the requirement under Clause 49 of the Listing Agreement pertaining to attaching "Report on Corporate Governance" as an addition to Board's Report is not applicable on the Company, hence, the same is not annexed hereto.

Corporate Social Responsibility

The requirement as per Section 135 of the Companies Act, read with relevant Rules, disclosures pertaining to attaching 'Report on Corporate Governance' as an addition to Board's Report is not applicable on the Company, hence, the same is not annexed hereto.

Acknowledgement

Your Directors place on record their appreciation for employees, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

Place : Kolkata

Jyoti Prakash Kanoria

Yashwant Kumar Daga

Date : 25th May, 2015

Director

Director

00225761

00040632

BOARD'S REPORT

Annexure 1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
HGI Industries Limited

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HGI Industries Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2015** according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- V. We in consultation with the Company came to a conclusion that **no specific laws** were directly applicable with regard to business activities of the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with **The Calcutta Stock Exchange Limited**.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

BOARD'S REPORT**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views are captured, as and when required and are recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

We further report that during the audit period the Company has not undertaken any such transactions which have a major effect on the affairs of the company.

Place : Kolkata

Date: 21st April, 2015

For K. Arun & Co
Company Secretaries

Arun Kr. Khandelia

Partner

C.P. No.: 2270

Annexure 2**Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Designation/ Nature of Duties	Remuneration Received [₹]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8
Mr. Shubhradip Bose	CFO & Company Secretary	4 Lakhs p.a	B.Com(H), ACS	2	27	10.02.2014	–

Notes:

- All appointments are / were non-contractual.
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis.
- The above employee is not related to any Director of the Company.

BOARD'S REPORT

Annexure 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

of

HGI Industries Limited

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L40200WB1944PLC011754
Registration Date	14/06/1944
Name of the Company	HGI Industries Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	Industry House, 18 th Floor, 10, Camac Street, Kolkata – 700 017. Contact Details: shubhradip.bose@adityabirla.com
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata – 700 026

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
NA			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
NA					

BOARD'S REPORT

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	146104	0	146104	3.8574	146104	0	146104	3.8574	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	505626	0	505626	13.3493	505626	0	505626	13.3493	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):	651730	0	651730	17.2067	651730	0	651730	17.2067	0
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b) Other-Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	651730	0	651730	17.2067	651730	0	651730	17.2067	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	216269	0	216269	5.7098	216269	0	216269	5.7098	0
(b) Banks / FI	24	979	1003	0.0265	24	979	1003	0.0265	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	1375467	0	1375467	36.3145	1375467	0	1375467	36.3145	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	1591760	979	1592739	42.0508	1591760	979	1592739	42.0508	0
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	418186	512507	930693	24.5717	418186	512507	930693	24.5717	0
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	254277	251040	505317	13.3412	254277	251040	505317	13.3517	0
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	98784	0	98784	2.6081	98784	0	98784	2.6081	0

BOARD'S REPORT

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year %				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (specify)									
i) Trust & Foundations	2630	0	2630	0.0694	2630	0	2630	0.0694	0
ii) Non-Resident Individuals	5650	112	5762	0.1521	5650	112	5762	0.1521	0
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	779527	763659	1543186	40.7425	779527	763659	1543186	40.7425	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3023017	764738	3787655	100	3023816	763839	3787655	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered of total shares	
1.	TGS Investment & Trade Private Limited	422322	11.15	0	422322	11.15	0	NIL
2.	Umang Commercial Company Limited	78804	2.0805	0	83304	2.1994	0	0.1189
3.	Kumar Mangalam Birla	69000	1.8217	0	69000	1.8217	0	NIL
4.	Rajashree Birla	51104	1.3492	0	51104	1.3492	0	NIL
5.	Neerja Birla	13500	0.3564	0	13500	0.3564	0	NIL
6.	Mangalam Carbide Limited	4500	0.1188	0	0	0	0	0.1188
7.	Rajashree Birla	12500	0.3300	0	12500	0.3300	0	NIL

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

During the year, there was no changes took place in the Promoters Shareholding. During the year one interse transfer took place amongst Promoters.

BOARD'S REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1.	Life Insurance Corporation of India	957896	25.28	957896	25.28
2.	Kesoram Industries Limited	496100	13.09	496100	13.09
3.	Administrator of the specified undertaking of the Unit Trust of India	215969	11.15	215969	11.15
4.	General Insurance Corporation of India Ltd.	147331	3.88	147331	3.88
5.	National Insurance Company Limited	128026	3.38	128026	3.38
6.	Bharat Arogya and Gyan Mandir	127627	3.36	127627	3.36
7.	Parvati Tea Company Pvt. Ltd.	86200	2.27	86200	2.27
8.	The Oriental Insurance Company Limited	85279	2.25	85279	2.25
9.	Padmavati Investment Ltd.	68299	1.80	68299	1.80
10.	United India Insurance Company Ltd.	56935	1.50	56935	1.50
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g.allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year (or on the date of separation, if Separated during the year)	No Change	No Change	No Change	No Change

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1.	Shri Jyoti Prakash Kanoria	720	0.01	720	0.01
2.	Shri Arvind Kumar Newar	500	0.013	500	0.013
3.	Shri Yashwant Daga	6100	0.16	6100	0.16
4.	Shri Ravindra Kastia	100	0.002	100	0.002
5.	Shri Hukam Chand Daga	200	0.005	200	0.005
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer / bonus/ sweatequity etc):	NIL	NIL	NIL	NIL
	At the end of the year	No Change	No Change	No Change	No Change

BOARD'S REPORT

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year)	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Director:

The Directors of the Company are not paid any remuneration or Commissions. Further a sum of ₹ 2,000/- is paid to all Directors for attending every Board and Committee Meetings.

B. Remuneration to Key Managerial Personnel other than Director

Sl.No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary (Amount in ₹)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	4,00,000	4,00,000
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission- as % of profit- others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total	4,00,000	4,00,000

VII. Penalties / Punishment/ Compounding of offences:

There were no penalties/ punishment has been imposed by any regulatory authority for the Financial Year ended 31st March, 2015.

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 31st March, 2015, the Statement of Profit and Loss, the cash flow statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the Note 4 of the financial statements indicating that the Company has accumulated losses more than 50% of its Net Worth and other matters set forth in Note 20. As per management, they are exploring various business opportunities so the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us by the Management.
 - i) The Company has disclosed the impact of pending litigations in its financial statements – Refer Note No. 18 of financial statements.
 - ii) The company did not have any long term contracts including derivative contract as at 31st March, 2015.
 - iii) There was no amount which was required to be transferred to the investor's education protection fund by the company.

For Salarpuria Jajodia & Co.
Firm ICAI Reg. No. 302111E
Chartered Accountants

Anand Prakash
a Partner

Place: Kolkata
Date: 25th May, 2015

Membership No. 056485

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**(Referred to Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date)**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 2) Since there is no Inventory so clause ii (a) to ii (c) is not applicable.
- 3) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, Clause No. iii (a) and iii (b) of the said order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of Inventory and Fixed Assets and for the sale of goods and services. During the course of our assessment, no weakness in internal control system had come to our notice.
- 5) According to the information and explanations given to us, there is no such deposits, taken by the Company, for which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are required to be complied with.
- 6) As explained to us by the Management maintenance of cost records under sub section (1) of section 148 is not applicable.
- 7) a) According to the information and explanation given to us and as per the records of the Company, it has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues as applicable with the appropriate authorities and there is no outstanding statutory dues as at 31.03.2015 for the period of more

than six months from the date they became payable.

- (b) According to the information and explanations given to us, the details of disputed statutory dues, against which ₹ 3 Lacs has been deposited, is given below

Name of the statute	Nature of dues	Period to which the amount relates	Amount (₹ in thousands)	Forum where relates dispute is pending
Maharashtra Sales Tax	Sales Tax	1990-1991	637	Deputy Commissioner of Sales Tax

- (c) There is no amount payable to investor education and protection fund as at 31st March, 2015.
- 8) The Company has accumulated losses at the end of the financial year more than 50% of its net worth but it has not incurred any cash loss in the current financial year as well as in the immediately preceding financial year.
- 9) On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks.
- 10) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from Banks or Financial Institutions.
- 11) To the best of our knowledge and belief and according to the information and explanations given to us, no Term Loan facility has been availed by the Company during the year, hence the question of application of fund does not arise.
- 12) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Salarpuria Jajodia & Co.
Firm ICAI Reg. No. 302111E
Chartered Accountants

Anand Prakash
a Partner

Place: Kolkata
 Date: 25th May, 2015

Membership No. 056485

BALANCE SHEET AS AT 31ST MARCH, 2015

		(₹ in Thousands)	
I. EQUITY & LIABILITIES	Notes	As at 31.3.2015	As at 31.3.2014
1. Shareholders' Funds			
(a) Share Capital	3	37,877	37,877
(b) Reserves & Surplus	4	(30,898)	(32,044)
		<u>6,979</u>	<u>5,833</u>
2. Non Current Liabilities			
Long Term Provisions	7	1	-
		<u>1</u>	<u>-</u>
3. Current Liabilities			
(a) Trade Payables	5	386	286
(b) Other Current Liabilities	6	1,093	1,124
		<u>1,479</u>	<u>1,410</u>
	TOTAL	<u>8,459</u>	<u>7,243</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
Tangible Assets	8	665	703
(b) Non Current Investments	9	95	115
(c) Long Term Loans & Advances	10	1,304	1,304
		<u>2,064</u>	<u>2,122</u>
2. Current Assets			
(a) Cash and bank balances	12	5,519	4,163
(b) Short Term Loans & Advances	10	646	838
(c) Other Current Assets	11	230	120
		<u>6,395</u>	<u>5,121</u>
	TOTAL	<u>8,459</u>	<u>7,243</u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For Salarpuria Jajodia & Company
Firm Registration Number: 302111E
Chartered Accountants

Anand Prakash
a Partner
Membership No.056485

Shubhradip Bose
Company Secretary & CFO

Jyoti Prakash Kanoria
Director
DIN : 00225761

Yashwant Kumar Daga
Director
DIN : 00040632

Dated: 25th May, 2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

		(₹ in Thousands)	
	Notes	2014-15	2013-14
I. Revenue from Operations		–	–
II. Other Income	13	2,276	3,633
III. Total Revenue (I+II)		<u>2,276</u>	<u>3,633</u>
IV. EXPENSES			
Employee Benefit Expenses	14	362	70
Other Expenses	15	731	1,812
Total Expenses		<u>1,093</u>	<u>1,882</u>
V. Earning Before Finance Cost, Tax and Depreciation and Amortisation (EBITDA) - (III) - (IV)		1,183	1,751
VI. Less: Depreciation	8	16	23
Finance Cost	16	4	167
VI. Profit/(Loss) Before Tax		<u>1,163</u>	<u>1,561</u>
Less: Tax Expense		–	–
VII. Profit/(Loss) for the year		<u>1,163</u>	<u>1,561</u>
Earning per Equity Share (nominal value of Share ₹ 10/-each)			
- Basic and diluted (in ₹)	17	0.31	0.41

Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Salarpuria Jajodia & Company
 Firm Registration Number: 302111E
Chartered Accountants

Anand Prakash
a Partner
 Membership No.056485

Jyoti Prakash Kanoria
Director
 DIN : 00225761

Dated: 25th May, 2015

Shubhradip Bose
Company Secretary & CFO

Yashwant Kumar Daga
Director
 DIN : 00040632

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(₹ in Thousands)	
	2014-15	2013-14
(A) Cash Flow from Operating Activities:		
Profit before tax	1,163	1,561
Add: Adjustments for :		
Depreciation	16	23
Loss on sale of Fixed Assets sold/discarded	5	-
Profit on sale of Investment	(32)	-
Dividend Income	(17)	-
Finance Cost	4	167
Interest Income	(393)	(531)
Investment written off	-	5
	<u>(417)</u>	<u>5</u>
Operating Profit before Working Capital changes	746	1,225
Decrease/(Increase) in Loans and Advances	-	54
Decrease/(Increase) in Current Assets	(90)	-
Increase/(Decrease) in Trade payables, other Liabilities & Provisions	70	(775)
	<u>(20)</u>	<u>(775)</u>
Cash Generation from / (Used in) operations	726	504
Direct Tax (Payments) / Refunds	192	(10)
Net Cash From / (Used in) Operating Activities	<u>918</u>	<u>494</u>
(B) Cash Flows from Investing Activities:		
Purchase of Investments	(7,750)	-
Sale/Redemption of Investments	7,802	-
Interest received	373	1,321
Dividend received	17	-
Fixed Deposits Matured	14,958	5,660
Fixed Deposits made during the year	(18,158)	(1,212)
	<u>(2,758)</u>	<u>5,769</u>
(C) Cash Flows from Financing Activities:		
Repayment of short term borrowings	-	(1,400)
Interest paid	-	(2,801)
Bank Charges paid	(4)	(10)
	<u>(4)</u>	<u>(4,211)</u>
Net Cash From / (Used in) in Financing Activities	<u>(4)</u>	<u>(4,211)</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	<u>(1,844)</u>	<u>2,052</u>
*Cash and Cash equivalents as at 1st April, 2014	<u>2,097</u>	<u>45</u>
*Cash and Cash equivalents as at 31st March, 2015	<u>253</u>	<u>2,097</u>

* Represents cash & bank balances as indicated in Note 12 and excludes ₹5,266 thousands (₹ 2,066 thousands) being Fixed Deposits with maturity of more than three months.

Significant Accounting Policies

2

As per our report of even date

For Salarpuria Jajodia & Company
Firm Registration Number: 302111E
Chartered Accountants

Anand Prakash
a Partner
Membership No.056485

Jyoti Prakash Kanoria
Director
DIN : 00225761

Shubhradip Bose
Company Secretary & CFO

Yashwant Kumar Daga
Director
DIN : 00040632

Dated: 25th May, 2015

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015**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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. Summary of Significant Accounting Policies**i] Change in Accounting Policy****Depreciation on Fixed Assets**

Till the year ended 31st March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 17 thousands has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been higher by ₹ 7 thousands.

ii] Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, 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.

iii] 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.

iv] 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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

v] Depreciation

- a) Depreciation on Fixed Assets is provided on straight line method and manner specified in Schedule II of the Companies Act, 2013.

The Company has used the following useful lives to provide depreciation on its fixed assets.

Class of Asset	Useful Lives (years)
Building	60
Computers	3 to 6
Office Equipment	5

- 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.

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

vii] 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.

viii] 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 recognized as income or as expense for the year.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015**ix] 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 enacted or 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 available.

x] 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.

xi] 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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

xii] 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.

xiii] Retirement Benefits and other employee benefits

a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contributions payable to the respective trusts / funds.

b) Short term compensated absences are provided for based on estimates.

xiv] Measurement of EBITDA

As permitted by the guidance note of the Revised Schedule VI of 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 and amortization expense, finance costs and tax expenses.

xv] 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.

xvi] 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 31ST MARCH, 2015

	(₹ in Thousands)			
	As at 31.3.2015		As at 31.3.2014	
3. SHARE CAPITAL				
Authorised				
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>
Issued, Subscribed & Paid-up				
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 31.3.2015		As at 31.3.2014	
	Number	₹ In Thousands	Number	₹ In Thousands
At the beginning of the year	<u>3,787,655</u>	<u>37,877</u>	<u>3,787,655</u>	<u>37,877</u>
Issued during the year	—	—	—	—
Outstanding at the end of the year	<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 31.3.2015		As at 31.3.2014	
	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	215,969	5.70	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 31ST MARCH, 2015

	(₹ in Thousands)			
4. RESERVES & SURPLUS	<u>As at 31.3.2015</u>		<u>As at 31.3.2014</u>	
Capital Reserve				
Balance as per last Financial Statements		30,922		30,922
Capital Redemption Reserve				
Balance as per last Financial Statements		1,200		1,200
Securities Premium Account				
Balance as per last Financial Statements		132,759		132,759
Surplus/(Deficit) in the Statement of Profit & Loss				
Balance as per last Financial Statements	(196,925)		(198,486)	
Less : Adjustment on account of Schedule II of the Company's Act, 2013 [Refer Note2(i)]	17	(196,942)	-	(198,486)
Profit for the year		1,163		1,561
Net Surplus/(Deficit) in the Statement of Profit & Loss		<u>(195,779)</u>		<u>(196,925)</u>
Total Reserves and Surplus		<u>(30,898)</u>		<u>(32,044)</u>
5. TRADE PAYABLES	<u>As at 31.3.2015</u>		<u>As at 31.3.2014</u>	
Due to Micro & Small Enterprises (Refer Note. 19)		-		-
Due to Others		386		286
		<u>386</u>		<u>286</u>
6. OTHER CURRENT LIABILITIES				
Statutory dues payable		1,093		1,124
		<u>1,093</u>		<u>1,124</u>
7. PROVISIONS				
	Long Term		Short Term	
	As at 31.3.2015	As at 31.3.2014	As at 31.3.2015	As at 31.3.2014
Leave Salary	1	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

8. TANGIBLE ASSETS

(₹ in Thousands)

Particulars	Freehold Land	Buildings*	Office Equipments	Computer	Total
Cost or Valuation At 1 st April 2013	125	1,095	103	279	1,602
Additions	-	-	-	-	-
Less: On Disposals	-	-	-	-	-
At 31st March 2014	125	1,095	103	279	1,602
Additions	-	-	-	-	-
Less: On Disposals	-	-	66	27	93
At 31st March 2015	125	1,095	37	252	1,509
Depreciation					
At 1 st April 2013	-	536	75	265	876
Charge for the year	-	18	5	-	23
Less: On Disposals	-	-	-	-	-
At 31st March 2014	-	554	80	265	899
Charge for the year	-	16	-	-	16
Less: On Disposals	-	-	62	26	88
Other Adjustments	-	-	17	-	17
At 31st March 2015	-	570	35	239	844
Net Block					
At 31 st March 2014	125	541	23	14	703
At 31st March 2015	125	525	2	13	665

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

(₹ in Thousands)

9. NON CURRENT INVESTMENTS - AT COST	No.	Face Value ₹	As at 31.3.2015	As at 31.3.2014
TRADE INVESTMENTS				
Unquoted:				
Equity Shares (Fully paid)				
Birla Management Centre Services Ltd.	7,000	10	70	70
			<u>70</u>	<u>70</u>
NON TRADE INVESTMENTS				
Unquoted:				
Equity Shares (Fully paid)				
Padmavati Investment Ltd.	-	-	-	19
	(15)	(10)		
JPM Merchandise Agencies Limited	-	-	-	1
	(45)	(10)		
Mohan Machines Ltd.	500	10	5	5
Aditya Birla Power Company Ltd.	2,000	10	20	20
			<u>25</u>	<u>45</u>
			<u>95</u>	<u>115</u>
Aggregate Amount of Investments				
- Quoted			-	-
- Unquoted			<u>95</u>	<u>115</u>
			<u>95</u>	<u>115</u>

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

	(₹ in Thousands)			
	Non-Current		Current	
	As at 31.3.2015	As at 31.3.2014	As at 31.3.2015	As at 31.3.2014
10. LOANS & ADVANCES (Unsecured, Considered Good except stated otherwise)				
Trade and other Deposits	33	33	-	-
	<u>33</u>	<u>33</u>	<u>-</u>	<u>-</u>
Advances (Recoverable in cash or in kind or for value to be received or pending adjustments)	905	905	186	191
	<u>905</u>	<u>905</u>	<u>186</u>	<u>191</u>
Other Loans & Advances				
Income Tax Deducted At Source [net Provisions of ₹ 84 thousands (31 st March, 2014: ₹ Nil)]	-	-	455	647
Prepaid Expenses	-	-	5	-
Deposits against demands under dispute	366	366	-	-
	<u>366</u>	<u>366</u>	<u>460</u>	<u>647</u>
	<u>1,304</u>	<u>1,304</u>	<u>646</u>	<u>838</u>
11. OTHER ASSETS				
Unsecured, considered good unless stated otherwise				
Non-Current bank balances	-	-	-	-
Others	-	-	90	-
Others				
Interest accrued on fixed deposits	-	-	140	120
	<u>-</u>	<u>-</u>	<u>230</u>	<u>120</u>
12. CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with Banks				
On Current Account	-	-	253	2,090
Cash-on-hand	-	-	-	7
	<u>-</u>	<u>-</u>	<u>253</u>	<u>2,097</u>
Other Bank Balances				
Deposits with original maturity for more than 12 months	-	-	2,081	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	3,185	2,066
	<u>-</u>	<u>-</u>	<u>5,266 *</u>	<u>2,066 *</u>
Amount Disclosed under non-current assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,519</u>	<u>4,163</u>

* Receipts for ₹ 838 thousands (₹ 1,179 thousands) pledged against Guarantees issued by banks.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	(₹ in Thousands)	
	2014-15	2013-14
13. OTHER INCOME		
Rent	924	1,842
Dividend on Investment	17	–
Interest income on:		
Fixed Deposits	372	531
Tax Refunds	21	49
Others	–	505
Recovery of debts written off in earlier years	900	706
Profit on sale of Current investments	42	–
	<u>2,276</u>	<u>3,633</u>
14. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	293	41
Contribution to Provident & other Funds (Including Administrative Charges)	17	2
Employees' Welfare Expenses	52	27
	<u>362</u>	<u>70</u>
15. OTHER EXPENSES		
Rent	–	939
Rates & Taxes	177	11
Subscription	48	66
Travelling & Conveyance	83	239
Telephone, Postage & Stamp	28	16
Printing & Stationery	43	21
Software Expenses	9	6
Payment to Auditors (Refer details below)	112	140
Legal & Professional Charges	69	228
Loss on Fixed Assets sold / written off (Net)	5	–
Loss on sale of Long Term Investments	10	–
Investments written off - Long Term	–	5
Directors' Sitting Fees	95	88
Miscellaneous Expenses	52	53
	<u>731</u>	<u>1,812</u>
Payment to Auditors:		
As Auditor:		
– Audit Fees (Including Services tax)	112	112
In Other Capacity:		
– For Certificates and other Services	–	28
	<u>112</u>	<u>140</u>
16. FINANCE COST		
Interest Expenses	–	157
Bank Charges	4	10
	<u>4</u>	<u>167</u>

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

17. EARNINGS PER SHARE (EPS)

The following reflects profit & share data used in the Basic and Diluted EPS computation.

Profit After Tax	₹ in Thousands	1,163	1,561
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	₹	0.31	0.41

(₹ in Thousands)

18. Contingent Liabilities not provided for in respect of : **As at 31.3.2015** **As at 31.3.2014**

a) Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company :-		
i) Sales Tax	637	637
ii) Claims from ex-employees	3,608	3,608
iii) ESI Matters	5,148	4,953
	<u>9,393</u>	<u>9,198</u>
Against the above, payment has been made under protest.	366	366
b) Unredeemed Bank Guarantees	838	1,179

19. Based on the information/document available with the Company, no creditor is covered under Micro, Small and Medium 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 31st March, 2015 amounts to ₹ 195,779 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 31ST MARCH, 2015

23. Related Party Disclosures : NIL
24. **In case of assets taken on lease:**
Lease payment recognised in the statement of profit and loss during the year ₹ Nil (₹ 939 thousands).
25. **In case of assets given on 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.
26. No provision is required in respect of gratuity since the period of service of the employee is less than five years.
27. 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 Salarpuria Jajodia & Company
Firm Registration Number: 302111E
Chartered Accountants

Anand Prakash
a Partner
Membership No.056485

Jyoti Prakash Kanoria
Director
DIN : 00225761

Dated: 25th May, 2015

Shubhradip Bose
Company Secretary & CFO

Yashwant Kumar Daga
Director
DIN : 00040632

HGI INDUSTRIES LIMITED
"Industry House"
18th Floor, 10, Camac Street
Kolkata - 700 017