

DIRECTORS :

C. K. Dhanuka, Chairman
I. K. Kejriwal
G. R. Goenka
Aruna Dhanuka
Rajeev Rungta
Mrigank Dhanuka

CFO & COMPLIANCE OFFICER :

H. P. Bhuwania

BANKERS :

State Bank of India
La Martiniere Branch
Kolkata
HDFC Bank
Central Plaza Branch
Kolkata

AUDITORS :

S. S. Kothari & Co.
Chartered Accountants

REGISTERED OFFICE :

DHUNSERI HOUSE
4A, WOODBURN PARK,
KOLKATA - 700 020
CIN : L01132WB1918PLC003029
Phone : (033) 2280-1950 (5 Lines)
Fax : (033) 2287 8995
E-mail : nagadhunseri@gmail.com
Website : www.nagadhunserigroup.com

REGISTRARS & SHARE

TRANSFER AGENTS :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone : (033) 2243-5029/5809
Fax : (033) 2248 4787
E-mail : mdpl@vsnl.com
mdpl@yahoo.com

Contents	Page
Notice	2
Directors' Report	11
Corporate Governance Report	14
Compliance Certificate	25
Auditors' Report	29
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes on Accounts	38-56

NAGA DHUNSERI GROUP LIMITED

NOTICE

NOTICE is hereby given that the 96th Annual General Meeting of Naga Dhunseri Group Limited will be held on Thursday, the 4th September, 2014 at 3.00 P.M. at "Kala Kunj", Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :-

Ordinary Business :

1. To receive, consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 2014 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint Smt. Aruna Dhanuka (DIN 00005677) who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Messrs S. S. Kothari & Co., Chartered Accountants, (ICAI Firm Registration No. 302034E) as the Auditors of the Company who shall hold office from the conclusion of the 96th Annual General Meeting till the conclusion of the 99th Annual General Meeting, and to authorize the Board to fix their remuneration.

Special Business :

5. Commission to Non-Executive Directors

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

RESOLVED THAT pursuant to Section 197 of the Companies Act, 2013 and other applicable provisions, if any, consent of the Company be and is hereby accorded for payment of remuneration by way of commission to the Non-Executive Directors of the Company of an amount equal to 1% of the net profit of the Company for each financial year computed in the manner as laid down in the Companies Act, 2013, subject to a limit of ₹ 1 lakh for all the Non-Executive Directors taken together, for a period of 5 years from 1st April, 2014 to 31st March, 2019 in such manner and proportion as may be decided by the Board of Directors of the Company from time to time.

6. Appointment of Smt. Aruna Dhanuka (DIN 00005677) as Managing Director

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Smt. Aruna Dhanuka (DIN 00005677) as Managing Director of the Company with effect from 1st July, 2014 for a term of 5 years on such remuneration and terms and conditions as recommended by the Remuneration Committee (now renamed as Nomination and Remuneration Committee) and accepted by the Board of Directors of the Company and set out in the Agreement dated 20th June, 2014 entered into between the Company and Smt. Aruna Dhanuka.

NOTICE (Contd.)

7. Appointment of Sri I. K. Kejriwal (DIN 00012320) as Independent Director

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

RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) and revised Clause 49 of the Listing Agreement, Sri I. K. Kejriwal (DIN 00012320) who has been on the Board of Directors of the Company since 1997 be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, and to hold office upto 5 (five) consecutive years from 01-10-2014 to 30-09-2019.

8. Appointment of Sri G. R. Goenka (DIN 00133700) as Independent Director

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

RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Company's (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and revised Clause 49 of the Listing Agreement, Sri G. R. Goenka (DIN 00133700) who has been on the Board of Directors of the Company since 2009 be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation upto 5 (five) consecutive years with effect from 01-10-2014 to 30-09-2019.

9. Appointment of Sri Rajeev Rungta (DIN 00122221) as Independent Director

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

RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Company's (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-inactment thereof for the time being in force and revised Clause 49 of the Listing Agreement, Sri Rajeev Rungta (DIN 00122221) who has been on the Board of Directors of the Company, since 2009 be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term upto 5 (five) consecutive years with effect from 01-10-2014 to 30-09-2019.

Regd. Office :

DHUNSERI HOUSE,

4A, Woodburn Park

Kolkata - 700 020

CIN : L01132WB1918PLC003029

Phone : (033) 2280 1950

Fax : (033) 2287 8995

E-mail : hpbhuwania@dhunseritea.com

Website : nagadhunserigroup.com

Dated, The 27th day of May, 2014

By Order of the Board

C. K. DHANUKA

Chairman

NAGA DHUNSERI GROUP LIMITED

NOTES

1. The Register of Members of the Company will remain closed from Thursday, 28th August, 2014 to Thursday, 4th September, 2014 (both days inclusive).
2. **A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy and such Proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.**
A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company.
3. Nomination facility is available to Shareholders on application to the Company or its Registrars.
4. Members holding shares in physical forms are requested to notify change in their addresses, bank particulars, if any, direct to the Company's Registrar and Share Transfer Agent (RTA), Messrs Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001 {Phone : (033) 2243 5029, 2243 5809}.
5. Members holding shares in Demat Form are requested to inform any change in their addresses, bank particulars etc. to their Depository Participants.
6. Members are requested to bring their copy of Annual Report to the meeting.
7. Dividend as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be payable to those members whose names stand registered in the Company's Register of Members as at the close of business on 4th September, 2014 after giving effect to all valid share transfers in physical form lodged with the Company before 28th August, 2014. The dividend in respect of shares held in dematerialized form will be payable to the beneficial owners of the shares as at the close of business hours on 27th August, 2014 as per the details furnished by the Depository for this purpose.
8. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund of the Central Government and under Section 205C of the Companies Act, 1956 no claim shall lie against the Company or the said Fund, in respect of individual amount which remains unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
9. In view of the above, members who have not encashed the dividend warrant(s) so far for any of the dividends declared earlier, i.e. dividend(s) for the year(s) subsequent to 2006 - 2007, are requested to make their claims immediately to the Company.
10. The shares of the Company are listed on The Calcutta Stock Exchange. Listing Fee has been paid to the Exchange upto 31st March, 2015.

11. Shareholders of erstwhile Chandramalai Estates Limited and Aryan Engineering Works Limited which were amalgamated with Bareilly Electricity Supply Co. Ltd. / Bareilly Holdings Ltd. which was again amalgamated with Naga Hills Tea Co. Ltd. (name since changed to Naga Dhunseri Group Ltd.) who have not yet surrendered their share scrips to the Company for exchange are requested to do so to enable the Company to forward its share scrips.
12. Details of Directors retiring by rotation and seeking re-appointment and brief resume of Independent Directors. ARUNA DHANUKA, I. K. KEJRIWAL, G. R. GOENKA, RAJEEV RUNGTA
These have been incorporated in the Report on Corporate Governance (In pursuance of Clause 49 of the Listing Agreement).
13. In terms of provisions of circular numbers 17/2011 and 18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs ('MCA') the company will effect electronic delivery of all documents including the notice and explanatory statement of Annual General Meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address which are previously registered with the Depository Participant (DP) as the members' valid email address. The investors desirous of updating their email addresses are requested to do so immediately, which will be periodically downloaded from NSDL / CDSL and will be deemed to be the members' registered email address for serving notices / documents including those covered under Section 136 of the Companies Act, 2013.
14. Pursuant to the provisions of Investor Education & Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2013, date of the last Annual General Meeting, on the website of the Company (www.nagadhunserigroup.com) as also on the Ministry of Corporate Affairs website.
15. The notice of the Annual General Meeting and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will also be displayed on the Company's Website www.nagadhunserigroup.com and the other requirements of the aforesaid MCA Circulars will be duly complied with.

The notice of the Annual General Meeting as well as the Annual Report for the financial year ended 31st March, 2014 will be dispatched to the rest of the shareholders holding shares in physical form.
16. Instruction for E-voting :

A Member holding shares in physical form or in dematerialized form, may choose to cast his/her vote electronically. The Company will consider votes cast through the E-voting system while declaring the results of the voting.
17. The voting rights shall be as per the number of equity share held by the Member(s) as on 11th July, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.

NAGA DHUNSERI GROUP LIMITED

18. For those Members opting for e-voting, the process and manner of e-voting will be as follows :

19. A. **For Members receiving information electronically :**

- i) Please read email carefully and open the attached PDF file specifying your Client ID (in case shares held in demat form) and folio no. (in case shares held in physical mode) as default password. The attachment contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
- ii) Launch the Internet Browser by typing <http://www.evoting.nsdl.com> on the address bar.
- iii) The home screen will be displayed, select the "Member Login" name.
- iv) Enter the login details viz. User ID and password are sent to you by email/post. On the first login, you need to change the password. In case you have earlier logged in at www.evoting.nsdl.com for exercising your vote in respect of a Ballot relating to any other Company and you have already changed your password, please use the changed password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) On successful login, you have to select the "EVEN" (E-voting Event Number) of Naga Dhunseri Group Limited for casting your vote.
- vi) Now you are ready for E-voting as "Cast Vote" opens, Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.
- vii) Upon confirmation, the message "vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- viii) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send the scanned copy (pdf/jpg format) of the relevant Board Resolution/Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer by an e-mail with a copy marked to evoting@nsdl.co.in
- ix) E-voting period commences at 10 a.m. on Wednesday, the 27th August, 2014 and ends on 29th August, 2014 at 6.00 p.m. During the e-voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cutoff-date, may cast their vote electronically. At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.
- x) In case of any query, you may refer to the frequently asked question (FAQ) for members and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or contact them on their telephone 022-24994600.

- xi) You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-voting system in future.

B. For Members receiveing the Information by Post:

- i) Initial "User ID" and "Password" are provided in the Admission Slips for the AGM.
 - ii) Please follow the steps from Sl. No. (ii) to (xi) stated above to cast your vote through e-voting.
20. Any query relating to the resolution and e-voting proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Chief Financial Officer of the Company.
 21. Voting can be exercised only by the concerned member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorized person. A member need not use his/her votes.
 22. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law. The result of the voting shall be placed on the website of the Company and on the Website of NSDL, within two days of passing of the Resolutions at the AGM and communicated to the Stock Exchanges where the Company's shares are listed. The results of the voting process will also be displayed on the Company's Website www.nagadhunserigroup.com
 23. The Company has appointed Mr. A. K. Labh, Practicing Company Secretary (FCS-4848) as a Scrutinizer for this purpose.
 24. The scrutinizer shall, not later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
 25. The Results shall be declared at the AGM. The Results declared together with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL, within two (2) days of passing of the Resolutions and communicated to the Stock Exchange.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

Item No. 5

It has been a long practice of the Company to pay Commission @ 3% of net profit, subject to a limit of ₹ 1 lakh to all Non-Executive Directors taken together. Under the Companies Act, 2013 it is now mandatory for every Company to appoint a Managing Director or Manager or Wholetime Director. Therefore, the Commission payable to Non-Executive Directors shall not exceed 1% of the net profit of the Company. The limit of ₹ 1 lakh for all Non-Executive Directors taken together will remain.

All Directors of the Company except Smt. Aruna Dhanuka, Managing Director are concerned or interested in the resolution.

The Board commends the Special Resolution set out in Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

Under the Companies Act, 2013 and the Rules framed thereunder every Company shall appoint a Managing Director or a Manager or a Wholetime Director.

Accordingly, the Board of Directors at a meeting of the Board held on 27th May, 2014 appointed Smt. Aruna Dhanuka as Managing Director of the Company with effect from 1st July, 2014 based on the recommendation of the Remuneration Committee (now renamed as Nomination and Remuneration Committee). The Board had also accepted the recommendation of the Remuneration Committee in regard to the terms and conditions of service of the Managing Director which are set out below :

1. The term of Managing Director is for a period of 5 (five) years with effect from 1st July, 2014.
2. Salary :
₹ 2,00,000/- per month in the scale of ₹ 2,00,000/- ₹ 25,000/- ₹ 3,00,000/- with authority to the Board (which includes a Committee thereof) to review her salary from time to time based on merit and the Company's performance.
3. Commission :
Commission to be paid annually at the discretion of the Board based on performance not exceeding 1% of Net Profit of the Company calculated according to the provisions of the Companies Act, 2013.
4. Benefits and Perquisites :
 - a) Use of Company car with driver
 - b) Reimbursement of medical expenses incurred for self and family subject to a ceiling of 1 month's salary in a year or 3 months' salary over a period of 3 years.
5. Personal Accident and Mediclaim Insurance Policies, total premium not to exceed ₹ 25,000/- per annum.
6. Reimbursement of cell phone charges and one landline at residence.

7. Company's contribution towards Provident Fund at 12% of salary or such rate as may be applicable to the employees of the Company.
8. Gratuity as per payment of Gratuity Act, 1972.
9. Leave entitlement and encashment of leave as per rules of the Company.
10. The Managing Director shall not be entitled to getting fees for attending meetings of the Board of Directors or any committee thereof.

Minimum Remuneration

In the event of loss or inadequacy of profit in any financial year the Managing Director shall be entitled to a minimum remuneration by way of salary and perquisites as specified above.

Other Terms and Conditions

Unless prevented by ill health or any other unavoidable cause beyond her control the Managing Director shall devote her time, energy, attention and abilities as required for efficient running of the Company's business under the superintendence and guidance of the Board of Directors.

The Managing Director shall exercise such powers as may be assigned to and vested in her by the Board of Directors from time to time.

The appointment is terminable by either party by giving 3 months' notice or 3 months' salary in lieu thereof or by mutual consent.

Smt. Aruna Dhanuka and her relatives Sri C. K. Dhanuka and Sri Mrigank Dhanuka are interested in the Resolution. No other Director nor any Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the Resolution.

The Board commends the Resolution for approval of the Shareholders.

The draft Agreement between the Company and Smt. Aruna Dhanuka, Managing Director of the Company will be available for inspection by the Shareholders at the Registered office of the Company between 10 a.m. and 12 noon on any working day except Saturday.

Item No. 7, 8 and 9

Sri I. K. Kejriwal joined the Board of Directors of the Company in 1977. Sri Gobind Ram Goenka joined the Board in 2009 and Sri Rajeev Rungta joined the Board in 2006.

The Company has received declarations from the above 3 Directors that they meet with the criteria of independence both under sub-Section (6) of Section 149 of the Companies Act, 2013 and the amended Clause 49 of the Listing Agreement.

In the opinion of the Board, all the above 3 Directors fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement. The Board therefore proposes to appoint each of the 3 Directors for a period upto five (5) years from 1st October, 2014.

NAGA DHUNSERI GROUP LIMITED

BRIEF RESUME OF Sri I. K. Kejriwal, Sri Gobind Ram Goenka and Sri Rajeev Rungta specifying their expertise and the names of the Companies' in which they hold Directorship and Membership/Chairmanship of Board Committees and other particulars are provided in the Corporate Governance Report forming part of the Directors' Report.

Under the Companies Act, 2013 the appointment of each Director has to be approved by the Shareholders at the Annual General Meeting by separate resolutions, hence the notice has been prepared accordingly though by one Explanatory Statement all of them have been covered.

Copy of the draft letters of appointments of Sri I. K. Kejriwal, Sri Gobind Ram Goenka and Sri Rajeev Rungta as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. These are also available in the Company's Website : www.nagadhunserigroup.com

The Board considers that the continued association of Sri I. K. Kejriwal, Sri Gobind Ram Goenka and Sri Rajeev Rungta would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. The Board therefore recommends the resolutions set forth in Item Nos. 7, 8 and 9 for approval of the members.

None of the Directors, Key Managerial Personnel and Relatives of such persons, financially or otherwise, except the 3 Directors concerned to whom the resolution relate is interested or concerned in the resolutions.

Regd. Office :
DHUNSERI HOUSE,
4A, Woodburn Park
Kolkata - 700 020
CIN : L01132WB1918PLC003029
Phone : (033) 2280 1950
Fax : (033) 2287 8995
E-mail : hpbhuwania@dhunseritea.com
Website : nagadhunserigroup.com
Dated, The 27th day of May, 2014

By Order of the Board
C. K. DHANUKA
Chairman

DIRECTORS' REPORT

Your Directors are pleased to submit the 96th Annual Report together with Audited Accounts for the year ended 31st March, 2014.

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
FINANCIAL RESULTS				
Profit before Depreciation & Taxation		136.13		697.58
Add / Less : Depreciation	(72.14)		(80.02)	
Provision for Taxation				
Current Income Tax	—		(95.00)	
Excess Provision for taxation written back	0.36		—	
Deferred Tax Liability (Asset)	5.14		1.11	
		(66.64)		(173.91)
Profit after Taxation		69.49		523.67
Add : Balance brought forward from Previous year		58.23		59.06
Excess Provision for taxation written back		—		3.65
Available for appropriation		127.72		586.38
Appropriations				
Proposed Dividend @ ₹ 2/- per share (Previous year ₹ 2/- per share)		20.00		20.00
Dividend Tax on Proposed Dividend		3.40		3.40
Transferred to NBFC Reserve Fund		13.90		104.75
Transferred to General Reserve		46.00		400.00
Balance carried to Balance Sheet		44.42		58.23
		127.72		586.38
WORKING RESULTS				

During the year ended 31st March, 2014 the Company's profit came down significantly due to sluggish market condition. The Company's Profit after Tax during the year was ₹ 69.49 lacs as compared to profit of ₹ 523.67 lacs during the previous year.

DIVIDEND

Your Directors recommend a dividend @ ₹ 2/- per equity share (20%) for the financial year 2013-2014, i.e. same as in the previous year.

NBFC RESERVE FUND

A sum of ₹ 13,90,000/- was transferred to NBFC Reserve from the year's surplus. The total balance of this Fund stood at ₹ 10,83,65,000/- as on 31st March, 2014.

GENERAL RESERVE

A sum of ₹ 46,00,000/- was transferred to General Reserve from the year's surplus. The total balance of accumulation in General Reserve stood at ₹ 43,46,00,000/- as on 31st March, 2014.

DIRECTORS' REPORT (Contd.)

DIRECTORS

Smt. Aruna Dhanuka, Non-Executive Non-Independent Director will retire by rotation at the ensuing AGM and being eligible offers herself for re-appointment. The Board recommends her reappointment as a Director of the Company.

Sri N. G. Khaitan ceased to be a Director of the Company consequent to his resignation on 15th May, 2014. The Board wishes to place on record its sincere appreciation for the valuable contributions made by him during his tenure.

In terms of the requirement of the Companies Act, 2013 read with the revised Clause 49 of the Listing Agreement which will come into force from 1st October, 2014, the Independent Directors of the Company, namely, Sri G. R. Goenka, Sri Rajeev Rungta and Sri I. K. Kejriwal will be appointed for a term upto 5 years with effect from 1st October, 2014 once the approval of the shareholders at this meeting is obtained all these Independent Directors will not be liable to retire by rotation. Your Directors recommend approval of their appointment.

Smt. Aruna Dhanuka will be appointed as Managing Director of the Company for a term of 5 years with effect from 1st July, 2014 based on the recommendation of the Remuneration Committee which is approved by the Board at its meeting held on 27th May, 2014, subject to approval of the shareholders at the ensuing Annual General Meeting. The Directors recommend approval of her appointment as Managing Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm :

that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures ;

that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit of the Company for the year ended on that date ;

that proper and sufficient care has been taken 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 ;

that the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year there was no employee drawing remuneration beyond the limit prescribed under Section 217(2A) of the Companies Act, 1956.

PARTICULARS OF CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company, not being in manufacturing business, has hardly any activity relating to conservation of energy and technology absorption. There was no foreign exchange earnings and outgo during the year under report.

R.B.I. DIRECTIVE TO NBFC

The Company did not invite or accept any deposit from the public during the year ended 31st March, 2014 nor has any intention to invite or accept any deposit from the public during the current financial year commencing on 1st April, 2014.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with The Calcutta Stock Exchange is annexed hereto and forms part of this Report.

DIRECTORS' REPORT (Contd.)

AUDITORS' REPORT

The Auditors' Report is self explanatory and does not require any comment.

AUDITORS

The Board has accepted the recommendation of the Audit Committee for appointment of the existing statutory Auditors of the Company, Messrs S. S. Kothari & Company, Chartered Accountants, who have submitted a certificate of eligibility for appointment. Messrs S. S. Kothari & Co. have already completed the term of ten years of appointment as Statutory Auditors of the Company. Hence, in terms of the Companies Act, 2013 they can now be re-appointed for a further term of 3 years only subject to ratification in each Annual General Meeting. Messrs S. S. Kothari & Co. who retire on the conclusion of this Annual General Meeting, being eligible, have offered themselves for re-appointment.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 relating to Corporate Social Responsibility are not applicable to the Company.

E-Voting

The Company will provide e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting will be provided in the Notice.

ACKNOWLEDGEMENT

The Board wish to acknowledge with thanks the support extended by the employees and shareholders of the Company.

Place : Kolkata
Dated : The 27th day of May, 2014

For & on behalf of the Board of Directors
C. K. Dhanuka
Chairman

NAGA DHUNSERI GROUP LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The Company's philosophy on corporate governance is aimed at running the business in efficient, transparent and ethical manner to derive maximum benefit for its stakeholders, Government and society at large.

2. BOARD OF DIRECTORS

As on 31st March, 2014 the Company's Board comprised of seven Directors, all Non-Executives. The Chairman Sri C. K. Dhanuka is Non-Executive Promoter Director. Two other Directors, Smt. Aruna Dhanuka and Sri Mrigank Dhanuka are related to the Chairman of the remaining four Directors Sri N. G. Khaitan resigned with effect from 15-05-2014, the other three Directors are Independent and represent half the total strength of the Board. The operations of the Company are carried on under the superintendence and control of the Board of Directors. All the Directors are above the age of 21 years.

The attendance and number of other Directorship and Committee Membership of each Director is given below :-

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Last AGM attended	No. of other Directorship in Public Companies*	No. of Committee**	
						Chairman	Member
1.	Sri C. K. Dhanuka	Non-Executive Chairman, Promoter	4	Yes	9	2	3
2.	Sri I. K. Kejriwal	Non-Executive, Independent	4	Yes	5	—	—
3.	Sri N. G. Khaitan***	Non-Executive, Independent	3	No	9	2	6
4.	Smt. Aruna Dhanuka	Non-Executive, Promoter	4	Yes	4	1	—
5.	Sri Mrigank Dhanuka	Non-Executive, Promoter	3	Yes	7	1	1
6.	Sri Rajeev Rungta	Non-Executive, Independent	4	Yes	4	—	—
7.	Sri G. R. Goenka	Non-Executive, Independent	4	No	1	2	—

* Excludes Directorship in Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and Alternate Directorship.

** Only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered.

*** Mr. N. G. Khaitan resigned from the board with effect from 15-05-2014.

NAGA DHUNSERI GROUP LIMITED

Details of Board Meetings held during the year 2013-2014 are as under :-

Date of Meeting	Strength of the Board	Directors Present
22-05-2013	7	7
12-08-2013	7	7
12-11-2013	7	6
30-01-2014	7	6

3. BRIEF RESUME OF DIRECTORS PROPOSED TO BE APPOINTED RE-APPOINTED

a) Smt. Aruna Dhanuka

Smt. Aruna Dhanuka is a Bachelor of Arts having more than fifteen years experience in business. She has been a Director of this Company since October, 2005 and has immense knowledge and expertise in the area of finance and investments. Smt. Aruna Dhanuka shall be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Apart from Naga Dhunseri Group Limited she held Directorship in the following Public Limited Companies as on 31-03-2014 :-

Name of the Company	Chairman / Director of other Companies	Chairman / Member of Committees of the Companies in which she is a Director	
		Chairman	Member
Mint Investments Limited	Managing Director	Nil	Nil
Plenty Valley Intra Limited	Managing Director	Nil	Shareholders'/ Investors' Grievance Committee
Dhunseri Investments Limited	Director	Nil	Nil
Trimplex Investments Limited	Director	Nil	Nil

Shares of the Company held by Smt. Aruna Dhanuka, on her own or for other persons on beneficial basis, as on 31st March, 2014 :

- i) Own - 78,700
- ii) On beneficial basis : Nil

b) Sri Rajeev Rungta

Sri Rajeev Rungta is a Bachelor of Commerce with a Diploma in Business Management having more than 20 years of experience in Production, Finance and Administration. He is an Industrialist and is on the Board of several companies. Other than our Company he holds Directorship in the following Companies :

Name of the Company	Chairman / Director of other Companies	Chairman / Member of Committees of the Companies in which he is a Director	
		Chairman	Member
Purvi Iron Limited	Director	Nil	Nil
Vinita Investment Limited	Director	Nil	Nil
Aaekay Investment Centre Ltd.	Director	Nil	Nil
Zenith Fibres Limited	Director	Nil	Nil

Sri Rajeev Rungta does not hold any shares of the Company in his name or on beneficial basis as on 31-03-2014.

NAGA DHUNSERI GROUP LIMITED

c) Sri I. K. Kejriwal

Sri I. K. Kejriwal is a B.Com and is having more than 50 years experience in business. He has been associated with the Company for a long time and making valuable contribution for the growth of the Company.

Apart from Naga Dhunseri Group Limited he holds Directorship in the following Public Companies :

Name of the Company	Chairman / Director of other Companies	Chairman / Member of Committees of the Companies in which he is a Director	
		Chairman	Member
Chengmari Tea Co. Ltd.	Director	Nil	Nil
Duncan International (India) Ltd.	Director	Nil	Nil
Central India General Agents Ltd.	Director	Nil	Nil
Nathdwara Investment Co. Ltd.	Director	Nil	Nil
Birla Eastern Ltd.	Director	Nil	Nil

Shares of the Company held by Sri I. K. Kejriwal in his own name or in the name of other persons on beneficial basis, as on 31st March, 2014 :

- i) Own : 644 shares
- ii) On beneficial basis : Nil

d) Sri G. R. Goenka

Sri Gobind Ram Goenka is a Master in Commerce and LLB. He has 50 years experience in finance and industry. Apart from Naga Dhunseri Group Limited he is presently Director of 1 Public Limited Company and 11 Private Limited Companies.

Name of the Company	Chairman / Director of other Companies	Chairman / Member of Committees of the Companies in which he is a Director	
		Chairman	Member
Hindustan Wires Ltd.	Director	Audit Committee Shareholders' / Investors' Grievance Committee	

Sri G. R. Goenka holds 690 equity shares of the Company in his own name as on 31st March, 2014. He does not hold any share of the Company on beneficial basis.

4. CODE OF CONDUCT

The Company has formulated and implemented a code of conduct for all Directors and Senior Management Executives of the Company in compliance with Clause 49 of the Listing Agreement. All Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis. The same is also posted on the website of the Company at www.nagadhunserigroup.com

5. AUDIT COMMITTEE

As on 31st March, 2014 the Audit Committee comprised of three Non-Executive Directors. All the members of the Audit Committee are Independent Directors. Sri Rajeev Rungta is the Chairman and Sri G. R. Goenka and Sri I. K. Kejriwal are two other members of the Committee.

The Committee met four times during the year and the time gap between two meetings was not more than four months. Details of Committee Meetings held during the year 2013-2014 are as under :-

Name of the Committee Member	22-05-2013	12-08-2013	12-11-2013	30-01-2014
Sri Rajeev Rungta	Yes	Yes	Yes	Yes
Sri I. K. Kejriwal	Yes	Yes	Yes	Yes
Sri G. R. Goenka	Yes	Yes	Yes	Yes

The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information. The terms of reference of the Audit Committee are in line with Clause 49 II(C) and (D) of the Stock Exchange Listing Agreement and, *inter alia*, includes :

1. Review with the Management and/or Statutory Auditors :
 - i) Company's financial statements and reports;
 - ii) Disclosure of Company's financial information to ensure that the same are correct, sufficient and credible;
 - iii) Changes/Improvements in Financial/Accounting practices;
 - iv) Adequacy of Internal Control Systems; and
 - v) Disclosure of Related party transactions.
2. Hold discussion with :
 - i) Statutory Auditors, before and after audit on the scope and area of concern;
 - ii) Management before submission of financial statements to the Board.
3. Compliance with Accounting Standards, Legal requirements and Ethical Code.

6. DIRECTORS' REMUNERATION

Sitting Fees are paid to Non-Executive Directors for attending Board and Committee Meetings. The following table shows the sitting fees paid and Commission payable to the Directors during the year under report :

Sl. No.	Name	Board Meeting Sitting Fees ₹	Committee Meeting Sitting Fees ₹	Commission on Profit ₹*	Total ₹
1.	Sri C. K. Dhanuka	6,000	—	14,285	20,285
2.	Sri I. K. Kejriwal	6,000	7,500	14,286	27,786
3.	Sri N. G. Khaitan	4,500	—	14,286	18,786
4.	Sri Mrigank Dhanuka	4,500	—	14,285	18,785
5.	Smt. Aruna Dhanuka	6,000	—	14,286	20,286
6.	Sri Rajeev Rungta	6,000	7,500	14,286	27,786
7.	Sri G. R. Goenka	6,000	7,500	14,286	27,786
		39,000	22,500	1,00,000	1,61,500

* Commission is payable for the year ended 31st March, 2014 subject to approval of the Accounts at the ensuing Annual General Meeting.

NAGA DHUNSERI GROUP LIMITED

Shares/Convertible Instruments held by the Directors as on 31st March, 2014 :

Name of the Non-Executive Director	No. of Equity Shares of the Company	Convertible Instruments
Sri C. K. Dhanuka	48,400	Nil
Sri I. K. Kejriwal	644	Nil
Sri N. G. Khaitan	Nil	Nil
Sri Mrigank Dhanuka	1,286	Nil
Smt. Aruna Dhanuka	78,700	Nil
Sri Rajeev Rungta	Nil	Nil
Sri G. R. Goenka	690	Nil

The Company does not have any Stock Option Scheme.

7. REMUNERATION COMMITTEE

At a board meeting of the Company held on 28-01-2009 the Board decided to constitute the Remuneration Committee of the Company with Independent and Non-Executive Directors. Sri I. K. Kejriwal was nominated the Chairman of the Committee and Sri Rajeev Rungta and Sri G. R. Goenka were the other two members. Sri H. P. Bhuwania, CFO was nominated Secretary to the Committee. A meeting of the Committee was held during the year on 22-05-2013.

8. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The present Shareholders' / Investors' Grievance Committee comprises of 3 Directors, all are Independent and Non-Executive Directors. Sri I. K. Kejriwal is the Chairman and the other two members of the Committee are Sri Rajeev Rungta and Sri G. R. Goenka.

The Committee met 4 times during the year under review on 23rd May, 2013, 17th October, 2013, 5th December, 2013 and 19th December, 2013. All the members attended all the meetings.

The terms of reference of this Committee inter alia include :

- To approve all transfer (including transmission, transposition, remat) requests received.
- To review action taken on shareholders' grievances and to advise if any further action to be taken.
- To ensure that correspondence with the shareholders are promptly dealt with by the Company and no cases were pending as on 31st March, 2014.

Shares received for transfer are processed promptly, approved by the Committee and ratified at the following Board Meeting.

Serious grievances, as and when received, are placed before the Committee. There were no pending investor complaints as on the date of this report.

Pursuant to new clause 47(f) of the Listing Agreement the Company has opened email ID nagadhunseri@gmail.com for Grievance Redressal purpose where complaint can be lodged by the Shareholders.

9. SHARE TRANSFER SYSTEM

The Company's shares are traded in the Calcutta Stock Exchange in demat mode. During the year 6 Share Transfer cases comprising of 418 Equity Shares were received for physical transfer. Total number of shares dematerialized during the year ended on 31st March, 2014 were 1848. The Company did not receive any complaint from any shareholder during the year and no complaint was pending as on 31-03-2014.

10. **COMPLIANCE OFFICER** - Sri H. P. Bhuwania, Chief Financial Officer
Address : Dhunseri House
4A, Woodburn Park, 3rd Floor
Kolkata-700 020
Phone : (033) 2280 1950–1954
Fax : (033) 2287 8995
Email : hpbhuwania@dhunseritea.com
Website : www.nagadhunserigroup.com
CIN : L01132WB1918PLC003029

11. **MANAGEMENT DISCUSSION AND ANALYSIS**

Industry Trend and Development

The Company's principal business being investment in shares and securities, the Company's main source of income is from sale of investments and dividend income. However, the Management has to review the business strategy keeping in mind the changes in the policy of Government and Reserve Bank of India. For various reasons during the year the economy badly suffered because of lack of development work and uncongenial environment to push industrial production. These unfavourable factors had adverse effect on market conditions which have affected the profitability of the Company.

Opportunities and Threats

The scope for growth of any Investment Company is limited for various reasons. The Company being a small size NBFC there are plenty of threats for its growth which keep the Management constantly alert to review business strategy to keep itself afloat.

Risk and Concern

For lack of policy decisions on development of infrastructure projects and industrial growth of the Country an Investment Company is always concerned about improving its financial activities, inspite of serious uncongenial circumstances.

Outlook

In view of the political changes in the Country it is expected that there may be changes in policies which will usher in improvement in the economy during the current year. Consequently it may be expected that better market conditions will prevail which may be conducive to improved opportunities for an Investment Company.

Internal Control System

The internal control system is adequate commensurate with the size of the Company and the management is constantly reviewing the system for achieving improved efficiency.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in political and economic environment in India.

12. **CEO / CFO CERTIFICATION**

The Chairman, Sri C. K. Dhanuka and Sri H. P. Bhuwania, Chief Financial Officer (CFO) have certified to the Board the particulars as stipulated vide Clause 49. V of the Listing Agreement.

The appointment of CFO was duly made on the recommendation of the Audit Committee.

NAGA DHUNSERI GROUP LIMITED

13. GENERAL BODY MEETINGS

(a) The last three Annual General Meetings were held as under :

Annual General Meeting (AGM) Year	Date	Time	Venue	Special Resolutions
2012-2013	13-08-2013	3.00 P.M.	Kala Kunj, Sangit Kala Mandir Trust, 48, Shakespeare Sarani Kolkata-700 017	Yes
2011-2012	13-08-2012	3.00 P.M.	—do—	None
2010-2011	10-08-2011	10.30 A.M.	—do—	None

- Note :
- No resolution was required to be passed through Postal Ballot.
 - No Extra-Ordinary General Meeting was held during the year under report.

14. DISCLOSURE

- The financial statements are prepared following the Accounting Standards and there are no deviation from it in general.
- Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the Directors or the Management, their relatives, or subsidiaries etc. that may have potential conflict with the interests of the Company at large.
- There are no significant transactions with related parties, which may have a potential conflict with the interests of the Company. Details of transactions with related parties are given in the Notes on Accounts in serial no. 25.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets, during the last three years :

There were no instances of non-compliance of any matter related to the capital market during the last three years. Nor were there any fine or penalty imposed by the said Authorities.
- The Company has complied with all the mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement.

15. SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

16. MEANS OF COMMUNICATION

The unaudited quarterly and annual audited results are regularly published in a leading English Daily Newspaper (Business Standard) and a Bengali Daily (Dainik Lipi /Arthik Lipi) whereas the printed Annual Report containing statement of audited accounts and notice convening the Annual General Meeting are mailed to the shareholders, also displayed on the Company's Website www.nagadhunseri.com

17. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

96th AGM to be held on Thursday, 4th September, 2014 at 3.00 p.m. at 'Kala Kunj' Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata-700 017.

b. Book Closure

The Register of Members and Share Transfer Register will remain closed from Thursday, 28th August, 2014 to Thursday, 4th September, 2014 (both days inclusive). Due notice of Book Closure has been sent to Calcutta Stock Exchange and published in news papers.

c. Financial calendar (Tentative)

Adoption of Quarterly / Annual Report	Adoption on or before
1st quarter ending 30th June, 2014	14th August, 2014
2nd quarter ending 30th September, 2014	14th November, 2014
3rd quarter ending 31st December, 2014	14th February, 2015
Year Ending 31st March, 2015	30th May, 2015

d. Registered Office :

Dhunseri House, 4A, Woodburn Park, Kolkata-700 020
Phone : (033) 2280 1950 (5 lines) Fax : (033) 2287 8995.

e. Listing of Equity Shares :

The Calcutta Stock Exchange (Stock Code No. 10024005)
7, Lyons Range, Kolkata-700 001

Annual Listing Fee has been paid upto the year ending on 31st March, 2015 to the Calcutta Stock Exchange.

f. Demat ISIN Number for NSDL & CDSL :

INE 756C01015

g. Stock Market Price data for the year 2013-2014

Month	Calcutta Stock Exchange	
	High	Low
April - 2013	—	—
May - 2013	—	—
June - 2013	—	—
July - 2013	—	—
August - 2013	—	—
September - 2013	—	—
October - 2013	—	—
November - 2013	—	—
December - 2013	—	—
January - 2014	—	—
February - 2014	—	—
March - 2014	—	—

There was no trading during this financial year under review.

NAGA DHUNSERI GROUP LIMITED

h. Dividend Payment Date

- (a) Dividend for the year 2012-2013, declared at the Annual General Meeting on 13th August, 2013 was paid on 22nd August, 2013.
- (b) Dividend for the year 2013-2014, if approved by the shareholders at the ensuing Annual General Meeting, will be paid within 30 days from the date of the AGM. No tax will be deducted at source under the current Income Tax Act.
- (c) Dividend Payment date : on or before 03-10-2014.
- (d) Transfer to Investors' Education and Protection Fund is made as and when due.

i. Name and Address of the Registrar and Share Transfer Agent (RTA)

Messrs Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata-700 001
Phone : (033) 2243 5029/2243 5809 Fax : (033) 2248 4787 E-mail : mdpl@vsnl.com

j. Address for Investors' Correspondence

Shareholders can correspond with the RTA and also direct to the Registered Office of the Company.

k. Shareholding Pattern as on 31st March, 2014.

Category	No. of Members	Number of Shares	% of holding
Promoter & Promoter Group	12	735826	73.58
Public Institutions			
Public Shareholding			
Financial Institutions/Banks	3	1742	0.17
Non-Institutions			
Bodies Corporate	11	19411	1.94
Individuals	916	231381	23.14
Non-Resident Individuals	16	11640	1.17
	958	1000000	100.00

l. Distribution of Shares as on 31st March, 2014

Share Holding	Shareholders' Number	Percentage of Shareholders	No. of Shares	Percentage of Shares
1 to 500	846	88.31	79612	7.96
501 to 1000	57	5.95	42705	4.27
1001 to 2000	26	2.71	35800	3.58
2001 to 3000	3	0.31	6924	0.69
3001 to 4000	8	0.84	27269	2.73
4001 to 5000	3	0.31	12884	1.29
5001 to 10000	7	0.73	43490	4.35
10001 and above	8	0.84	751316	75.13
Total	958	100.00	1000000	100.00

m. Summary report of Shareholding as on 31st March, 2014

Particulars	Shareholders		No. of Shares	% of Share Holding
	No.	%		
Physical	648	67.64	138084	13.81
NSDL	234	24.43	851950	85.19
CDSL	76	7.93	9966	1.00
Total	958	100.00	1000000	100.00

18. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Company has obtained Compliance Certificate from CS. A. K. Labh, Practising Company Secretary of M/s. A. K. Labh & Co., Company Secretaries regarding compliance of conditions on Corporate Governance and the same is attached to this report.

Place : Kolkata

Dated : The 27th day of May, 2014

For & on behalf of the Board of Directors

C. K. Dhanuka

Chairman

DECLARATION OF CHAIRMAN ON THE COMPANY'S CODE OF CONDUCT

In terms of Clause 49 of the Listing Agreement, I hereby confirm that all the Board Members and Senior Management personnel of the Company have made compliance with the code of conduct of the Company in respect of the financial year ended 31st March, 2014.

Place : Kolkata

Dated : The 27th day of May, 2014

C. K. DHANUKA

Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

**TO
THE MEMBERS OF
NAGA DHUNSERI GROUP LIMITED**

We have examined the compliance of conditions of Corporate Governance by **M/s. Naga Dhunseri Group Limited** for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement with the stock exchanges and as amended by the SEBI vide its Circular dated 9th October, 2004 and as implemented by the Company for the year under report.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of 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 have been explained that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the share transfer agent.

We further state that such compliances 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 A. K. LABH & CO.
Company Secretaries

CS A. K. LABH
Proprietor
CP - 3238

Place : Kolkata

Dated : The 27th day of May, 2014

COMPLIANCE CERTIFICATE

Registration No. of the Company : LO 1132 WB 1918 PLC 003029
Nominal Capital : ₹ 2.5 Crore

To

The Members,

NAGA DHUNSERI GROUP LIMITED

'Dhunseri House', 4A, Woodburn Park,

Kolkata-700 020

We have examined the registers, records, books and papers of M/s. NAGA DHUNSERI GROUP LIMITED, as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per provisions of the Act and the rules made thereunder and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate with Registrar of Companies, West Bengal, Kolkata within the time prescribed under the Act and the Rules made thereunder.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met **4 (Four)** times respectively on 22nd May, 2013, 12th August, 2013, 12th November, 2013 and 30th January, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 6th August, 2013 to 13th August, 2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2013 was held on 13th August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.

COMPLIANCE CERTIFICATE (Contd.)

9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
(ii) The Company has deposited the amount of dividend in a separate bank account with HDFC Bank Ltd., Central Plaza, 2/6, Sarat Bose Road, Kolkata - 700 020 on 14th August, 2013 which is within five days from the date of declaration of such dividend.
(iii) The Company has paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Limited, Central Plaza Branch, 2/6, Sarat Bose Road, Kolkata-700 020 on 19th September, 2013.
(iv) The Company has transferred the amounts of ₹ 121638/- from unpaid dividend account for the year 2005 - 2006 which remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund on 6th November, 2013.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the financial year.

COMPLIANCE CERTIFICATE (Contd.)

21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings within the purview of Section 293(1)(d) of the Act during the financial year ended 31st March, 2014.
25. The Company has made investments in other bodies corporate and Mutual Funds in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution of Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **K. C. DHANUKA & CO.**
Company Secretaries

	Name of the		
	Company Secretary	:	K. C. DHANUKA <i>Proprietor</i>
Place : Kolkata	FCS	:	2204
Dated : The 27th day of May, 2014	C. P. No.	:	1247

COMPLIANCE CERTIFICATE (Contd.)

ANNEXURE – ‘A’

Registers as maintained by the Company

Statutory Registers

1. Register of Transfers u/s 108
2. Register of Members u/s 150
3. Minutes of Shareholders' Meetings u/s 193
4. Minutes of Board Meetings u/s 193
5. Books of Account u/s 209
6. Register of Contracts u/s 301
7. Register of Directors' etc. u/s 303
8. Register of Directors' Shareholdings u/s 307
9. Register of Investments u/s 372A
10. Register of Fixed Assets

ANNEXURE – ‘B’

Forms and Return as filed by the Company with Registrar of Companies, West Bengal, Kolkata during the year ended 31st March, 2014.

Sl. No.	Form No./ Return	Filed under Section	Date of Filing	For
1.	Form No. 23 Date : 13-08-2013	192	22-08-2013	Alteration to the Main Object Clause of the Memorandum of Association of the Company by way of Special Resolution passed in AGM held on 13-08-2013.
2.	Form No. 66 Compliance Certificate Date : 22-05-2013	383A	29-08-2013	For the financial year ended 31-03-2013.
3.	Form No. 23AC & 23ACA Balance Sheet etc. as on 31-03-2013	220	29-08-2013	For the financial year ended 31-03-2013.
4.	Form No. 67 Date : 22-08-2013	192	12-09-2013	Addendum in respect of Form 23 filed on 22-08-2013.
5.	Form No. 20B Annual Return Date : 13-08-2013	159	18-09-2013	As on the date of AGM held on 13-08-2013.
6.	Form No. 5INV Date : 13-08-2013	205C, read with Uploading of Information etc. Rules, 2012	03-10-2013	Statement of unpaid & unclaimed dividend of ₹ 9,56,652/-
7.	Form No. 1INV Date : 12-11-2013	205C	12-11-2013	Transfer of Unpaid & Unclaimed Dividend to the Investor Education and Protection Fund for the Year Ended 2005-06.

**AUDITORS' REPORT
TO THE MEMBERS OF
NAGA DHUNSERI GROUP LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Naga Dhunseri Group Ltd. ('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, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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.

AUDITORS' REPORT (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations give to us, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in Respect of Section 133 of the Companies Act, 2013.
 - e. on the basis of written representation 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.

21, Old Court House Street,
Kolkata - 700 001
Dated : The 27th day of May, 2014

For S. S. KOTHARI & CO.,
Chartered Accountants
Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 8816

AUDITORS' REPORT (Contd.)

As referred to in our "Report on other Legal & Regulatory requirements" : we state

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at the year end and no discrepancies were noticed on such verification.
- (c) No substantial part of Fixed Assets has been disposed of by the Company during the year.
- ii) (a) The Company is an Investment Company. The physical verification of its inventory of shares & securities is conducted at reasonable intervals.
- (b) The procedures of physical verification followed up by the Company is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of its inventories.
- (d) No discrepancies has been noticed on such physical verification.
- iii) a) The Company has not granted any loan secured or unsecured to Companies, firm or other parties covered in the Register maintained u/s 301 of the Act.
- b) i) The Company has taken unsecured loan from one company covered in the register maintained u/s 301 of the Companies Act. The year end balance of such loan is nil & maximum amount of loan at any time during the year is ₹ 8 Lakhs.
- ii) The rate of interest and other terms & condition of such loan are not prima facie prejudicial to the interest of the Company. The total amount of loan togetherwith the interest has been paid during the year.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of Inventory and Fixed Assets, sale of goods (securities) & services. During the course of audit we have not observed any continuing failure to correct major weakness in the internal control.
- v) (a) In our opinion and according to the information and explanation given to us we are of the opinion that Particulars of Contracts or arrangement referred to in Section 301 have been entered in the register required to be maintained under the Section.

AUDITORS' REPORT (Contd.)

- (b) In our opinion and according to the information and explanations given to us, transactions in pursuance of contracts or arrangements (exceeding the value of rupees five lakhs) in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market rate at the present time.
- vi) The Company has not accepted any deposit from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956 and Companies Acceptance of Deposit rules 1975.
- vii) The Company does not have formal internal audit system as such, but its internal control procedures ensure reasonable internal checking of financial and other records by the executive of the company which, in our opinion, are adequate.
- viii) The Company is an Investment Company and therefore maintenance of the cost records prescribed by Central Government under clause (d) of Sub-section (1) of Section 209 of the Act is not applicable to the Company.
- ix) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education Protection Fund, Income Tax, Wealth Tax, Service Tax, Value Added Tax and other material statutory dues applicable to it.
- According to the information & explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax was in arrears as at 31st March, 2014 for a period of more than six months from the date these became payable.
- (b) According to the information & explanation given to us there are no dues of Income Tax, Wealth Tax which have not been deposited on account of dispute.
- x) The Company has no accumulated losses as at 31st March, 2014. It has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, there are no dues payable to any financial institutions or banks or debentureholders as at the balance sheet date.
- xii) The Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is an Investment Company and therefore provision of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

AUDITORS' REPORT (Contd.)

- xiv) The Company has maintained proper records of transactions and contracts for shares and securities and timely entries have been made therein of the said transactions. All shares & other Investments are held by the Company in its own name.
- xv) In our opinion, and 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 during the year.
- xvi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any term loan during the year.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, we report that no funds have been raised on a short term basis.
- xviii) The Company has not issued any share during the year.
- xix) During the year Company has not issued debentures. However amount payable to the erstwhile debenture holders of Bareilly Holding Ltd. which had amalgamated long back with the Company stands credited to Capital Reserve and no securities have been created there-against.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books with the Company and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither noticed any instance of fraud on or by the Company, or have been reported during the year, nor have we been informed of such case by the management.

21, Old Court House Street,
Kolkata-700 001
Dated : The 27th day of May, 2014

For S. S. KOTHARI & CO.,
Chartered Accountants
Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 8816

NAGA DHUNSERI GROUP LIMITED

BALANCE SHEET
as at 31st March, 2014

	Note	As at	(₹ in lacs)
	No.	31st March, 2014	As at
		₹	31st March, 2013
			₹
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	100.00	100.00
(b) Reserves and Surplus	2	5,488.68	5,442.59
2. Non-Current Liabilities			
(a) Long-term borrowings	3	79.61	129.13
(b) Long-term provisions	4	0.30	0.77
3. Current Liabilities			
(a) Trade Payable	5	103.97	—
(b) Other current liabilities	6	63.03	57.83
(c) Short-term provisions	7	124.06	151.66
		<u>5,959.65</u>	<u>5,881.98</u>
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	129.89	203.07
(b) Non-current investments	9A	4,796.11	4,509.88
(c) Deferred tax assets (Net)	10	6.86	1.72
(d) Long-term loans and advances	11A	278.34	192.68
2. Current Assets			
(a) Current Investments	9B	345.83	390.51
(b) Inventories	12	134.86	368.31
(c) Trade Receivable	13	137.12	—
(d) Cash and Cash equivalents	14	29.86	85.83
(e) Short-term loans and advances	11B	100.71	123.68
(f) Other Current Assets	15	0.07	6.30
		<u>5,959.65</u>	<u>5,881.98</u>
Significant Accounting Policies	I		
Notes to the Accounts	II		

As per our Report annexed and referred to in the Notes to the Accounts

For S. S. KOTHARI & CO.,
Chartered Accountants

R. K. ROY CHAUDHURY
Partner

Place : Kolkata
Dated : The 27th day of May, 2014

H. P. BHUWANIA
Chief Financial Officer

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman
RAJEEV RUNGTA Director

**STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2014**

		(₹ in lacs)	
	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		₹	₹
I	Revenue from operation	532.87	1,708.05
II	Other Income	29.00	29.02
III	Total Revenue (I + II)	561.87	1,737.07
IV	Expenses :		
	Purchase of stock-in-trade	83.80	1,001.61
	Changes in inventories of stock-in-trade	233.45	(66.24)
	Employee benefits expense	29.39	30.69
	Finance costs	16.21	21.76
	Depreciation and amortisation expense	72.14	80.02
	Other expenses	62.89	51.67
	Total expenses	497.88	1,119.51
V	Profit before exceptional and extraordinary items and tax (III - IV)	63.99	617.56
VI	Exceptional items	—	—
VII	Profit before extraordinary items and tax	63.99	617.56
VIII	Extraordinary items	—	—
IX	Profit before tax (VII + VIII)	63.99	617.56
X	Tax expenses :		
	(1) Current tax	—	95.00
	(2) Deferred tax	(5.14)	(1.11)
	(3) Excess Provision for Taxation writtenback	(0.36)	—
XI	Profit (Loss) for the year from continuing operations	69.49	523.67
XII	Profit (Loss) for the year from discontinuing operations	—	—
XIII	Tax expenses of discontinuing operation	—	—
XIV	Profit (Loss) for the year from discontinuing operations (after tax) (XII - XIII)	—	—
XV	Profit (Loss) for the year (XI + XIV)	69.49	523.67
XVI	Earning per equity share : (face value ₹ 10/- per share)		
	(1) Basic	6.95	52.37
	(2) Diluted	6.95	52.37
	Significant Accounting Policies	I	
	Notes to the Accounts	II	

This is the Statement of Profit & Loss referred to in our Report of even date and Notes to the Accounts.

For S. S. KOTHARI & CO.,
Chartered Accountants

R. K. ROY CHAUDHURY
Partner

Place : Kolkata
Dated : The 27th day of May, 2014

H. P. BHUWANIA
Chief Financial Officer

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman
RAJEEV RUNGTA Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31-03-2014		For the year ended 31-03-2013	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit (Loss) before Tax		63.99		617.56
Adjustments for :				
Depreciation	72.14		80.02	
Profit on Sale of Fixed Assets	(0.37)		—	
Securities Transaction Tax on Investments	3.59		3.40	
(Profit) Loss on Sale of Investments	62.36		(438.12)	
Investment - Pms written off	6.27		—	
Interest Paid	16.21		21.76	
		160.20		(332.94)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		224.19		284.62
Adjustment for (increase)/decrease in operating assets				
Inventories	233.45		(66.24)	
Trade Receivable	(137.12)		—	
Short term Loans & Advances	(1.79)		(2.28)	
Long term Loans & Advances	(1.66)		0.73	
Other current assets	6.23		(6.24)	
		99.11		(74.03)
		323.30		210.59
Adjustment for increase/(decrease) in operating liabilities				
Trade Payable	103.97		—	
Other current liabilities	(0.18)		(0.10)	
Long term provision	(0.47)		—	
Short term provision	0.40		(2.38)	
		103.72		(2.48)
		427.02		208.11
CASH FROM OPERATING ACTIVITIES				
Direct Tax (Paid) / Received	(2.88)		(120.28)	
Interest Paid	(16.21)		(21.76)	
		(19.09)		(142.04)
Net Cash Flow from Operating Activities		407.93		66.07
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed Assets	(12.85)		(12.31)	
Sale of Fixed Assets	14.60		—	
Expenses for Sale of Fixed Assets	(0.33)		—	
Advance for Flat	(84.00)		(167.81)	
Purchase of Non-current Investments	(1,986.21)		(1,779.88)	
Purchase of current Investments	(1,200.50)		(1,475.85)	
Sale of Non-current Investments	1,613.98		2,294.95	
Sale of current Investments	1,262.55		1,123.65	
Securities Transaction Tax on Non-current Investments	(3.59)		(3.40)	
		(396.35)		(20.65)
Net Cash Flow from Investing Activities (A-B)		11.58		45.42

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Particulars	For the year ended 31-03-2014		For the year ended 31-03-2013	
	₹	₹	₹	₹
		11.58		45.42
C. CASH FLOW FROM FINANCING ACTIVITIES				
Auto Loan Refunded	(44.52)		(40.02)	
Dividend Paid	(19.63)		(19.71)	
Corporate Dividend Tax Paid	(3.40)		(3.24)	
Net Cash used in Financial Activities		<u>(67.55)</u>		<u>(62.97)</u>
Net Increase / (-) Decrease in Cash & Cash Equivalents (A-B-C)		(55.97)		(17.55)
Opening Balance of Cash & Cash Equivalents		85.83		103.38
Closing Balance of Cash & Cash Equivalents		<u>29.86</u>		<u>85.83</u>
Cash & Cash Equivalents Comprise :				
Balance with Scheduled Banks on Current Account		14.88		71.24
Cash in hand		5.00		5.00
Cheque in hand		0.03		—
Balance with Scheduled Banks on Dividend Account		9.95		9.59
		<u>29.86</u>		<u>85.83</u>

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3 Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been re-arranged wherever considered necessary.

As per our Report attached to the Balance Sheet.

For S. S. KOTHARI & CO.,
Chartered Accountants
R. K. ROY CHAUDHURY
Partner

Place : Kolkata
Dated : The 27th day of May, 2014

H. P. BHUWANIA
Chief Financial Officer

For and on behalf of the Board of Directors
C. K. DHANUKA Chairman
RAJEEV RUNGTA Director

Significant Accounting Policies and Notes attached to and forming part of the Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date

I. Significant Accounting Policies

1. Basis of Accounting :

The financial statements have been prepared on accrual basis and under the historical cost convention and are in compliance, in all material aspects, with the applicable accounting policies in India, the applicable accounting standards notified under Section 211 (3C) read with Circular No. 15/2013 dated 13th September, 2013 of The Ministry of Corporate Affairs in respect of Sec. 133 of the Companies Act, 2013 and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of business and the completion of transaction the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2. Investments :

Investments in Shares and Securities are classified as long term (non-current) investments without intention of short term trading and valued at cost reduced by a provision for any permanent diminution in value, if any. The expenses incurred in acquisition of shares, except security transaction tax, are added to cost of Investments. All other Investments are classified as current Investment. Investment classified as current investments has been valued at lower of cost or market value.

3. Closing Stock :

Stock in Trade (Shares and Securities) at the end of the year has been valued at cost (FIFO) or market price whichever is lower.

4. Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, taxes, incidental expenses relating to acquisition and installation and interest up to the date the asset is put to use.

An impairment loss is recognised when applicable, when the carrying value of fixed assets exceeds the market value or value in use, whichever is higher.

Fixed Assets are depreciated on written down value method at the rates given in Schedule XVI to the Companies Act, 1956. Leasehold land is amortised over the effective period of lease.

5. Revenue Recognition :

Revenue / Income and cost / Expenditure are generally accounted for on accrual as they are earned or incurred, except in case of significant uncertainties.

6. Retirement Benefits :

The Company makes regular contribution to Provident Fund, Gratuity Fund and Superannuation Fund. Liability for Gratuity and Leave Encashment are accounted for on actuarial valuation basis valued as per Accounting Standard AS 15 (Revised). All employee benefits have been funded except leave encashment.

7. The provision against non performing assets and Income recognition has been made as per prudential norms of Reserve Bank of India.

II. NOTES ON ACCOUNTS :

	As at 31.03.2014	(₹ in lacs) As at 31.03.2013
	₹	₹
1. SHARE CAPITAL		
Authorised		
25,00,000 (Previous year 25,00,000) Equity Shares of ₹ 10/- each.	<u>250.00</u>	<u>250.00</u>
Issued, Subscribed & Paid-up		
10,00,000 (Previous year 10,00,000) Equity Shares of ₹ 10/- each fully paid up.	<u>100.00</u>	<u>100.00</u>
	<u>100.00</u>	<u>100.00</u>

During the period of five years immediately preceeding the date of the Balance Sheet the Company has not issued any shares for consideration other than cash.

Term / 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 share is entitled to one vote per share held and dividend proposed by the Board of Directors subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be eligible to receive remaining assets of the Company after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares

Number of shares at the beginning of the year	10,00,000	10,00,000
Add : Shares issued during the year	Nil	Nil
Number of shares at the closing of the year	10,00,000	10,00,000

Details of more than 5% shares held by the shareholders

Name of the shareholders	No.	%	No.	%
1. Mint Investments Ltd.	332210	33.22%	332210	33.22%
2. Sri Chandra Kumar Dhanuka as a Partner of a Firm	161130	16.11%	161130	16.11%
3. Smt. Aruna Dhanuka	78700	7.87%	78700	7.87%

NAGA DHUNSERI GROUP LIMITED

II. NOTES ON ACCOUNTS : (Contd.)

	As at 31.03.2014	(₹ in lacs) As at 31.03.2013
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Account	14.61	14.61
	<u>14.61</u>	<u>14.61</u>
NBFC Reserve Fund		
As per last Account	1,069.75	965.00
Transferred from Profit & Loss Account	13.90	104.75
	<u>1,083.65</u>	<u>1,069.75</u>
General Reserve		
As per last Account	4,300.00	3,900.00
Add : Transferred from Profit & Loss Account	46.00	400.00
	<u>4,346.00</u>	<u>4,300.00</u>
Profit & Loss Account		
Profit for the year after tax	69.49	523.67
Balance at the beginning of the year	58.23	59.06
Excess Provision for Taxation Written back	—	3.65
Transferred to NBFC Reserve Fund	13.90	104.75
Transferred to General Reserve	46.00	400.00
Proposed Dividend ₹ 2/- per share (previous year ₹ 2/-)	20.00	20.00
Provision for Dividend Distribution Tax	3.40	3.40
Balance as on 31-03-2014	<u>44.42</u>	<u>58.23</u>
	<u>5,488.68</u>	<u>5,442.59</u>
3. Long-term borrowings		
Secured Loan		
Auto Finance Loan from a Bank	129.13	173.65
Secured by hypothecation of Vehicles financed Loan taken on 13-09-2011 and is repayable in 58 monthly instalments as fixed by bank.		
Out of which		
Less : Payable within twelve months shown as other current liabilities	49.52	44.52
	<u>79.61</u>	<u>129.13</u>
4. Long term provision		
Provision for leave encashment	0.30	0.77
	<u>0.30</u>	<u>0.77</u>

II. NOTES ON ACCOUNTS : (Contd.)

	As at 31.03.2014	(₹ in lacs) As at 31.03.2013
5. Trade Payable		
Sundry Creditors	103.97	—
	<u>103.97</u>	<u>—</u>
6. Other current liabilities		
Directors Commission Payable	1.00	1.00
TDS Payable	0.07	0.03
VAT Payable	—	0.12
Other Liabilities	1.91	1.75
Unpaid Dividend	9.95	9.58
Auto Loan - Current maturity of long term debts	49.52	44.52
Interest Accrued but not due on Auto Loan	0.58	0.83
	<u>63.03</u>	<u>57.83</u>
7. Short term provisions		
Provision for leave encashment	5.62	5.26
Provision for Gratuity	0.04	—
Provision for Income Tax	95.00	123.00
Proposed Dividend	20.00	20.00
Tax on proposed Dividend	3.40	3.40
	<u>124.06</u>	<u>151.66</u>
8. Fixed Assets		
Tangible Assets		

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.13	Addition during the year	Deduction/ Adjustment	As on 31.03.14	Upto 01.04.13	Added : Current year	Less : Adjustments	Total as at 31.03.14	As at 31.03.14	As at 31.03.13
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leasehold Land	20.04	—	—	20.04	0.72	0.24	—	**0.96	19.08	19.31
Furniture	1.75	—	—	1.75	1.30	0.08	—	1.38	0.37	0.45
Motor Vehicle	267.84	12.86	19.20	*261.50	84.54	71.82	5.30	151.06	110.44	183.31
Grand Total	289.63	12.86	19.20	283.29	86.56	72.14	5.30	153.40	129.89	203.07
<i>Previous year</i>	<i>277.32</i>	<i>12.31</i>	<i>—</i>	<i>289.63</i>	<i>6.54</i>	<i>80.02</i>	<i>—</i>	<i>86.56</i>	<i>203.07</i>	

** Amortisation

* Includes ₹ 253.35 lacs acquired on instalment system

II. NOTES ON ACCOUNTS : (Contd.)

**9A. Non Current Investments
(Long term Investments)
Other than Trade - Quoted**

	Face Value ₹	Numbers	As at 31.03.2014 ₹	Numbers	As at 31.03.2013 ₹
Agro Tech Foods Ltd.	10	43523	227.39	22636	116.80
Akzo Nobel India Ltd.	10	40096	330.39	32296	264.45
Bayer Cropscience Ltd.	10	10576	163.87	—	—
Bharat Forge Ltd.	2	9435	27.29	—	—
Cairn India Ltd.	10	—	—	5	0.02
Crompton Greaves Ltd.	2	1600	1.25	122100	133.50
Divi's Laboratories Ltd.	2	14189	144.58	—	—
Engineers (I) Ltd.	5	25000	51.58	—	—
Godrej Properties Ltd.	10	—	—	4142	25.45
Havell's India Ltd.	5	—	—	7500	46.30
Honeywell Automation (I) Ltd.	10	—	—	5	0.13
ICICI Bank Ltd.	10	—	—	14840	159.39
ING Vysya Bank Ltd.	10	—	—	5500	19.70
Jammu & Kashmir Bank	10	5000	61.50	—	—
Kaveri Seeds Ltd.	10	30162	176.42	—	—
Merck Ltd.	10	25768	154.81	—	—
Monsanto (I) Ltd.	10	1765	14.72	—	—
Motherson Sumi Systems Ltd. (Including Bonus 65268)	1	194500	157.83	85315	33.93
Orissa Mineral Development Co. Ltd.	10	7628	288.09	6090	257.97
P I Industries Ltd.	1	—	—	5	0.03
Rallis (I) Ltd.	1	—	—	113711	169.42
Siemens Ltd.	2	7900	46.08	—	—
SML Isuzu Ltd.	10	—	—	22186	86.06
Sun Pharma Adv. Research Co. Ltd.	1	—	—	35878	42.51
Tata Global Beverages Ltd.	1	52500	70.81	78000	101.99
The Karur Vysya Bank Ltd.	10	—	—	37360	207.10
Torrent Pharmaceuticals Ltd.	5	117563	327.06	62248	368.65
United Spirits Ltd.	10	7225	181.10	—	—
West Coast Paper Mills Ltd.	2	—	—	83000	98.85
Yes Bank Ltd.	10	—	—	5	0.02

Contd.

NAGA DHUNSERI GROUP LIMITED

II. NOTES ON ACCOUNTS : (Contd.)

	Face Value ₹	Numbers	As at 31.03.2014 ₹	Numbers	As at 31.03.2013 ₹
OTHERS - ASSOCIATED					
Dhunseri Petrochem & Tea Ltd. (Including Bonus 9,44,602)	10	3078759	1844.56	3078759	1844.56
Dhunseri Investments Ltd.	10	1066476	248.76	1066476	248.76
Plenty Valley Intra Ltd.	10	2000000	200.00	2000000	200.00
Fully Paid-up Equity					
Shares – Un-quoted					
SAI Rayalaseema Paper Mills Ltd.	10	—	—	51591	6.27
OTHERS - ASSOCIATED - UNQUOTED					
Madhuting Tea (P) Ltd.	10	130000	78.02	130000	78.02
Total			4796.11		4509.88
Aggregate of Quoted non current Investments					
Cost			4718.09		4425.59
Market Value			7390.83		5589.36
Aggregate of Un-quoted Investments			78.02		84.29

9B.Current Investments (At Cost)

	Units	Units	Units	Units
Fully Paid-up Mutual				
Fund Units-Unquoted				
HDFC Cash Management Fund Treasury				
Advantage Plan Retail Growth	543210.70	147.51	300036.18	75.05
SBI Premier Liquid Fund	7941.82	140.00	7941.82	140.00
SBI Magnum Instra cash Fund-cash option	2169.72	58.32	6809.68	175.46
		345.83		390.51
Aggregate of Un-quoted				
Current Investments		345.83	—	390.51
Repurchase value of units		371.17	—	401.40

II. NOTES ON ACCOUNTS : (Contd.)

10. Deferred tax assets (Net)

(₹ in lacs)

Deferred Tax Assets for the year ₹ 5.14 has been recognised in the Profit & Loss Account. Deferred Tax Assets are attributable to the following items :-

Assets	As at 31-03-2014	As at 31-03-2013	Adjustments
Depreciation	6.86	1.46	5.40
Others	—	0.26	(0.26)
	6.86	1.72	5.14

11A. Long term loans and advances

(Unsecured, considered good)

	As at 31.03.2014	As at 31.03.2013
Advance for purchase of flat	256.82	172.82
Security Deposit	17.29	17.38
Fringe benefit tax refund receivable	0.01	0.01
Income tax refund receivable	2.47	2.47
Staff Advance	1.75	—
	278.34	192.68

11B. Short term loans and advances

(Unsecured, considered good)

Prepaid Expenses	4.40	2.44
Staff & Other Advance	0.59	0.76
Advance - Income Tax	90.04	114.37
Tax deducted at source	5.68	6.11
	100.71	123.68

12. Inventories

Stock of Shares & Securities

(At cost or market price whichever is lower)

Fully paid up Equity shares Quoted

	Face Value	Numbers	As at 31.03.2014	Numbers	As at 31.03.2013
Jain Irrigation System Ltd.	2	—	—	194400	119.27
Orient Cement Ltd.	1	—	—	94429	42.95
Orient Paper & Industries Ltd.	1	—	—	94429	5.90
TV-18 Broadcast Ltd.	2	557000	134.86	732200	200.19
			134.86		368.31

NAGA DHUNSERI GROUP LIMITED

II. NOTES ON ACCOUNTS : (Contd.)	(₹ in lacs)	
	As at <u>31.03.2014</u>	As at <u>31.03.2013</u>
13. Trade Receivable		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	—	—
Others	137.12	—
	137.12	—
14. Cash and Cash equivalents		
Balance with Scheduled Banks :		
On Current Account	14.88	71.24
On Unpaid Dividend Account	9.95	9.59
Cheque-in-Hand	0.03	—
Cash in Hand	5.00	5.00
	29.86	85.83
15. Other current assets		
Interest Receivable	0.07	0.06
Rent on Commercial Vehicles Receivable	—	6.24
	0.07	6.30
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
16. Revenue from operation		
Sales of shares & securities	309.83	1,022.09
Rent on Commercial Vehicles	73.41	57.30
Dividend Received	218.15	189.72
Profit (Loss) on sale of investment (Net)	(62.36)	438.12
Investment - Pms written off	(6.27)	—
Interest received (Tax deducted at source ₹ 0.01 previous year ₹ 0.01)	0.11	0.90
Share difference	—	(0.08)
	532.87	1,708.05
17. Other Income		
Rent received (Tax deducted at source ₹ 2.84 previous year ₹ 2.84)	28.54	28.54
Miscellaneous receipts	0.06	0.48
Profit on Sale of Fixed Assets	0.37	—
Unclaimed Liability Written back	0.03	—
	29.00	29.02

NAGA DHUNSERI GROUP LIMITED

II. NOTES ON ACCOUNTS : (Contd.)

(₹ in lacs)

	For the year ended 31st March, 2014	<i>For the year ended 31st March, 2013</i>
18. Changes in inventories of stock in trade		
Opening stock of shares & securities	368.31	302.07
Closing stock of shares & securities	134.86	368.31
	<u>233.45</u>	<u>(66.24)</u>
19. Employees benefit expenses		
Salary	20.68	20.82
Bonus	1.26	1.20
Gratuity	0.04	—
Leave payment	1.06	1.69
Staff welfare expenses	2.89	2.78
Staff Insurance	1.00	1.82
Contribution to provident & other fund	2.46	2.38
	<u>29.39</u>	<u>30.69</u>
20. Finance Costs		
Interest paid for Auto Loan	16.19	21.76
Interest paid on Loan	0.02	—
	<u>16.21</u>	<u>21.76</u>
21. Depreciation & amortisation expenses		
Depreciation & amortisation expenses on fixed asset	72.14	80.02
	<u>72.14</u>	<u>80.02</u>

NAGA DHUNSERI GROUP LIMITED

II. NOTES ON ACCOUNTS : (Contd.)

(₹ in lacs)

	<u>For the year ended 31st March, 2014</u>	<u>For the year ended 31st March, 2013</u>
22. Other expenses		
Security transaction tax on trading	0.39	1.94
Security transaction tax on investment	3.59	3.40
Directors' commission	1.00	1.00
Audit Fees		
As audit Fees	0.34	0.34
For Company Law matters	—	0.05
Conveyance Expenses	0.02	—
For Certification	<u>0.17</u>	<u>0.15</u>
Repair to PTA Container (Lorry)	1.26	—
Repair to others	0.01	—
Demat charges	0.56	0.75
Directors' fees	0.62	0.54
Electric charges	1.76	1.73
Hire charges	0.37	0.37
Insurance charges	2.57	1.62
Miscellaneous expenses	2.73	2.24
Motor car running expenses	2.28	1.95
Profession charges	7.73	1.05
Prior period expenses	0.17	—
Rates & Taxes	2.88	0.49
Licence fees	1.94	1.94
Rent paid	31.50	31.50
Service Tax Paid	0.28	0.05
Advance & Claimed Written Off	0.01	—
Travelling & conveyance	0.71	0.56
	<u>62.89</u>	<u>51.67</u>

- 23.** The fall in the market price compared to cost of certain non-current investments has not been recognised in the accounts since these are long term strategic investments and decline in the market price at the year end does not represent permanent diminution in the value of investments.

II. NOTES ON ACCOUNTS : (Contd.)

24. Information of stock of Shares & Securities :

	31st March, 2014		31st March, 2013	
	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
Opening Stock	1115458	368.31	552233	302.07
Purchase	388600	83.80	1529019	1001.61
Sales	947058	309.83	965794	1022.09
Closing Stock	557000	134.86	1115458	368.31

25. Related party disclosures in accordance with the Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India.

A. Name of the Related Parties :

a) Key Management Personnel :

Mr. Chandra Kumar Dhanuka	—	Chairman
Smt. Aruna Dhanuka	—	Director
Mr. Mrigank Dhanuka	—	Director

b) Associated Companies :

M/s. Dhunseri Petrochem & Tea Ltd., M/s. Mint Investments Ltd., M/s. Dhunseri Investments Ltd., M/s. Plenty Valley Intra Ltd., M/s. Triplex Investments Ltd., M/s. Madhuting Tea Pvt. Ltd., M/s. Jatayu Estate Pvt. Ltd., M/s. Dhunseri Tea & Industries Ltd.

c) Others (Firm in which two of the Key Management personnel are partners)

Sewbhagwan & Sons - Firm

B. Information about transactions with related parties :

Nature of Transaction	Transaction with			
	Associate/Group Companies & Firm		Key Management Personnel	
	2013-2014 ₹	2012-2013 ₹	2013-2014 ₹	2012-2013 ₹
Rent Received	28.35	28.35	—	—
Hire Charges (Furniture)	0.37	0.37	—	—
Licence Fees	1.94	1.94	—	—
Interest Paid	0.02	—	—	—
Dividend Received	153.18	154.77	—	—
Dividend Paid to Shareholders	9.98	9.87	2.57	2.54
Sitting Fees/Commission Paid	—	—	0.59	0.56
Reimbursement of Expenses (Paid)	2.60	2.21*	—	—
Reimbursement of Expenses (Received)	1.98	—	—	—
Insurance Charges - Staff	1.77	1.77	—	—
Electric Charges	0.91	0.88	—	—
Sale of Shares (Re-purchase)	—	192.39	—	—
Loan Received	8.00	—	—	—
Loan Refunded	8.00	—	—	—
Sale of Fixed Assets (Including VAT)	13.18	—	—	—
*Paid to a Firm				

II. NOTES ON ACCOUNTS : (Contd.)

26. Disclosure as per Accounting Standard 19 in respect of Leasehold Assets.

- a) The total of future minimum lease payments under non cancellable operating leases for each of the following periods :

	2013-2014	2012-2013
	₹	₹
i) not later than one year	32.28	31.50
ii) later than one year and not later than five years	134.78	132.34
iii) later than five years	4,959.62	4,994.34
b) The total of future minimum sublease payments expected to be received under non cancellable subleases at the balance sheet date	4,601.19	4,629.73
c) Lease payments recognised in the statement of profit and loss account for the period, with separate amounts for minimum lease payments and contingent rents.	31.50	31.50
d) Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the year	28.54	28.35

27. On the basis of the information available with the Company there are no suppliers registered under the Micro, Small, Medium Enterprises Development Act, 2006.

28. Employee Benefits Obligation :

A. Defined Contribution Plans

Contribution for Defined Contribution Plan has been recognised as expenses in the Profit & Loss Account amounting to ₹ 1.81 lacs (previous year 1.72) and included in Schedule 19 under Contribution to Provident and other funds in the Profit & Loss Account.

B. Defined Benefit Plans

Gratuity :

The Company operates gratuity plan (administered through fund trust and managed by Birla Sun Life Insurance Company Limited) wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on retirement or termination of service, whichever is earlier. The benefit vests after five years of continuous service. Annual contributions based on actuarial valuation carried out at the year-end are made to Birla Sun Life Insurance Company Limited and the gratuity fund under group gratuity scheme.

II. NOTES ON ACCOUNTS : (Contd.)

Leave Benefit :

Leave benefit comprises of leave balances accumulated by the employees which can be encashed any time during the tenure of service / retirement / death or exit. Liability for leave encashment is provided for based on actuarial valuation carried out annually at the year end.

Disclosure regarding Gratuity and Leave Encashment.

I. GRATUITY - Funded

(₹ in lacs)

	As at 31-03-2014	As at 31-03-2013
	₹	₹
a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2014		
Current Service Cost	0.69	0.64
Interest Cost	2.06	1.82
Expected return on plan assets	(2.09)	(1.77)
Net actuarial (gain) / loss recognised during the year	(0.62)	(1.98)
Other Adjustment	—	—
	0.04	(1.29)
b) Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2014		
Present Value of Defined Benefit obligation	24.89	22.91
Fair Value of plan assets	28.04	26.09
	(3.15)	(3.18)
c) Actual return of plan assets		
Expected return on plan assets	2.09	1.77
Actuarial gain / (loss) on plan assets	1.95	2.33
	(0.14)	0.56
d) Change in Defined Benefit obligation during the year ended 31st March, 2014		
Present Value of Defined Benefit obligation as at 31-03-2013	22.91	22.74
Current Service Cost	0.69	0.65
Interest Cost	2.06	1.82
Benefits paid	0.00	(0.88)
Actuarial gain / (loss) on obligation	(0.77)	(1.42)
	24.89	22.91

II. NOTES ON ACCOUNTS : (Contd.)

(₹ in lacs)

	As at 31-03-2014	As at 31-03-2013
	₹	₹
e) Changes in fair value of Assets during the year ended 31st March, 2014		
Fair Value of plan assets	26.09	21.49
Expected return on plan assets	2.09	1.77
Contribution made	0.00	3.15
Benefits paid	0.00	(0.88)
Actuarial (gain) / loss on plan assets	(0.14)	0.56
	28.04	26.09

II. LEAVE ENCASHMENT - Unfunded

a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2014		
Current Service Cost	0.24	0.39
Interest Cost	0.54	0.42
Net actuarial (gain) / loss recognised during the year	0.28	0.88
	1.06	1.69
b) Present value in Defined Benefit obligation as at 31st March, 2014		
Present Value of Defined Benefit obligation as at 31-03-2013	6.04	5.22
Current Service Cost	0.24	0.39
Interest Cost	0.54	0.42
Benefits paid	(1.17)	(0.87)
Actuarial (gain) / loss on obligation	0.28	0.88
	5.93	6.04

Actuarial Assumption

	Gratuity	Leave Encashment
Mortality Table	IALM 06-08 ultimate	IALM 06-08 ultimate
Discount rate	9.00%	9.00%
Inflation rate	5.00%	5.00%
Expected return on plan assets	9.00%	NA

II. NOTES ON ACCOUNTS : (Contd.)

The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit method. The estimates of future salary increase, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply & demand in the employment market.

The above information is certified by the actuary.

29. On the basis of assessment of its assets made by the Company value in use / carrying value, do not fall short of its expected realisable value. Therefore no provision is required to be made for impairment of its assets as required under AS 28.

30. Dividend Income Includes

1) ₹ 216.23 (previous year 187.87) from Investment in shares

2) ₹ 1.92 (previous year 1.85) from stock in trade

31. Profit on sale of Investments includes :

1) Long term profit ₹ 10.91 (previous year 241.52)

2) Short term loss ₹ 73.27 (previous year 196.60)

32. Earning per Share :

(Figures in lacs)

Particulars	As at 31-03-2014	As at 31-03-2013
	₹	₹
Profit (Loss) after taxation as per Profit & Loss Account	69.49	523.67
Total Number of Equity Shares	10,00,000	10,00,000
Basic / diluted earning per share in rupees (Face value ₹ 10/- per share)	6.95	52.37

II. NOTES ON ACCOUNTS : (Contd.)

33. The Segment Reporting as per Accounting Standard - 17

PARTICULARS	Primary Segment		Other Segment	
	(Dealing in Shares and Securities)		(Hiring of Commercial Vehicles)	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
SEGMENT REVENUE				
Net Sale / Income from each Segment	488.46	—	73.41	—
	488.46	—	73.41	—
SEGMENT RESULTS				
Profit / (Loss) before Tax & Interest from each Segment	82.79	—	(2.59)	—
Less i) Finance Cost	(0.02)	—	(16.19)	—
ii) Un-allocated Expenditure	—	—	—	—
Total Profit / (Loss) before Tax	82.77	—	(18.78)	—
CAPITAL EMPLOYED				
Segment Assets (—) Segment Liabilities :				
a) Investment & Trading in Shares	5613.12	—	—	—
b) Hiring of Commercial Vehicles	—	—	(25.17)	—
c) Unallocated Assets	0.73	—	—	—
Total	5613.85	—	(25.17)	—

- a) The Company has disclosed business segment, as primary segment. Segments have been identified and reported taking into accounts the nature of business. The main business segment are I) Dealing in Shares and Securities, II) Other business segment consists of Hiring of Commercial Vehicles.
- b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the Segments and amount allocated on a reasonable basis. The Assets can not be allocated between segments are shown as unallocated assets.
- c) The revenue realised from the business of hiring commercial vehicles was less than 10% of total revenue of the Company for the previous year and therefore segment reporting was not made for the financial year ended 31-03-2013.

II. NOTES ON ACCOUNTS : (Contd.)

34. Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007)

Liabilities Side

1. Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :	<u>Amount Outstanding</u>	<u>Amount Overdue</u>
	₹	₹
a) Debentures : Secured	NIL	NIL
Unsecured	NIL	NIL
(Other than falling within the meaning of public deposits)		
b) Deferred Credits	NIL	NIL
c) Term Loans	NIL	NIL
d) Inter-Corporate Loans & Borrowings	NIL	NIL
e) Commercial Paper	NIL	NIL
f) Other Loans - Auto Loan	129.13	NIL
	<u>Outstanding</u>	
	₹	

Assets Side

2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
a) Secured	NIL
b) Unsecured (Excluding payment of Advance Taxes ₹ 95.73 lacs)	420.51
3. Break-up of Leased Assets and Stock on hire and other assets counting towards Assets Finance Companies activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	NIL
(b) Operating lease	19.08
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

II. NOTES ON ACCOUNTS : (Contd.)

4. Break-up of Investments

Current Investments

1. Quoted

i) Shares	a) Equity	134.86
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others (please specify)		NIL

2. Unquoted

i) Shares	a) Equity	NIL
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		345.83
iv) Government Securities		NIL
v) Others (please specify)		NIL

Long Term Investments

1. Quoted

i) Shares	a) Equity	NIL
	b) Preference	4718.09
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others		NIL

2. Unquoted

i) Shares	a) Equity	78.02
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others – Warrants		NIL

5. Borrower group-wise classification of assets financed as in (2) and (3) above

Category

	Amount net of provision		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	NIL	NIL	NIL
b) Companies in the same group	NIL	0.90	0.90
c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	438.69	438.69
Total	NIL	439.59	439.59

II. NOTES ON ACCOUNTS : (Contd.)

6. Investor group-wise classification of all Investments (current and long term) in Shares and Securities (both quoted and unquoted)

Category	Market Value/ Breakup or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	NIL	NIL
b) Companies in the same group	4,530.60	2,371.34
c) Other related parties	NIL	NIL
2. Other than related parties	3,499.33	2,905.46
Total	8,029.93	5,276.80

7. Other Information

Particulars	Amount
	₹
i) Gross Non Performing Assets	
a) Related Parties	NIL
b) Other than related parties	NIL
ii) Net Non Performing Assets	
a) Related Parties	NIL
b) Other than related parties	NIL
iii) Assets acquired in satisfaction of debt	NIL

35. Estimated amount of contracts remaining to be executed on capital account ₹ 700.75 lacs (previous year ₹ 214.31 lacs).

36. Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.

For S. S. KOTHARI & CO.,

Chartered Accountants

R. K. ROY CHAUDHURY

Partner

Place : Kolkata

Dated : The 27th day of May, 2014

H. P. BHUWANIA
Chief Financial Officer

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman

RAJEEV RUNGTA Director