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# **THE YAMUNA SYNDICATE LIMITED**

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**Reports and Accounts for the year ended  
31<sup>st</sup> March, 2014**

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## ANNUAL REPORT 2013-14

### BOARD OF DIRECTORS :

1. **Mr. Ranjit Puri**  
CHAIRMAN
2. **Mr. Manmohan Singh**  
DIRECTOR
3. **Mr. Vinod K. Nagpal**  
DIRECTOR
4. **Mr. D.D. Sharma**  
DIRECTOR
5. **Mr. Aditya Puri**  
DIRECTOR

### AUDIT COMMITTEE :

1. **Mr. Vinod K. Nagpal**  
CHAIRMAN
2. **Mr. Manmohan Singh**  
MEMBER
3. **Mr. Aditya Puri**  
MEMBER

### COMPANY SECRETARY :

**Mr. Ashish Kumar**

### AUDITORS :

**M/s. K.C. Malhotra & Co.**  
**Chartered Accountants**  
**New Delhi.**

### BANKERS :

1. **Punjab National Bank**
2. **State Bank of Patiala**

### REGISTERED OFFICE :

**Yamunanagar, Haryana.**

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**Contents**

|                                           | <b>Page No.</b> |
|-------------------------------------------|-----------------|
| Directors' Report                         | 3-4             |
| Annexure to the Directors' Report         |                 |
| - Directors' Responsibility Statement     | 5               |
| - Management Discussion and Analysis      | 5               |
| - Report on Corporate Governance          | 6-12            |
| - Secretarial Compliance Certificate      | 13-16           |
| Auditors' Report                          | 17-20           |
| Balance Sheet                             | 21              |
| Statement of Profit and Loss              | 22              |
| Cash Flow Statement                       | 23-24           |
| Notes forming part of Financial Statement | 25-41           |

## DIRECTORS' REPORT

The Directors hereby present their 60<sup>th</sup> Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March, 2014 :-

### 1. FINANCIAL RESULTS :

The financial results of the Company are given below :

(Rupees in lacs)

|                                        | <u>Year ended 31.03.2014</u> | <u>Year ended 31.03.2013</u> |
|----------------------------------------|------------------------------|------------------------------|
| Profit including Dividend for the year | 137.78                       | 153.49                       |
| Less : Tax Expense*                    | <u>0.27</u>                  | <u>(3.89)</u>                |
| Profit after Tax                       | 137.51                       | 157.38                       |
| Less :                                 |                              |                              |
| - Dividend including Tax               | 49.52                        | 49.52                        |
| - Transfer to General Reserve          | <u>14.00</u>                 | <u>16.00</u>                 |
|                                        | <u>63.52</u>                 | <u>65.52</u>                 |
| Balance carried to Profit & Loss A/c   | <u><u>73.99</u></u>          | <u><u>91.86</u></u>          |

\*No provision for taxation is required as there is no taxable income.

### 2. OPERATIONS :

The trading business of all products except Tractors was satisfactory.

During the year, your Company has taken up the Tractor dealership of M/s. New Holland Fiat (India) Pvt. Ltd. in place of M/s. Escorts Ltd.

M/s. New Holland allotted to the Company the areas of district Yamunanagar, Tehsil Pehowa of Kurukshetra district, Tehsil Indri of Karnal district and Tehsil Cheeka of Kaithal district in Haryana state with effect from October, 2013 and Ludhiana (East), Payal, Khanna and Samrala Tehsils of Ludhiana district area in Punjab State with effect from November 2013.

Since New Holland brand of tractor is new in the area, it is likely to take some time to establish the same and all efforts are being made in this direction. Progress so far has been satisfactory.

### 3. INVESTMENT :

During the year, the Company made net investment of Rs. 25.19 lacs in purchase of 2,996 Equity Shares of M/s. Isgec Heavy Engineering Limited. It sold 5429 Equity Shares and purchased 8425 Equity Shares.

### 4. DIVIDEND :

The Directors are pleased to recommend a dividend of Rs. 20/- per share.

### 5. DIRECTORS :

Mr. Aditya Puri, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

The Board of Directors has recommended to the General Meeting for appointment of Mr. Manmohan Singh, Mr. Vinod K. Nagpal and Mr. D.D. Sharma as Independent Directors for a term of two years upto 31<sup>st</sup> March, 2016.

### 6. AUDITORS :

M/s. K.C. Malhotra & Company, Chartered Accountants, New Delhi, Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

**7. PARTICULARS OF DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption are not required to be furnished since the Company is engaged in trading activity only.

There is no foreign exchange earnings and outgo.

**8. PARTICULARS OF EMPLOYEES :**

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 and hence no information is required to be appended in this regard.

**9. FIXED DEPOSITS :**

The amount of deposits with the Company, as at 31<sup>st</sup> March, 2014, was well within the limits prescribed under the provisions of the Companies Act. 6 (Six) depositors of the Company had, as on 31<sup>st</sup> March, 2014, not claimed their deposits on or from the due dates for repayment. The amount involved was Rs. 1.09 lacs.

**10. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :**

The Statement is annexed hereto.

**11. MANAGEMENT DISCUSSION & ANALYSIS REPORT UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**

Management Discussion & Analysis Report is annexed hereto.

**12. CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**

Report on Corporate Governance is annexed hereto.

**13. SECRETARIAL AUDIT:**

In accordance with Section 383A of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2002 your company is required to obtain a Secretarial Compliance Certificate from a Company Secretary in whole time practice. Accordingly, a Compliance Certificate is annexed hereto.

**14. ACKNOWLEDGEMENTS :**

Your Directors take this opportunity to thank the Banks, Government Authorities, Regulatory Authorities, Stock Exchange and the Shareholders for their continued co-operation and support to the Company.

With these remarks, we present the Accounts for the year ended 31<sup>st</sup> March, 2014.

By Order of the Board of Directors

Dated : 19.05.2014  
Place : Noida (U.P.)

**D.D. Sharma**  
Director

**Aditya Puri**  
Director

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## ANNEXURE TO DIRECTORS' REPORT

### Directors' Responsibility Statement under Section 217 (2AA) of the Companies Act, 1956

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that :-

1. in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed and there are no material departures,
2. they have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year,
3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
4. they have prepared the Annual Accounts on going concern basis.

### Management Discussion & Analysis

1. In the middle of last year, we gave up our Dealership of Escort Tractors and switched to new Holland Brand. The market perception of these tractors is that they are low on maintenance, have good aesthetic and low fuel consumption. These Tractors are new to the area allotted to us (as mentioned in Para 2 "Operations" of the Directors' Report). We are trying to create a market for these tractors by having extensive road shows, customer and mechanic meets and participating in Tractor fairs. We hope that within the coming year, the sale of Tractors will give us increased turnover and profitability.

At this point in time, the general perception is that the economy will show an upswing, which helps all our other businesses would, also show better sales and profits.

Efforts are also on to improve efficiency in our operations.

Better Financial Results to enhance the sales depends on the normal monsoon season.

#### 2. CAUTIONARY STATEMENT:

The statement may be "forward looking statement" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied depending upon economic conditions, government policies, regulations, environmental laws, tax regimes and other factors.

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**REPORT ON CORPORATE GOVERNANCE**  
(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

**1. A brief statement on Company's philosophy on code of governance:**

Clause 49 of the Listing Agreement with Stock Exchange set the benchmark compliance rules for a listed company and the baseline for governance standards. The Company adheres to the prescribed corporate practices as per Clause 49. It also follows transparency in business dealings, timely disclosures, effective internal and external communications.

**2. Board of Directors:**

i. Composition and size of the Board:

The present strength of the Board is Five Directors. The Board comprises of two Non-Executive Directors (one of them is Chairman) and three Non-Executive Independent Directors.

ii. Attendance of each Director at the Board Meetings and at the last Annual General Meeting, and

iii. Number of other Boards or Board Committees in which he is a Member or Chairman:

| Name of the Director                         | No. of Board Meetings attended | Whether attended the last Annual General Meeting | Directorships in other companies as disclosed |         |                       |                        |
|----------------------------------------------|--------------------------------|--------------------------------------------------|-----------------------------------------------|---------|-----------------------|------------------------|
|                                              |                                |                                                  | Public                                        | Private | Committee Member Ship | Committee Chairmanship |
| <b>Non-Executive Chairman &amp; Promoter</b> |                                |                                                  |                                               |         |                       |                        |
| Mr. Ranjit Puri                              | 4                              | Yes                                              | 4                                             | -       | 1                     | -                      |
| <b>Non-Executive Director &amp; Promoter</b> |                                |                                                  |                                               |         |                       |                        |
| Mr. Aditya Puri                              | 4                              | Yes                                              | 8                                             | -       | 2                     | -                      |
| <b>Non-Executive Independent Directors</b>   |                                |                                                  |                                               |         |                       |                        |
| Mr. Manmohan Singh                           | 1                              | No                                               | -                                             | -       | -                     | -                      |
| Mr. Vinod Kumar Nagpal                       | 4                              | Yes                                              | 1                                             | 3       | -                     | 1                      |
| Mr. D.D. Sharma                              | 2                              | No                                               | -                                             | 1       | -                     | -                      |

iv. Number of Board Meetings held, dates on which held :

During the year, four Board Meetings were held as under :-

27<sup>th</sup> May, 2013

12<sup>th</sup> August, 2013

14<sup>th</sup> November, 2013

07<sup>th</sup> February, 2014

**3. Audit Committee :**i. Brief description of terms of reference:

The Audit Committee was constituted in accordance with the code of Corporate Governance and the terms of reference of the Audit Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Delhi Stock Exchange where the shares of the Company are listed, which briefly are :-

- To discuss with Auditors (a) Internal Control System and suggest modification, and (b) scope of audit including observations of audit;
- To review Quarterly, Half Yearly and Annual Financial Statement;
- To ensure compliance of Internal Controls;
- To discuss with Internal Auditors (a) Periodical Reports (b) Scope of internal audit.

ii. Composition, Name of Members and Chairman :

| S. No. | Name of the Committee Member | Position | No. of Meeting attended |
|--------|------------------------------|----------|-------------------------|
| 1.     | Mr. Vinod K. Nagpal          | Chairman | 4                       |
| 2.     | Mr. Manmohan Singh           | Member   | 4                       |
| 3.     | Mr. Aditya Puri              | Member   | 4                       |

Mr. Rajiv Mago was the Secretary of the Audit Committee during the year.

iii. Meeting and attendance during the year:

During the year, four meetings of the Audit Committee were held on 27<sup>th</sup> May, 2013, 09<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 07<sup>th</sup> February, 2014. Detail of attendance by each Member is given in the above table.

**4. Remuneration Committee :**

The Board has not constituted a Remuneration Committee as it was not mandatory.

**5. Shareholders/Investors Grievance Committee :**i. Composition, Name of Members and Chairman :

| S. No. | Name of the Committee Member | Position |
|--------|------------------------------|----------|
| 1.     | Mr. Vinod K. Nagpal          | Chairman |
| 2.     | Mr. Manmohan Singh           | Member   |
| 3.     | Mr. Aditya Puri              | Member   |

ii. Name and designation of Compliance Officer:

Mr. Rajiv Mago was the Compliance Officer during the year.

iii. Number of Shareholders' Complaints received :

Nil

iv. Number of Complaints not solved to the satisfaction of Shareholders :

Nil

v. Number of pending Complaints :

Nil



**6. General Body Meetings :**i. Location and time of last three Annual General Meetings (AGM) held:

| Date                          | Location                                                                                     | Time       |
|-------------------------------|----------------------------------------------------------------------------------------------|------------|
| 30 <sup>th</sup> July, 2011   | Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamuna Nagar-135001 (Haryana) | 12.00 Noon |
| 9 <sup>th</sup> August, 2012  |                                                                                              | 12.00 Noon |
| 12 <sup>th</sup> August, 2013 |                                                                                              | 12.00 Noon |

ii. Whether any Special Resolution passed in the previous three AGM:

Yes, Special Resolution regarding acquisition of further securities under section 372A of the Companies Act, 1956 was passed in the AGM held on 30<sup>th</sup> July, 2011.

iii. Whether any Special Resolution passed last year through postal ballot-details of voting pattern:

No.

iv. Person who conducted the postal ballot exercise:

Not applicable.

v. Whether any Special Resolution is proposed to be conducted through postal ballot:

No.

vi. Procedure for Postal Ballot:

Not applicable.

**7. Disclosures :**i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large :

Nil.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Delhi Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

None.

iii. Code of Conduct for Directors and Senior Executives :

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of Conduct is available on the Company's website [www.yamunasyndicate.com](http://www.yamunasyndicate.com). Mr. R.N. Wakhloo, Chief Executive has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct.

iv. CEO/CFO certification :

A certificate, duly signed by the Chief Executive and Manager (Accounts) relating to financial statements, internal controls and internal control system for financial reporting as per the format provided in Clause 49(V) of the Listing Agreement, was placed before the Board, who took the same on record.

- v. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause :  
Complied with all mandatory requirements as detailed above. Company has not adopted non-mandatory requirements.

**8. Means of Communication :**

- i. Quarterly results :  
Yes, Published in Newspapers.
- ii. Newspapers wherein results normally published :  
(a) Business Standard or Financial Express (English)  
(b) Business Standard or Jansatta (Hindi).
- iii. Any website, where displayed :  
On Company's website : www.yamunasyndicate.com
- iv. Whether it also displays official news release :  
There was no official news release.
- v. The presentations made to institutional investors or the analysts :  
No presentation was made to institutional investors or the analysts.

**9. Shareholding of Non-executive Independent Directors :**

| S. No. | Name of the Director | Number of Shares held |
|--------|----------------------|-----------------------|
| 1.     | Mr. Vinod K. Nagpal  | 116                   |
| 2.     | Mr. Manmohan Singh   | 50                    |
| 3.     | Mr. D.D. Sharma      | 50                    |

**10. General Shareholder information :**

- i. Annual General Meeting date, time and venue :  
Annual General Meeting will be held on 04<sup>th</sup> August, 2014 at 12:30 p.m. at the Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamuna Nagar-135001 (Haryana).
- ii. Financial Year :  
1<sup>st</sup> April to 31<sup>st</sup> March.
- iii. Dates of Book Closure:  
28<sup>th</sup> July, 2014 to 04<sup>th</sup> August, 2014 (both days inclusive).
- iv. Dividend Payment date :  
By 18<sup>th</sup> August, 2014.
- v. Listing on Stock Exchange :  
Listed on Delhi Stock Exchange (DSE).
- vi. Scrip Code :  
Delhi Stock Exchange has allotted Scrip Code as 25002.

vii. Stock Market Price Data :

As there was no trading in DSE, quotations were not available for the year ended on 31<sup>st</sup> March, 2014.

viii. Share Transfer System :

There is an in-house arrangement for transfer of Shares under the responsibility of Company Secretary. The Share transfers are attended, registered and returned within 30 days from the date of receipt, if the documents are in order in all respects.

ix. Distribution of shareholding :

The Distribution of shareholding as on 31<sup>st</sup> March, 2014 is :

| Shareholding of Nominal Value |          | Shareholders |            | Share Amount |            |
|-------------------------------|----------|--------------|------------|--------------|------------|
| Rs.                           | Rs.      | Number       | % of Total | (In Rs.)     | % of Total |
| Up-to                         | 5,000    | 174          | 72.80      | 2,97,200     | 1.40       |
| 5,001                         | 10,000   | 23           | 9.62       | 1,83,400     | 0.87       |
| 10,001                        | 20,000   | 14           | 5.86       | 2,02,500     | 0.96       |
| 20,001                        | 30,000   | 6            | 2.51       | 1,45,800     | 0.69       |
| 30,001                        | 40,000   | 0            | 0.00       | 0            | 0.00       |
| 40,001                        | 50,000   | 3            | 1.26       | 1,29,800     | 0.61       |
| 50,001                        | 1,00,000 | 5            | 2.09       | 3,50,100     | 1.65       |
| 1,00,001 and above            |          | 14           | 5.86       | 1,98,56,000  | 93.82      |
| TOTAL                         |          | 239          | 100.00     | 2,11,64,800  | 100.00     |

Shareholding pattern as on 31<sup>st</sup> March, 2014 :

| <u>Category</u>             | <u>No. of Shareholders</u> | <u>No. of shares held</u> | <u>Percentage</u> |
|-----------------------------|----------------------------|---------------------------|-------------------|
| Promoters                   | 4                          | 154984                    | 73.23             |
| FII's, Banks & Mutual Funds | 2                          | 47                        | 0.02              |
| Others                      | 233                        | 56617                     | 26.75             |

x. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity :

There is no outstanding GDRs/ADRs/Warrants or any Convertible Instruments and therefore there is no impact on equity.

xi. Compliance under Listing Agreement :

Company is regularly complying with the provisions of the Listing Agreement. Information, certificates and returns as required under Listing Agreement are sent to the Stock Exchange within the prescribed time.

xii. Information on deviation from Accounting Standards, if any :

There has been no deviation from the Accounting Standards in preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014.

xiii. Address for correspondence :

Registered Office : Radaur Road, Yamunanagar -135 001 Haryana.  
Tel: 01732-255475/79 Fax 01732-251802  
E-mail : [yslynr@isgec.com](mailto:yslynr@isgec.com) / [yslynr12@rediffmail.com](mailto:yslynr12@rediffmail.com)

xiv. Details of the Directors seeking appointment/re-appointment in Annual General Meeting to be held on 04<sup>th</sup> August, 2014 (In pursuance of Clause 49 of the Listing Agreement) :

|                                                                                  |                                                                                                                                                                                                                                  |                                                       |                                                                            |                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director                                                             | Mr. Vinod K. Nagpal                                                                                                                                                                                                              | Mr. Manmohan Singh                                    | Mr. D.D. Sharma                                                            | Mr. Aditya Puri                                                                                                                                                                                                                                                                |
| Date of Birth                                                                    | 23.01.1948                                                                                                                                                                                                                       | 15.07.1928                                            | 12.04.1936                                                                 | 04.12.1967                                                                                                                                                                                                                                                                     |
| Date of Appointment                                                              | 15.02.1992                                                                                                                                                                                                                       | 12.11.1987                                            | 30.03.1998                                                                 | 23.11.1996                                                                                                                                                                                                                                                                     |
| Qualification                                                                    | B.Com, F.C.A.                                                                                                                                                                                                                    | B.A. from Cambridge University                        | B.Sc. & B.Sc. Engineering Mechanical                                       | B.A.(Hons.),M.A. (CANTAB) ECON. from Cambridge University                                                                                                                                                                                                                      |
| Board Position held                                                              | Non-Executive Director                                                                                                                                                                                                           | Non-Executive Director                                | Non-Executive Director                                                     | Non-Executive Director                                                                                                                                                                                                                                                         |
| Nature of his expertise                                                          | Practising Chartered Accountant                                                                                                                                                                                                  | Consultant                                            | Technical Advisor                                                          | Managing Companies                                                                                                                                                                                                                                                             |
| Other Directorship                                                               | (i) Isgec Heavy Engineering Ltd.<br>(ii) The Lake Palace Hotels & Motels Pvt. Ltd.<br>(iii) South Asia Consultants Pvt. Ltd.<br>(iv) Calcon Consultants India Pvt. Ltd.                                                          | None                                                  | None                                                                       | i) Isgec Heavy Engineering Ltd.<br>(ii) Saraswati Sugar Mills Ltd.<br>(iii) Isgec Engineering & Projects Ltd.<br>(iv) Isgec Hitachi Zosen Ltd.<br>(v) Jullundur Motor Agency (Delhi) Ltd.<br>(vi) JMA Rane Marketing Ltd.<br>(vii)Isgec Covema Ltd.<br>(viii)Isgec Exports Ltd |
| Chairman/Member of Committee of the Board of Companies of which he is a Director | (i) Isgec Heavy Engineering Ltd.-<br>Audit Committee- Chairman<br>Nomination & Remuneration Committee- Chairman<br>(ii) The Yamuna Syndicate Ltd.-<br>Audit Committee- Chairman<br>Nomination & Remuneration Committee- Chairman | The Yamuna Syndicate Ltd.-<br>Audit Committee- Member | The Yamuna Syndicate Ltd.-<br>Nomination & Remuneration Committee - Member | (i) Isgec Heavy Engineering Ltd.-<br>Audit Committee- Member<br>(ii) The Yamuna Syndicate Ltd.-<br>Audit Committee- Member<br>Nomination & Remuneration Committee- Member<br>(iii)Jullundur Motor Agency (Delhi) Ltd.-<br>Audit Committee- Member                              |
| Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V)      | 116 Shares<br>0.05%                                                                                                                                                                                                              | 50 Shares<br>0.02%                                    | 50 Shares<br>0.02%                                                         | 37620 Shares<br>17.77%                                                                                                                                                                                                                                                         |

**Annual Declaration by Chief Executive pursuant to Clause 49(1) (D) (ii) of the Listing Agreement**

As required under Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchange, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31<sup>st</sup> March, 2014.

## **Auditors' Certificate regarding compliance of conditions of Corporate Governance**

**TO THE MEMBERS**

**THE YAMUNA SYNDICATE LIMITED**

We have examined the compliance of the conditions of Corporate Governance by The Yamuna Syndicate Limited during the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For K.C. MALHOTRA & CO.**

Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**

Partner  
Membership No.013624

Place: New Delhi

Dated: 19.05.2014

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**SECRETARIAL COMPLIANCE CERTIFICATE**

**CIN of the Company** : L24101HR1954PLC001837  
**Authorised Share Capital** : Rs. 3,00,00,000 /-  
**Paid up Share Capital** : Rs. 2,11,64,800 /-

To,

**The Members,  
The Yamuna Syndicate Limited  
Yamuna Nagar –135 001  
(Haryana)**

We have examined the registers, records, books and papers of **The Yamuna Syndicate Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also provisions contained in the Memorandum & Articles of Association of the company for the financial year ended on **31<sup>st</sup> 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 the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and rules made there under.
3. The Company, being a public limited company, provisions relating to limitation of members and invitation of public subscription does not apply.
4. The Board of Directors duly met 4 (Four) times on 27<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 07<sup>th</sup> February, 2014 in respect of which meetings proper notices were given and proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 5<sup>th</sup> August, 2013 to 12<sup>th</sup> 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 on 31<sup>st</sup> March, 2013 was held on 12<sup>th</sup> August, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in 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.
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 has not obtained any approvals from the Board of Directors, members or Central Government.

12. The Company has issued duplicate Share certificates (wherever required) after completing the necessary formalities during the financial year.
  13. The Company has:
    - i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
    - ii) Deposited the amount of dividend in a separate Bank Account within specified time limit.
    - iii) Remitted dividend cheques to its members within 30 days from the date of declaration.
    - iv) Transferred an amount of Rs. 69,420/- to Investors Education and Protection fund against unpaid dividend for the year 2005-06.
    - v) Duly complied with the requirements of section 217 of the Act as applicable to it.
  14. The Board of Directors of the company is duly constituted. There was no appointment of directors, additional directors, alternate directors and director to fill casual vacancies 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 rules made there under.
  19. The Company has not issued any Shares/debentures/other securities during the financial year.
  20. The Company has not bought back any Shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year under review.
  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 complied with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975 and the applicable directions issued by the Reserve Bank of India in respect of Deposits raised by the company during the year and the company has filed the copy of Advertisement with Registrar of Companies. The company has also filed return of deposit with Registrar of Companies / Reserve Bank of India.
  24. The amount borrowed by the Company from Banks and others during the Financial Year ended on **31<sup>st</sup> March 2014** is within the borrowing limits of the company.
  25. The Company has made investments with other bodies corporate 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 review
29. The company has not altered the provisions of the memorandum with respect to Share capital of the company during the year under scrutiny.
30. The company has not altered its article of association during the financial year.
31. There were no prosecutions 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 received security from its employees during the year under certification and the same has been deposited as per provisions of Section 417(1) of the Act.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**Place: Yamuna Nagar**

**Date: 19.05.2014**

**Rajinder Kumar Bhalla**  
Practising Company Secretary  
C PNo.: 7360



**ANNEXURE -'A'**  
**STATUTORY REGISTERS MAINTAINED BY THE YAMUNA SYNDICATE LIMITED**

1. Register of Charges under Section 143.
2. Register of Members under Section 150.
3. Copies of Returns under Section 163.
4. Minutes Books of Meetings of Directors & Members.
5. Books of Accounts under Section 209.
6. Register of Particulars of contracts in which Directors are interested under Section 301.
7. Register of Directors, Managing Director, Manager and Secretary under Section 303.
8. Register of Investments or Loans made, Guarantee given or Security Provided under Section 372A.
9. Register of Fixed Deposit under Section 58A and Companies (Acceptance of Deposits) Rules, 1975.
10. Register of Transfer of Shares.

**ANNEXURE -'B'**

Forms and Returns as filed by **The Yamuna Syndicate Limited** with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on **31<sup>st</sup> March, 2014 :-**

| Sr. No. | From No./Return              | Filed Under Section                                                                                                                                                      | For                                                                                           | Date of Filing with Challan No. | Whether Filed within Prescribed Time Yes/No | If Delay in Filing whether Requisite Additional Fee Paid Yes/No |
|---------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------|-----------------------------------------------------------------|
| 1.      | Form No. 23AC & 23ACA (XBRL) | Section 220                                                                                                                                                              | Balance Sheet as on 31 <sup>st</sup> March, 2013 and Profit and Loss Account as on that date. | Q11015369 dated 11/09/2013      | Yes                                         | No                                                              |
| 2.      | Form No. 20B                 | Section 159                                                                                                                                                              | Annual Return made up to 12 <sup>th</sup> August, 2013 (AGM)                                  | Q11257383 dated 16/09/2013      | Yes                                         | No                                                              |
| 3.      | Form No. 66                  | Section 383A                                                                                                                                                             | Compliance Certificate as on 31 <sup>st</sup> March, 2013                                     | Q10406601 dated 26/08/2013      | Yes                                         | No                                                              |
| 4.      | Form No. 1INV                | Section 205C and Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001                                                | Statement of amount credited to Investors Education & Protection Fund                         | B88243829 dated 01/11/2013      | Yes                                         | No                                                              |
| 5.      | Form No. 5INV                | Section 205C and Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 | Statement of unclaimed and unpaid amounts                                                     | S22643860 dated 30/09/2013      | Yes                                         | No                                                              |
| 6.      | Form No 62                   | Section 58A and Rule 10 of Companies (Acceptance of Deposits) Rules, 1975                                                                                                | Return of Fixed Deposits                                                                      | B77154631 dated 15/06/2013      | Yes                                         | No                                                              |
| 7.      | Form No 62                   | Section 58A and Rule 4 of Companies (Acceptance of Deposits) Rules, 1975                                                                                                 | Texts of Advertisement for Fixed Deposits                                                     | B81663437 dated 13/08/2013      | Yes                                         | No                                                              |

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF THE YAMUNA SYNDICATE LIMITED****Report on the Financial Statements**

1. We have audited the accompanying financial statements of The Yamuna Syndicate Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and Cash flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information which have been signed under reference to this report.

**Managements Responsibility for the Financial Statements**

2. The Companies 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 of India (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.

**Auditors' Responsibility**

3. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. 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**

7. 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 (4 A) 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 given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. 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 purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from 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 with the Accounting Standards notified under 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;
- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;

**For K.C. MALHOTRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**  
Partner  
Membership No.013624

Place: New Delhi  
Dated: 19.05.2014

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**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 7 of the Independent Auditor's Report of even date to the members of The Yamuna Syndicate Limited on the financial statements as of and for the year ended 31<sup>st</sup> March, 2014.]

- (i). a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b) The Management has certified that it has conducted a physical verification of the fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed-off by the company.
- (ii). a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the book records, which in our opinion, were not material and have been properly dealt within the books of account.
- (iii). a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) (b) to (iii) (d) of paragraph 4 of the order are not applicable to the company.
  - b) (i) The Company has taken unsecured loans of Rs.6,03,67,000 /- in the form of fixed deposits from four directors, the rate of interest, terms and conditions of which are not prima-facie, prejudicial to the interest of the Company. The maximum amount outstanding during the year and the year-end balance of such loan are Rs.60,367,000/- and Rs.6,03,67,000 /- respectively. There are no other loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. There are no overdue amounts at the year end.
    - (ii) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v). a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements required to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and 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 prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of the aforesaid deposits.

- (vii) In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed to the Company by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to our financial Institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xiii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xiv) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted accounting principles in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed and reported during the year nor we have been informed of such case by the management.
- (xv) Matters specified in clauses (xii),(xiii),(xiv),(xv),(xviii),(xix) and (xx) of paragraph 4 of the CARO, 2003 do not apply to the company.

**For K.C. MALHOTRA & CO.**  
Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**  
Partner  
Membership No.013624

Place: New Delhi  
Dated: 19.05.2014

Balance Sheet as at 31<sup>st</sup> March, 2014

| PARTICULARS                        | Note No. | 31.03.2014             | Rupees in Lacs | 31.03.2013             |
|------------------------------------|----------|------------------------|----------------|------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                        |                |                        |
| (1) <b>Shareholder's Funds</b>     |          |                        |                |                        |
| (a) Share Capital                  | 2        | 211.65                 |                | 211.65                 |
| (b) Reserves and Surplus           | 3        | 2,737.19               |                | 2,649.20               |
|                                    |          | <u>2,948.84</u>        |                | <u>2,860.85</u>        |
| (2) <b>Non-current Liabilities</b> |          |                        |                |                        |
| (a) Long-term Borrowings           | 4        | 1276.61                |                | 854.56                 |
| (b) Deferred Tax Liabilities       | 28.5     | -                      |                | 0.41                   |
| (c) Other Long-term Liabilities    | 5        | 87.75                  |                | 71.68                  |
| (d) Long - term Provisions         | 6        | 7.11                   |                | 11.62                  |
|                                    |          | <u>1,371.47</u>        |                | <u>938.27</u>          |
| (3) <b>Current Liabilities</b>     |          |                        |                |                        |
| (a) Short-term Borrowings          | 7        | 516.25                 |                | 1674.38                |
| (b) Trade Payables                 | 8        | 116.65                 |                | 110.42                 |
| (c) Other Current Liabilities      | 9        | 151.20                 |                | 276.35                 |
| (d) Short-term Provisions          | 10       | 50.57                  |                | 51.40                  |
|                                    |          | <u>834.67</u>          |                | <u>2,112.55</u>        |
| <b>Total</b>                       |          | <b><u>5,154.98</u></b> |                | <b><u>5,911.67</u></b> |
| <b>II. ASSETS</b>                  |          |                        |                |                        |
| (1) <b>Non-current Assets</b>      |          |                        |                |                        |
| (a) Fixed Assets :                 |          |                        |                |                        |
| (i) Tangible Assets                | 11       | 56.36                  |                | 56.92                  |
| (ii) Capital Work-in-progress      |          | -                      |                | 2.80                   |
|                                    |          | <u>56.36</u>           |                | <u>59.72</u>           |
| (b) Non- current Investments       | 12       | 3,739.93               |                | 3,714.74               |
| (c) Deferred Tax Assets (net)      | 28.5     | 1.98                   |                | -                      |
| (d) Long-term Loans and Advances   | 13       | 27.95                  |                | 22.60                  |
| (e) Other Non-current Assets       | 14       | 1.50                   |                | 11.90                  |
|                                    |          | <u>3,771.36</u>        |                | <u>3,749.24</u>        |
| (2) <b>Current Assets</b>          |          |                        |                |                        |
| (a) Current Investments            |          | -                      |                | -                      |
| (b) Inventories                    | 15       | 712.57                 |                | 869.60                 |
| (c) Trade Receivables              | 16       | 423.67                 |                | 753.56                 |
| (d) Cash and Cash Equivalents      | 17       | 27.97                  |                | 81.39                  |
| (e) Short-term Loans and Advances  | 18       | 139.75                 |                | 361.52                 |
| (f) Other Current Assets           | 19       | 23.30                  |                | 36.64                  |
|                                    |          | <u>1,327.26</u>        |                | <u>2,102.71</u>        |
| <b>Total</b>                       |          | <b><u>5,154.98</u></b> |                | <b><u>5,911.67</u></b> |
| Significant Accounting Policies    | 1        |                        |                |                        |
| Notes on Financial Statements      | 2 to 29  |                        |                |                        |

For and on behalf of Board of Directors

**Mukesh Kr. Kamboj**  
Chief Financial Officer

**R.N. Wakhloo**  
Chief Executive Officer

**Ashish Kumar**  
Company Secretary

**D.D. Sharma**  
Director

**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C. Malhotra & Co.**  
Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**  
Partner

Membership No. 013624

Place : New Delhi  
Dated : 19.05.2014

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014

| PARTICULARS                                                   | Note No. | Rupees in Lacs         |                        |
|---------------------------------------------------------------|----------|------------------------|------------------------|
|                                                               |          | 31.03.2014             | 31.03.2013             |
| <b>I. Income</b>                                              |          |                        |                        |
| (a) Revenue From Operations                                   | 20       | 6,415.28               | 9,124.86               |
| (b) Other Income                                              | 21       | 356.45                 | 349.63                 |
| <b>Total Revenue (I)</b>                                      |          | <b><u>6,771.73</u></b> | <b><u>9,474.49</u></b> |
| <b>II. Expenses :</b>                                         |          |                        |                        |
| (a) Purchase of Traded Goods                                  | 22.a     | 5,852.15               | 8,379.93               |
| (b) Changes in Inventories of Traded Goods                    | 22.b     | 152.37                 | 134.75                 |
| (c) Employee Benefits Expenses                                | 23       | 177.23                 | 226.41                 |
| (d) Finance Costs                                             | 24       | 270.66                 | 343.27                 |
| (e) Depreciation                                              | 11       | 9.11                   | 9.36                   |
| (f) Other Expenses                                            | 25       | 172.43                 | 227.28                 |
| <b>Total Expenses (II)</b>                                    |          | <b><u>6,633.95</u></b> | <b><u>9,321.00</u></b> |
| <b>III. Profit before Tax (I-II)</b>                          |          | <b>137.78</b>          | <b>153.49</b>          |
| <b>IV. Tax Expense :</b>                                      |          |                        |                        |
| (a) Current Tax                                               | 26.a     | 2.66                   | (4.16)                 |
| (b) Deferred Tax                                              | 26.b     | (2.39)                 | 0.27                   |
| <b>V. Profit after Tax (III-IV)</b>                           |          | <b><u>137.51</u></b>   | <b><u>157.38</u></b>   |
| <b>VI. Earnings per equity share(basic and diluted) (Rs.)</b> |          |                        |                        |
| Face Value Rs. 100/- each                                     | 28.4     | 65                     | 74                     |
| Significant Accounting Policies                               | 1        |                        |                        |
| Notes on Financial Statements                                 | 2 to 29  |                        |                        |

For and on behalf of Board of Directors

**Mukesh Kr. Kamboj**  
Chief Financial Officer

**R.N. Wakhloo**  
Chief Executive Officer

**Ashish Kumar**  
Company Secretary

**D.D. Sharma**  
Director

**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C. Malhotra & Co.**  
Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**  
Partner  
Membership No. 013624

Place : New Delhi  
Dated : 19.05.2014

**Cash Flow Statement for the year ended 31<sup>st</sup> March,2014**

|                                                                           | Rupees in Lacs      |                     |
|---------------------------------------------------------------------------|---------------------|---------------------|
|                                                                           | 31.03.2014          | 31.03.2013          |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                           |                     |                     |
| Net Profit before tax                                                     | 137.78              | 153.49              |
| Adjustments for :                                                         |                     |                     |
| Depreciation                                                              | 9.11                | 9.36                |
| Investment Income-Dividend received                                       | (329.65)            | (328.76)            |
| (Profit)/Loss on sale of Fixed Assets - Net                               | (0.66)              | (0.35)              |
| Interest Income                                                           | (7.84)              | (5.72)              |
| Interest Expenses                                                         | 270.66              | 343.27              |
| <br>Operating profit before working capital changes                       | <br><b>79.40</b>    | <br><b>171.29</b>   |
| <br>Changes in Working Capital:                                           |                     |                     |
| Adjustments for (increase)/decrease in Operating Assets :                 |                     |                     |
| Inventories                                                               | 157.03              | 134.33              |
| Trade Receivables                                                         | 329.89              | 64.45               |
| Short Term-loans and Advances                                             | 221.77              | 60.06               |
| Long-term Loans and Advances                                              | (3.45)              | 21.96               |
| Other Current Assets                                                      | 13.34               | 11.21               |
| Other Non-current Assets                                                  | 10.40               | 17.26               |
| <br>Adjustments for increase/(decrease) in Operating Liabilities:         |                     |                     |
| Trade Payables                                                            | 6.23                | 84.41               |
| Other Current Liabilities                                                 | (124.06)            | (58.28)             |
| Other Long-term Liabilities                                               | 16.07               | (5.66)              |
| Short-term Provisions                                                     | (0.83)              | 0.70                |
| Long term Provisions                                                      | (4.51)              | 1.40                |
| Cash Generated From Operations                                            | 701.28              | 503.13              |
| Interest Paid                                                             | (270.66)            | (343.27)            |
| Direct Taxes Paid/Refund Received                                         | (4.56)              | 31.47               |
| <br>Net Cash Flow From Operating Activities                               | <br><b>426.06</b>   | <br><b>191.33</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>                           |                     |                     |
| Capital expenditure on Fixed assets                                       | (6.00)              | (8.24)              |
| Proceeds from Sale of Fixed Assets                                        | 0.91                | 0.76                |
| Purchase of long-term Investments                                         |                     |                     |
| -Others                                                                   | (25.19)             | (306.88)            |
| Interest Received                                                         |                     |                     |
| -Others                                                                   | 7.84                | 5.72                |
| Dividend Received                                                         |                     |                     |
| -Others                                                                   | 329.65              | 328.76              |
| <br>Net Cash used in Investing Activities                                 | <br><b>307.21</b>   | <br><b>20.12</b>    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>                           |                     |                     |
| From Long-term Borrowing                                                  | 422.05              | (339.72)            |
| From Short term Borrowing                                                 | (1158.13)           | 181.84              |
| Dividends Paid                                                            | (50.61)             | (49.64)             |
| <br>Net Cash Used in Financing Activities                                 | <br><b>(786.69)</b> | <br><b>(207.52)</b> |
| <br><b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b> | <br><b>53.42</b>    | <br><b>3.93</b>     |



|                                                                                                  | Rupees in Lacs |            |
|--------------------------------------------------------------------------------------------------|----------------|------------|
|                                                                                                  | 31.03.2014     | 31.03.2013 |
| Cash and Cash equivalents as at 1 <sup>st</sup> April, 2013<br>(Opening Balance) - Refer Note 17 | 81.39          | 77.46      |
| Cash and Cash equivalents as at 31 <sup>st</sup> March, 2014<br>(Closing Balance)- Refer Note 17 | 27.97          | 81.39      |

Note : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standards-3 on Cash Flow statements, notified under Sub-section (3C) of Section 211 of the Companies Act, 1956.

For and on behalf of Board of Directors

**Mukesh Kr. Kamboj**  
Chief Financial Officer

**R.N. Wakhloo**  
Chief Executive Officer

**Ashish Kumar**  
Company Secretary

**D.D. Sharma**  
Director

**Aditya Puri**  
Director

In terms of our report of even date  
**For K.C. Malhotra & Co.**  
Chartered Accountants  
(Firm Regn. No. 000057N)

**Ramesh Malhotra**  
Partner  
Membership No. 013624

Place : New Delhi  
Dated : 19.05.2014

## NOTE

**1 Significant Accounting Policies :****1.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial estimates are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

**1.3 Inventories**

Inventories are valued "at cost or market value, whichever is lower" depending upon on the nature of various inventories.

**1.4 Cash and cash equivalents**

Cash comprises cash in hand and deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.5 Tangible Assets and Depreciation**

Fixed Assets, are carried at cost less accumulated depreciation.

Depreciation has been provided on the written down value method at the rates specified in schedule XIV to the Companies Act, 1956. An asset where the actual cost does not exceed Rs. 5000/- is depreciated at the rate of 100%.

**1.6 Impairment of assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of profit and loss account in the year in which an asset is identified as impaired. The impairment loss in prior accounting is reversed if there has been a change in the estimate of recoverable amount.

**1.7 Investments**

Long-term investments are carried individually at its acquisition cost.

**1.8 Provisions and contingencies**

Provisions are created when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. A provision is not discounted to its present value and is determined on the best estimate required to settle the obligation at the year end date. These provisions are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**1.9 Claims and Incentives**

Claims and Incentives are accounted for on the basis of claims expected to be admitted and to the extent that there is no uncertainty in receiving the claims and incentives.

**Significant Accounting Policies (Contd.)****1.10 Revenue recognition**

Sales are recognized, net of returns and trade discounts, upon delivery of goods to customers. Sales exclude sales tax and value added tax. Revenue from services are recognized when services are rendered.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**1.11 Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund, leave encashment, and cost of other benefits.

**Defined Contributions plans**

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

**Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits determined using the projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date is funded with the Life Insurance Corporation of India. Actual gains and losses are recognized in the Statement of profit and loss in the period in which they occur.

The liability for leave encashment is provided in respect of eligible employees on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary.

**Short-term employee benefits**

Short-time employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees of the Company.

**1.12 Borrowing costs**

Borrowing costs include interest, fees and other costs incurred in connection with borrowing of funds and are recognized as expense in the period in which these are incurred.

**1.13 Leases**

Payments made under leases for land are charged to statement of profit and loss account under rent with reference to terms.

**1.14 Earnings per share**

Basic and diluted earnings per share is computed by dividing the net profit after tax, attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**1.15 Provision of Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing difference, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and deferred tax liabilities are measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing laws and the company has a legally enforceable right for each set off.

**Notes on Financial Statements****Note 2 Share Capital**

|                                                  | 31.03.2014       |                | 31.03.2013       |                |
|--------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                  | Number of shares | Rupees in lacs | Number of shares | Rupees in lacs |
| <u>Authorised</u>                                |                  |                |                  |                |
| Equity Shares of Rs.100/-each with voting rights | 300,000          | 300.00         | 300,000          | 300.00         |
| <u>Issued</u>                                    |                  |                |                  |                |
| Equity Shares of Rs.100/-each with voting rights | 211,648          | 211.65         | 211,648          | 211.65         |
| <u>Subscribed and Fully Paid-up</u>              |                  |                |                  |                |
| Equity Shares of Rs.100/-each with voting rights | 211,648          | 211.65         | 211,648          | 211.65         |
| <b>Total</b>                                     | <b>211,648</b>   | <b>211.65</b>  | <b>211,648</b>   | <b>211.65</b>  |

**Notes :**

i) Reconciliation of the number of shares :

|                                      | 31.03.2014       |                | 31.03.2013       |                |
|--------------------------------------|------------------|----------------|------------------|----------------|
|                                      | Number of shares | Rupees in lacs | Number of shares | Rupees in lacs |
| Equity Shares with voting rights     |                  |                |                  |                |
| Balance at the beginning of the year | 211,648          | 211.65         | 211,648          | 211.65         |
| Issued during the year               | -                | -              | -                | -              |
| Balance at the end of the year       | 211,648          | 211.65         | 211,648          | 211.65         |

ii) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 100/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

iii) Detail of Shares held by each shareholder holding more than 5% Shares :

| Class of Shares/Names of Shareholder: | Number of shares held | %holding in that class of shares | Number of shares held | %holding in that class of shares |
|---------------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| Equity Shares with voting rights      |                       |                                  |                       |                                  |
| -Mr Ranjit Puri                       | 101,404               | 47.91                            | 101,404               | 47.91                            |
| -Mr Aditya Puri                       | 37,620                | 17.77                            | 37,620                | 17.77                            |
| -Mr Romesh Malhan                     | 28,755                | 13.59                            | 30,755                | 14.53                            |

**Note 3 Reserves and Surplus**

|                                                                     | 31.03.2014 |                 | 31.03.2013 |                 |
|---------------------------------------------------------------------|------------|-----------------|------------|-----------------|
|                                                                     |            | Rupees in Lacs  |            | Rupees in Lacs  |
| (a) Capital Reserve                                                 |            | 2.02            |            | 2.02            |
| (b) Capital Redemption Reserve                                      |            | 0.80            |            | 0.80            |
| (c) General Reserve                                                 |            |                 |            |                 |
| Balance as at the beginning of the year                             | 607.53     |                 | 591.53     |                 |
| Add: Transferred from Surplus in Statement of Profit and Loss       | 14.00      | 621.53          | 16.00      | 607.53          |
| (d) Surplus in Statement of Profit and Loss                         |            |                 |            |                 |
| Balance as at the beginning of the year                             | 2,038.85   |                 | 1,946.99   |                 |
| Add: Profit for the year after Tax                                  | 137.51     |                 | 157.38     |                 |
| Less : Appropriations                                               | 2,176.36   |                 | 2,104.37   |                 |
| -Proposed Dividend Rs.20/- (Previous year Rs.20/-) per equity share | 42.33      |                 | 42.33      |                 |
| -Tax on Distributed profit                                          | 7.19       |                 | 7.19       |                 |
| -Transferred to General Reserve                                     | 14.00      | 2,112.84        | 16.00      | 2,038.85        |
| <b>Total</b>                                                        |            | <b>2,737.19</b> |            | <b>2,649.20</b> |

## Notes on Financial Statements

|                                                           |                                    | Rupees in Lacs |                 |                 |              |               |               |
|-----------------------------------------------------------|------------------------------------|----------------|-----------------|-----------------|--------------|---------------|---------------|
|                                                           |                                    | 31.03.2014     |                 |                 | 31.03.2013   |               |               |
| Terms of repayment and security<br>(Refer Note(i) below)  |                                    | Secured        | Unsecured       | Total           | Secured      | Unsecured     | Total         |
| <b>Note 4 Long-term Borrowings</b>                        |                                    |                |                 |                 |              |               |               |
| (a)                                                       | From Banks                         |                |                 |                 |              |               |               |
|                                                           | Term loan                          | -              | -               | -               | 55.52        | -             | 55.52         |
| (b)                                                       | Deposits                           |                |                 |                 |              |               |               |
|                                                           | (i) Public                         |                | 522.25          | 522.25          |              | 418.92        | 418.92        |
|                                                           | (ii) Shareholders                  | -              | 175.81          | 175.81          | -            | 225.50        | 225.50        |
|                                                           | (iii) Directors & their Relatives* | -              | 578.55          | 578.55          | -            | 154.62        | 154.62        |
| <b>Total</b>                                              |                                    | <b>-</b>       | <b>1,276.61</b> | <b>1,276.61</b> | <b>55.52</b> | <b>799.04</b> | <b>854.56</b> |
| *Include from related parties<br>( Refer note no. 28.3.a) |                                    |                | 485.00          | 485.00          |              | 125.00        | 125.00        |

## Note:- (i)

| Year in which loan taken | Amount of Loan (Rs. in Lacs) | Terms of Repayment                                                                                                                                                 | Security                                                                                                                          | Period of Maturity with respect to Balance sheet date | Number and Instalments due (Rs. in Lacs) | Applicable Rate of Interest                                         |
|--------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------|
| (a) 2009-10              | 300<br>(300)                 | Repayable in 36 monthly equal instalments, commencing 6 months after the date of drawdown                                                                          | Exclusive charge on Fixed Assets including Equitable Mortgage on the Immovable Properties and second charge on the Current Assets | 21.06.2013                                            | -<br>(3 Nos)<br>0.00<br>(25.00)          | 12%                                                                 |
| 2011-12                  | 250<br>(250)                 | Repayable in 36 monthly equal instalments, starts from 31.12.2011                                                                                                  | Exclusive Charge on immovable Property, Kurukshetra and second charge on the Current Assets                                       | 30.11.2014                                            | 8 Nos<br>(12 Nos)<br>55.43<br>(83.28)    | 12.75%                                                              |
| (b) 2011-12 to 2013-14   | (i) & (ii)                   | Repayable on due date from the deposit date or on or before 31st March, 2015, whichever is earlier, in accordance with section 74(1)(b) of the Companies Act, 2013 |                                                                                                                                   |                                                       |                                          | 6 Months 9.00%<br>1 Year 10.00%<br>2 Years 10.50%<br>3 Years 11.00% |
|                          | (iii)                        | Repayable to Directors on due date from the deposit date                                                                                                           |                                                                                                                                   |                                                       |                                          |                                                                     |
| <b>Total</b>             | 550<br>(550)                 |                                                                                                                                                                    |                                                                                                                                   | <b>Total</b>                                          | 55.43<br>(108.28)                        |                                                                     |

- Note (1) For the current maturities of Long-term Borrowings, refer item (i) in Note 9-Other Current Liabilities.  
 (2) Figures in bracket relates to Previous Year.

## Notes on Financial Statements

Rupees in Lacs

### Note 5 Other Long-term Liabilities

|                                             | 31.03.2014  |                     | 31.03.2013  |                     |
|---------------------------------------------|-------------|---------------------|-------------|---------------------|
| Interest accrued but not due on Borrowings* |             |                     |             |                     |
| -Public                                     | 37.80       |                     | 28.68       |                     |
| -Shareholders                               | 13.04       |                     | 5.72        |                     |
| -Directors & their Relatives                | <u>1.87</u> | 52.71               | <u>0.02</u> | 32.42               |
| Trade/security Deposits received            |             | 7.94                |             | 10.27               |
| Compensation Payable                        |             | 25.90               |             | 26.05               |
| Others                                      |             | 1.20                |             | 2.94                |
| <b>Total</b>                                |             | <b><u>87.75</u></b> |             | <b><u>71.68</u></b> |

\* Refer Note 4(i)(b)

### Note 6 Long-term Provisions

|                                   |                    |                     |
|-----------------------------------|--------------------|---------------------|
| Provision for Employee Benefits : |                    |                     |
| Provision for Leave Encashment    | 7.11               | 11.62               |
| <b>Total</b>                      | <b><u>7.11</u></b> | <b><u>11.62</u></b> |

### Note 7 Short-term Borrowings

|                                    | 31.03.2014           |                      |                      | 31.03.2013           |                      |                        |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|                                    | Secured              | Unsecured            | Total                | Secured              | Unsecured            | Total                  |
| (a) Cash Credit (i)                | 193.15               | -                    | 193.15               | 994.64               | -                    | 994.64                 |
| (b) Deposits                       |                      |                      |                      |                      |                      |                        |
| - Public                           | -                    | 189.54               | 189.54               | -                    | 265.50               | 265.50                 |
| - Shareholders                     | -                    | 108.44               | 108.44               | -                    | 43.19                | 43.19                  |
| - Directors & their Relatives (ii) | -                    | 25.12                | 25.12                | -                    | 371.05               | 371.05                 |
| <b>Total</b>                       | <b><u>193.15</u></b> | <b><u>323.10</u></b> | <b><u>516.25</u></b> | <b><u>994.64</u></b> | <b><u>679.74</u></b> | <b><u>1,674.38</u></b> |

(i) Secured by hypothecation of Stocks and Book Debts on parri-passu basis with Punjab National Bank and State Bank of Patiala.

(ii) Include from related parties

(Refer note no. 28.3.a) 25.00 25.00 350.00 350.00

### Note 8 Trade Payables

(Refer Note 27.1)

|                  | 31.03.2014           | 31.03.2013           |
|------------------|----------------------|----------------------|
| Due to suppliers | 116.65               | 110.42               |
| <b>Total</b>     | <b><u>116.65</u></b> | <b><u>110.42</u></b> |

## Notes on Financial Statements

Rupees in Lacs

| Note 9 Other Current Liabilities                                                       | 31.03.2014                 | 31.03.2013           |
|----------------------------------------------------------------------------------------|----------------------------|----------------------|
| Current maturities of long-term debt<br>(Refer note (i) below)                         | 55.43                      | 108.28               |
| Interest accrued but not due on borrowings                                             |                            |                      |
| -Public                                                                                | 41.05                      | 63.07                |
| -Shareholders                                                                          | 4.97                       | 6.06                 |
| -Directors & their Relatives                                                           | <u>0.04</u>                | <u>26.13</u>         |
|                                                                                        | 46.06                      | 95.26                |
| Unpaid dividends *                                                                     | 4.48                       | 5.57                 |
| Unpaid matured deposits and interest<br>accrued thereon*                               | 1.48                       | 1.33                 |
| Statutory remittances(Contributions to PF and<br>ESIC ,Vat, Service tax and sales tax) | 5.99                       | 7.93                 |
| Interest accrued on others                                                             | 0.35                       | 0.10                 |
| Advance from customers                                                                 | 6.72                       | 5.94                 |
| Other payables                                                                         | 30.69                      | 51.94                |
|                                                                                        | <b>Total <u>151.20</u></b> | <b><u>276.35</u></b> |

\* There is no amount due and outstanding to be credited to investor education and protection Fund.

Note(i) Current maturities of long-term debt- Refer Note (a) in Note 4 -Long-term Borrowings for details of security.

|              | 31.03.2014          |                 |                     | 31.03.2013           |                 |                      |
|--------------|---------------------|-----------------|---------------------|----------------------|-----------------|----------------------|
|              | Secured             | Unsecured       | Total               | Secured              | Unsecured       | Total                |
| Term Loan    | 55.43               | -               | 55.43               | 108.28               | -               | 108.28               |
| <b>Total</b> | <b><u>55.43</u></b> | <b><u>-</u></b> | <b><u>55.43</u></b> | <b><u>108.28</u></b> | <b><u>-</u></b> | <b><u>108.28</u></b> |

| Note 10 Short-term Provisions | 31.03.2014                | 31.03.2013          |
|-------------------------------|---------------------------|---------------------|
| For Proposed Equity Dividend  | 42.33                     | 42.33               |
| For Tax on Distributed Profit | 7.19                      | 7.19                |
| For Employee Benefits:        |                           |                     |
| Leave Encashment              | 1.05                      | 1.88                |
|                               | <b>Total <u>50.57</u></b> | <b><u>51.40</u></b> |

## Notes on Financial Statements

### Note 11 Fixed Assets

Rupees in Lacs

| Tangible assets       | Gross Block                    |             |             |                                | Depreciation                   |                 |                                        |                                | Net Block                      |                                |
|-----------------------|--------------------------------|-------------|-------------|--------------------------------|--------------------------------|-----------------|----------------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                       | Balance<br>as at<br>01.04.2013 | Additions   | Deductions  | Balance<br>as at<br>31.03.2014 | Balance<br>as at<br>01.04.2013 | For the<br>year | Eliminated<br>on disposal<br>of assets | Balance<br>as at<br>31.03.2014 | Balance<br>as at<br>31.03.2014 | Balance<br>as at<br>31.03.2013 |
| FREEHOLD LAND         | 1.44                           | -           | -           | 1.44                           | -                              | -               | -                                      | -                              | 1.44                           | 1.44                           |
| BUILDING              | 56.13                          | 3.67        | 0.37        | 59.43                          | 24.31                          | 1.77            | 0.35                                   | 25.73                          | 33.70                          | 31.82                          |
| PLANT AND MACHINERY   | 16.34                          | 2.17        | 1.59        | 16.92                          | 9.88                           | 2.05            | 1.51                                   | 10.42                          | 6.50                           | 6.47                           |
| FURNITURE AND FIXTURE | 20.35                          | 1.06        | 2.65        | 18.76                          | 16.46                          | 1.14            | 2.60                                   | 15.00                          | 3.76                           | 3.89                           |
| OFFICE EQUIPMENTS     | 2.94                           | 0.42        | 0.28        | 3.08                           | 1.74                           | 0.19            | 0.24                                   | 1.69                           | 1.39                           | 1.20                           |
| COMPUTER              | 13.20                          | 1.47        | 0.54        | 14.13                          | 8.69                           | 1.99            | 0.49                                   | 10.19                          | 3.94                           | 4.51                           |
| VEHICLE               | 31.08                          | -           | 0.06        | 31.02                          | 23.48                          | 1.97            | 0.06                                   | 25.39                          | 5.63                           | 7.59                           |
| <b>TOTAL</b>          | <b>141.48</b>                  | <b>8.79</b> | <b>5.49</b> | <b>144.78</b>                  | <b>84.56</b>                   | <b>9.11</b>     | <b>5.25</b>                            | <b>88.42</b>                   | <b>56.36</b>                   | 56.92                          |
| PREVIOUS YEAR         | 145.41                         | 5.44        | 9.37        | 141.48                         | 84.16                          | 9.36            | 8.96                                   | 84.56                          | 56.92                          |                                |



**Notes on Financial Statements**

Rupees in Lacs

|                                        |                   |                   |
|----------------------------------------|-------------------|-------------------|
| <b>Note 12 Non-Current Investments</b> | <b>31.03.2014</b> | <b>31.03.2013</b> |
|----------------------------------------|-------------------|-------------------|

**Investments (at cost)****Other Investments (Other than Trade)**

Investment in Equity Instruments

32,96,526 (Previous year 32,93,530) shares of  
Rs.10/- each including 21,67,500 bonus shares of  
Rs.10/-each of Isgec Heavy Engineering Limited

|              |                 |                 |
|--------------|-----------------|-----------------|
|              | 3,739.93        | 3,714.74        |
| <b>Total</b> | <u>3,739.93</u> | <u>3,714.74</u> |

|                                        |          |          |
|----------------------------------------|----------|----------|
| Aggregate amount of quoted Investments | 3,739.93 | 3,714.74 |
|----------------------------------------|----------|----------|

|                                                         |           |           |
|---------------------------------------------------------|-----------|-----------|
| Aggregate Market Value of listed and quoted Investments | 35,965.09 | 27,995.00 |
|---------------------------------------------------------|-----------|-----------|

**Note 13 Long-term Loans and Advances**

Loans and Advances to employees

|                          |      |      |
|--------------------------|------|------|
| Secured, Considered good | 0.27 | 2.49 |
|--------------------------|------|------|

|                                |              |              |
|--------------------------------|--------------|--------------|
| Unsecured, considered doubtful | <u>16.64</u> | <u>16.64</u> |
|--------------------------------|--------------|--------------|

|  |       |       |
|--|-------|-------|
|  | 16.91 | 19.13 |
|--|-------|-------|

Less: Provision for doubtful loans and  
advances

|  |              |              |      |
|--|--------------|--------------|------|
|  | <u>16.64</u> | <u>16.64</u> | 2.49 |
|--|--------------|--------------|------|

|                    |       |  |       |
|--------------------|-------|--|-------|
| Security Deposits* | 17.54 |  | 11.87 |
|--------------------|-------|--|-------|

|                     |       |  |  |
|---------------------|-------|--|--|
| Advance Income tax* | 10.14 |  |  |
|---------------------|-------|--|--|

|              |              |              |              |
|--------------|--------------|--------------|--------------|
|              |              |              | 8.24         |
| <b>Total</b> | <u>27.95</u> | <u>22.60</u> | <u>22.60</u> |

\*Unsecured, considered good

**Note 14 Other Non-Current Assets**

Long-term Trade Receivables (Unsecured)

|                 |   |      |  |
|-----------------|---|------|--|
| considered good | - | 0.53 |  |
|-----------------|---|------|--|

|                     |             |             |  |
|---------------------|-------------|-------------|--|
| considered doubtful | <u>3.38</u> | <u>3.38</u> |  |
|---------------------|-------------|-------------|--|

|  |      |      |  |
|--|------|------|--|
|  | 3.38 | 3.91 |  |
|--|------|------|--|

|                                    |             |   |      |
|------------------------------------|-------------|---|------|
| Less: Provision for doubtful debts | <u>3.38</u> | - | 0.53 |
|------------------------------------|-------------|---|------|

|                             |   |  |      |
|-----------------------------|---|--|------|
| Claims and Insurance Claims | - |  | 9.87 |
|-----------------------------|---|--|------|

\*Bank fixed deposit with original maturity  
period of more than twelve months

|  |      |  |      |
|--|------|--|------|
|  | 1.50 |  | 1.50 |
|--|------|--|------|

|  |             |  |              |
|--|-------------|--|--------------|
|  | <u>1.50</u> |  | <u>11.90</u> |
|--|-------------|--|--------------|

\* Pledged in favour of State Consumer Disputes Redressal Forum, Haryana

**Note 15 Inventories**

Traded goods

|                                    |        |        |  |
|------------------------------------|--------|--------|--|
| (At lower of cost or market value) | 712.41 | 864.78 |  |
|------------------------------------|--------|--------|--|

|                  |             |        |        |
|------------------|-------------|--------|--------|
| Goods in transit | <u>0.05</u> | 712.46 | 869.07 |
|------------------|-------------|--------|--------|

|                |      |  |      |
|----------------|------|--|------|
| Stores at cost | 0.11 |  | 0.53 |
|----------------|------|--|------|

|  |               |  |               |
|--|---------------|--|---------------|
|  | <u>712.57</u> |  | <u>869.60</u> |
|--|---------------|--|---------------|

## Notes on Financial Statements

| <b>Note 16 Trade Receivables</b>                                                                        | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Rupees in Lacs                                                                                          |                      |                      |
| (Unsecured ,considered good unless otherwise stated)                                                    |                      |                      |
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment | 23.46                | 58.67                |
| Others                                                                                                  | 400.21               | 694.89               |
| <b>Total</b>                                                                                            | <b><u>423.67</u></b> | <b><u>753.56</u></b> |

## Note 17 Cash and Cash Equivalents

|                                            |                     |                     |
|--------------------------------------------|---------------------|---------------------|
| Cash in hand                               | 2.49                | 12.01               |
| Cheques,Drafts in hand                     | 10.56               | 52.81               |
| Balance with Banks:                        |                     |                     |
| Current Accounts                           | 4.84                | 2.74                |
| Other bank balances (Refer Note (a) below) | 10.08               | 13.83               |
| <b>Total</b>                               | <b><u>27.97</u></b> | <b><u>81.39</u></b> |

Note :(a)

|                                      |      |      |
|--------------------------------------|------|------|
| Margin money against guarantee       | 0.80 | 0.35 |
| Margin money against matured deposit | -    | 0.79 |
| Employees Security Deposit           | 4.80 | 7.12 |
| Unpaid dividend accounts             | 4.48 | 5.57 |

## Note 18 Short-term Loans and Advances

|                                       | <b>31.03.2014</b>                       |                                          |                      | <b>31.03.2013</b>                       |                                          |                      |
|---------------------------------------|-----------------------------------------|------------------------------------------|----------------------|-----------------------------------------|------------------------------------------|----------------------|
|                                       | <b>Secured,<br/>considered<br/>good</b> | <b>Unsecured<br/>considered<br/>good</b> | <b>Total</b>         | <b>Secured,<br/>considered<br/>good</b> | <b>Unsecured<br/>considered<br/>good</b> | <b>Total</b>         |
| Loans and Advances to employees       | 0.97                                    | 5.87                                     | 6.84                 | 2.68                                    | 3.09                                     | 5.77                 |
| Prepaid Expenses                      | -                                       | 2.66                                     | 2.66                 | -                                       | 2.77                                     | 2.77                 |
| Balances with Government Authorities: |                                         |                                          |                      |                                         |                                          |                      |
| -Vat Credit Receivable                | -                                       | 51.67                                    | 51.67                | -                                       | 67.08                                    | 67.08                |
| Advance for Traded Goods              | -                                       | 56.43                                    | 56.43                | -                                       | 270.48                                   | 270.48               |
| Incentive Receivable                  | -                                       | 22.15                                    | 22.15                | -                                       | 15.42                                    | 15.42                |
| <b>Total</b>                          | <b><u>0.97</u></b>                      | <b><u>138.78</u></b>                     | <b><u>139.75</u></b> | <b><u>2.68</u></b>                      | <b><u>358.84</u></b>                     | <b><u>361.52</u></b> |

## Note 19 Other Current Assets

|                              | <b>31.03.2014</b>   | <b>31.03.2013</b>   |
|------------------------------|---------------------|---------------------|
| Interest accrued on Deposits | 0.03                | 0.09                |
| Claims and Insurance claims  | 23.27               | 36.55               |
| <b>Total</b>                 | <b><u>23.30</u></b> | <b><u>36.64</u></b> |

**Notes on Financial Statements**

Rupees in Lacs

| <b>Note 20 Revenue from Operations</b>               | <b>31.03.2014</b>      | <b>31.03.2013</b>      |
|------------------------------------------------------|------------------------|------------------------|
| Sale of products(Refer note (i) below)               | 6,329.92               | 9,017.78               |
| Sale of services (Refer note (ii) below)             | 10.33                  | 14.14                  |
| Other operating revenues (Refer Note (iii) below)    | 75.03                  | 92.94                  |
| <b>Total</b>                                         | <b><u>6,415.28</u></b> | <b><u>9,124.86</u></b> |
| Note                                                 |                        |                        |
| (i) Sale of products comprises :                     |                        |                        |
| Traded goods                                         |                        |                        |
| Tractors                                             | 1,949.45               | 4,679.50               |
| VST Tillers                                          | -                      | 5.88                   |
| Grabbers                                             | -                      | 9.12                   |
| Fertilizers                                          | 1.44                   | 0.98                   |
| Pesticides                                           | 395.69                 | 366.37                 |
| Seeds                                                | 0.02                   | 0.31                   |
| Motor Spirit/HSD                                     | 2,517.53               | 2,368.66               |
| Lubricants                                           | 356.99                 | 481.50                 |
| Spare parts,Accessories and Agricultural implements  | 114.62                 | 155.33                 |
| Electrical goods                                     | 147.90                 | 154.83                 |
| Batteries                                            | 824.32                 | 756.19                 |
| UPS                                                  | 21.96                  | 39.11                  |
| <b>Total</b>                                         | <b><u>6,329.92</u></b> | <b><u>9,017.78</u></b> |
| (ii) Sale of services comprises :                    |                        |                        |
| Workshop Receipts                                    | 10.33                  | 14.14                  |
| <b>Total</b>                                         | <b><u>10.33</u></b>    | <b><u>14.14</u></b>    |
| (iii) Other operating revenue comprises of:          |                        |                        |
| Commission Earned                                    | 10.91                  | 11.50                  |
| Incentive and Discount Receipts                      | 59.96                  | 78.82                  |
| Scrap & waste sales                                  | 4.16                   | 2.62                   |
| <b>Total</b>                                         | <b><u>75.03</u></b>    | <b><u>92.94</u></b>    |
| <b>Note 21 Other Income</b>                          |                        |                        |
| Interest Income (Refer note (i) below)               | 7.84                   | 5.72                   |
| Dividend Income:                                     |                        |                        |
| On long-term investments                             |                        |                        |
| Other than trade                                     | 329.65                 | 328.76                 |
| Other Non-operating Income (Refer note (ii) below)   | 18.96                  | 15.15                  |
| <b>Total</b>                                         | <b><u>356.45</u></b>   | <b><u>349.63</u></b>   |
| Note                                                 |                        |                        |
| (i) Interest Income Comprises:                       |                        |                        |
| Deposits                                             | 7.03                   | 1.96                   |
| Interest on Security Deposits and Loans and Advances | 0.81                   | 1.32                   |
| Interest on Income Tax Refund                        | -                      | 2.44                   |
| <b>Total</b>                                         | <b><u>7.84</u></b>     | <b><u>5.72</u></b>     |
| (ii) Other Non-operating Income Comprise:            |                        |                        |
| Profit on sale of Fixed Assets                       | 0.66                   | 0.35                   |
| Realisation/Write Back for Bad Debts written off     | 0.48                   | 0.48                   |
| Miscellaneous Receipts                               | 17.82                  | 14.32                  |
| <b>Total</b>                                         | <b><u>18.96</u></b>    | <b><u>15.15</u></b>    |

## Notes on Financial Statements

|                                                            | Rupees in Lacs         |                        |
|------------------------------------------------------------|------------------------|------------------------|
|                                                            | 31.03.2014             | 31.03.2013             |
| <b>Note 22.a Purchases of Traded goods</b>                 |                        |                        |
| Tractors                                                   | 1,668.00               | 4,342.80               |
| VST Tillers                                                | -                      | 5.60                   |
| Grabbers                                                   | -                      | 8.21                   |
| Fertilizers                                                | 2.99                   | -                      |
| Pesticides                                                 | 415.79                 | 357.29                 |
| Seeds                                                      | (0.01)                 | 0.33                   |
| Motor Spirit/HSD                                           | 2,453.33               | 2,313.84               |
| Lubricants                                                 | 300.19                 | 350.32                 |
| Spare parts,Accessories and<br>Agricultural implements     | 62.08                  | 100.80                 |
| Electrical goods                                           | 118.41                 | 128.40                 |
| Batteries                                                  | 810.34                 | 732.24                 |
| UPS                                                        | 21.01                  | 40.10                  |
| Tyres/Tubes                                                | 0.02                   | -                      |
| <b>Total</b>                                               | <b><u>5,852.15</u></b> | <b><u>8,379.93</u></b> |
| <b>Note 22.b Changes in Inventories of Traded goods</b>    |                        |                        |
| Opening stock                                              | 864.78                 | 999.53                 |
| Closing stock                                              | 712.41                 | 864.78                 |
| <b>Net (increase)/decrease</b>                             | <b><u>152.37</u></b>   | <b><u>134.75</u></b>   |
| <b>Note 23 Employees Benefits Expenses</b>                 |                        |                        |
| Salaries and wages                                         | 157.96                 | 203.99                 |
| Contribution to Provident and other Funds                  | 12.01                  | 13.98                  |
| Staff Welfare Expenses                                     | 7.26                   | 8.44                   |
| <b>Total</b>                                               | <b><u>177.23</u></b>   | <b><u>226.41</u></b>   |
| <b>Note 24 Finance Costs</b>                               |                        |                        |
| Interest Expense on:                                       |                        |                        |
| Borrowings                                                 | 270.62                 | 343.13                 |
| Interest on delayed payment/<br>Tax Deducted at Source/VAT | 0.03                   | 0.01                   |
| Others                                                     | 0.01                   | 0.13                   |
| <b>Total</b>                                               | <b><u>270.66</u></b>   | <b><u>343.27</u></b>   |

## Notes on Financial Statements

Rupees in Lacs

| <b>Note 25 Other Expenses</b>                                              | <b>31.03.2014</b>    | <b>31.03.2013</b>    |
|----------------------------------------------------------------------------|----------------------|----------------------|
| Consumption of Stores and Spares                                           | 0.48                 | 0.81                 |
| Power and Fuel                                                             | 5.11                 | 5.18                 |
| Rent                                                                       | 20.11                | 27.11                |
| Repairs to:                                                                |                      |                      |
| -Machinery                                                                 | 1.36                 | 1.13                 |
| -Building                                                                  | 2.27                 | 3.23                 |
| Insurance                                                                  | 4.80                 | 6.57                 |
| Rates and Taxes                                                            | 4.47                 | 3.51                 |
| Miscellaneous Expenses                                                     | 121.70               | 155.39               |
| Directors sitting fee                                                      | 0.30                 | 0.34                 |
| Directors commission                                                       | 0.25                 | 0.25                 |
| Payment to Statutory Auditors                                              |                      |                      |
| -Statutory audit fees                                                      | 1.65                 | 1.50                 |
| -Taxation matters                                                          | 0.20                 | 0.25                 |
| -Other services                                                            | 0.75                 | 0.90                 |
| -Reimbursement of expenses                                                 | 0.08                 | 0.12                 |
| Bad trade receivables & other receivables,<br>loans & advances written off | 6.92                 | 0.97                 |
| Provision for doubtful Trade Receivables, loans and advances               | -                    | 20.02                |
| Loss/(Profit) on Sale of Investment                                        | 1.98                 | -                    |
| <b>Total</b>                                                               | <b><u>172.43</u></b> | <b><u>227.28</u></b> |

## Note 26 Tax Expense

|                                   |                    |                      |
|-----------------------------------|--------------------|----------------------|
| (a) Current Tax                   | -                  | -                    |
| Tax adjustment of an earlier year | <u>2.66</u>        | <u>(4.16)</u>        |
|                                   | 2.66               | (4.16)               |
| (b) Deferred tax                  | <u>(2.39)</u>      | <u>0.27</u>          |
| <b>Total</b>                      | <b><u>0.27</u></b> | <b><u>(3.89)</u></b> |

## Note 27 Additional information to the financial statements

27.1 Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

The Company has not received any intimation from suppliers regarding their Status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amount unpaid as at the year end together with interest paid and/or payable as required under the said Act have not been given

27.2 No provision for tax has been made, as there is no assessable income for the year.

## Note 28 Disclosures under Accounting Standards

28.1 Employee Benefit Plans

28.1.a Defined Contributions Plans

Charged to the Statement of Profit and Loss

|                             |                    |                    |
|-----------------------------|--------------------|--------------------|
| Superannuation Fund         | 0.43               | 0.84               |
| Provident Fund              | 1.96               | 2.63               |
| State Insurance Corporation | 4.26               | 4.89               |
| <b>Total</b>                | <b><u>6.65</u></b> | <b><u>8.36</u></b> |

## Notes on Financial Statements

## Note 28 Disclosures under Accounting Standard (Contd.)

## Note 28.1.b Defined Benefit plans based on Actuarial Report Rupees in lacs

|                                                                                  | Gratuity Fund<br>(Funded Plan) |              | Leave Encashment<br>(Unfunded Plan) |                |            |            |            |            |            |            |
|----------------------------------------------------------------------------------|--------------------------------|--------------|-------------------------------------|----------------|------------|------------|------------|------------|------------|------------|
|                                                                                  | 31.03.2014                     | 31.03.2013   | 31.03.2014                          | 31.03.2013     |            |            |            |            |            |            |
| i) Change in Defined Benefit obligation:                                         |                                |              |                                     |                |            |            |            |            |            |            |
| Present value of obligation as at 1 <sup>st</sup> April, 2013                    | 28.40                          | 26.36        | 13.49                               | 11.40          |            |            |            |            |            |            |
| Current service Cost                                                             | 1.31                           | 1.92         | 2.01                                | 3.63           |            |            |            |            |            |            |
| Interest Cost                                                                    | 2.25                           | 2.04         | 0.18                                | 2.73           |            |            |            |            |            |            |
| Benefits paid                                                                    | (7.34)                         | (3.20)       | (1.25)                              | (1.99)         |            |            |            |            |            |            |
| Actuarial Loss/ (Gain)                                                           | (3.63)                         | 1.28         | (6.27)                              | (2.28)         |            |            |            |            |            |            |
| Present value of obligation as at 31 <sup>st</sup> March, 2014                   | <b>20.99</b>                   | <b>28.40</b> | <b>8.16</b>                         | <b>13.49</b>   |            |            |            |            |            |            |
| ii) Change in fair value of plan assets:                                         |                                |              |                                     |                |            |            |            |            |            |            |
| Present fair value of plan assets as at 1 <sup>st</sup> April, 2013              | 33.16                          | 33.30        | -                                   | -              |            |            |            |            |            |            |
| Expected return on plan assets                                                   | 2.53                           | 2.92         | -                                   | -              |            |            |            |            |            |            |
| Actuarial Loss/(Gain)                                                            | (0.66)                         | (0.24)       | -                                   | -              |            |            |            |            |            |            |
| Contributions                                                                    | 0.24                           | 0.19         | -                                   | -              |            |            |            |            |            |            |
| Benefits paid                                                                    | (10.24)                        | (3.02)       | (1.25)                              | (1.99)         |            |            |            |            |            |            |
| Fair value of plan assets as at 31 <sup>st</sup> March, 2014                     | <b>25.03</b>                   | <b>33.15</b> | -                                   | -              |            |            |            |            |            |            |
| iii) Amount recognised in the Balance Sheet:                                     |                                |              |                                     |                |            |            |            |            |            |            |
| Present value of obligation as at 31 <sup>st</sup> March, 2014                   | 20.99                          | 28.40        | 8.16                                | 13.49          |            |            |            |            |            |            |
| Fair value of plan assets as at year end                                         | 25.03                          | 33.15        | -                                   | -              |            |            |            |            |            |            |
| Unrecognized actuarial Loss/(Gain)                                               | -                              | -            | -                                   | -              |            |            |            |            |            |            |
| Net Assets/(Liability) recognized as at 31 <sup>st</sup> March, 2014             | <b>(4.04)</b>                  | <b>4.75</b>  | <b>(8.16)</b>                       | <b>(13.49)</b> |            |            |            |            |            |            |
| iv) Expenses recognised in the Statement of Profit and Loss:                     |                                |              |                                     |                |            |            |            |            |            |            |
| Current Service cost                                                             | 1.31                           | 1.92         | 2.01                                | 3.63           |            |            |            |            |            |            |
| Past service cost                                                                | -                              | -            | -                                   | -              |            |            |            |            |            |            |
| Interest Cost                                                                    | 2.25                           | 2.04         | 0.18                                | 2.73           |            |            |            |            |            |            |
| Expected return on Plan assets                                                   | (2.53)                         | (2.92)       | -                                   | -              |            |            |            |            |            |            |
| Net actuarial Loss/(Gain) recognised in the current year                         | (2.97)                         | 1.52         | (6.27)                              | (2.28)         |            |            |            |            |            |            |
| Total Expense                                                                    | <b>(1.94)</b>                  | <b>2.56</b>  | <b>(4.08)</b>                       | <b>4.08</b>    |            |            |            |            |            |            |
| v) Detail of Plan assets: Funded with Life Insurance Corporation of India (LIC)* | -                              | -            | -                                   | -              |            |            |            |            |            |            |
| vi) Principal actuarial assumptions used:                                        |                                |              |                                     |                |            |            |            |            |            |            |
| Discount Rate                                                                    | 10.00%                         | 10.00%       | 10.00%                              | 10.00%         |            |            |            |            |            |            |
| Expected rate of return on plan assets                                           | 9.00%                          | 9.15%        | 0.00%                               | 0.00%          |            |            |            |            |            |            |
| Expected rate of future salary increase                                          | 5.50%                          | 5.50%        | 5.50%                               | 5.50%          |            |            |            |            |            |            |
| vii) Experience adjustments                                                      | 31.03.2014                     | 31.03.2013   | 31.03.2012                          | 31.03.2011     | 31.03.2010 | 31.03.2014 | 31.03.2013 | 31.03.2012 | 31.03.2011 | 31.03.2010 |
| Present value of plan of obligation as at 31 <sup>st</sup> March, 2014           | 20.99                          | 28.40        | 26.36                               | 26.63          | 24.38      | 8.16       | 13.49      | 11.39      | 11.55      | 11.22      |
| Fair Value of plan assets as at 31 <sup>st</sup> March, 2014                     | 25.03                          | 33.15        | 33.30                               | 33.64          | 29.10      | -          | -          | -          | -          | -          |
| Funded status (Surplus/(Deficit)                                                 | (4.04)                         | 4.75         | 6.94                                | 7.00           | 4.72       | (8.16)     | (13.49)    | (11.39)    | (11.55)    | (11.22)    |
| Experience gain/(Loss) adjustment on plan liabilities                            | (2.97)                         | 1.52         | (1.32)                              | (0.26)         | 1.59       | (6.27)     | (2.28)     | (1.13)     | (1.26)     | (1.95)     |
| Experience gain/(Loss) adjustment on plan assets                                 | (0.66)                         | (0.24)       | (0.18)                              | (0.12)         | (0.53)     | -          | -          | -          | -          | -          |

\* The Plan assets are maintained with Life Insurance Corporation of India Gratuity scheme. The details of investments maintained by Life Insurance Corporation are not made available to the Company and have therefore not been disclosed. The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factors on long term basis. The above information is certified by the actuary.

## Notes on Financial Statements

### Note 28 Disclosures under Accounting Standards (contd.)

#### Note 28.2 Segment information

(i) Information about Primary Business Segments :

| Revenue          | 31.03.2014 |               |         | 31.03.2013 |               |         |
|------------------|------------|---------------|---------|------------|---------------|---------|
|                  | External   | Inter Segment | Total   | External   | Inter Segment | Total   |
| Vehicles         | 2336.98    | -             | 2336.98 | 5187.15    | -             | 5187.15 |
| Petrol Pump      | 2520.85    | -             | 2520.85 | 2371.96    | -             | 2371.96 |
| Other Businesses | 1557.45    | -             | 1557.45 | 1565.75    | -             | 1565.75 |
| Unallocated      | -          | -             | -       | -          | -             | -       |
| Total Revenue    | 6415.28    | -             | 6415.28 | 9124.86    | -             | 9124.86 |

| Result:                                           | 31.03.2014 | 31.03.2013 |
|---------------------------------------------------|------------|------------|
| Vehicles                                          | (2.58)     | 95.69      |
| Petrol Pump                                       | 48.32      | 47.17      |
| Other Businesses                                  | 92.17      | 116.89     |
| Unallocated                                       | -          | -          |
| Segment Result                                    | 137.91     | 259.75     |
| Unallocated expenditure net of unallocated income | (66.96)    | (97.47)    |
| Interest expenses                                 | (270.66)   | (343.27)   |
| Interest income                                   | 7.84       | 5.72       |
| Dividend income                                   | 329.65     | 328.76     |
| Profit before Tax                                 | 137.78     | 153.49     |
| Provision for Tax                                 |            |            |
| - Current tax                                     | -          | -          |
| - Deferred Tax                                    | (2.39)     | 0.27       |
| Taxation adjustment of previous year              | 2.66       | (4.16)     |
| Profit after Tax                                  | 137.51     | 157.38     |

#### Other information:

|                     | Year    | Vehicles | Petrol Pump | Other Businesses | Unallocated | Total   |
|---------------------|---------|----------|-------------|------------------|-------------|---------|
| Segment Assets      | 2013-14 | 854.13   | 39.67       | 409.16           | 3852.02     | 5154.98 |
|                     | 2012-13 | 1537.19  | 40.92       | 365.07           | 3968.49     | 5911.67 |
| Segment Liabilities | 2013-14 | 1590.67  | (57.62)     | 479.92           | 193.17      | 2206.14 |
|                     | 2012-13 | 2476.42  | (16.32)     | 354.60           | 236.12      | 3050.82 |
| Capital Expenditure | 2013-14 | 2.84     | 4.26        | 0.69             | 1.00        | 8.79    |
|                     | 2012-13 | 1.24     | 0.31        | 0.69             | 3.20        | 5.44    |
| Depreciation        | 2013-14 | 3.90     | 1.38        | 1.37             | 2.46        | 9.11    |
|                     | 2012-13 | 4.05     | 0.72        | 2.08             | 2.51        | 9.36    |

(ii) Information about Secondary Business Segments:

|               | 2013-14                        | 2012-13 | 2013-14                           | 2012-13 | 2013-14                   | 2012-13 |
|---------------|--------------------------------|---------|-----------------------------------|---------|---------------------------|---------|
|               | Revenue by geographical market |         | Carrying amount of Segment Assets |         | Additions to Fixed Assets |         |
| India         | 6415.28                        | 9124.86 | 5154.98                           | 5911.67 | 8.79                      | 5.44    |
| Outside India | -                              | -       | -                                 | -       | -                         | -       |
| Total         | 6415.28                        | 9124.86 | 5154.98                           | 5911.67 | 8.79                      | 5.44    |

## Notes on Financial Statements

### Note 28.2 Disclosures under Accounting Standards (contd.)

(iii) (a) The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

1. Vehicles - comprising of Tractors and their spare parts including Motor cycle parts, Accessories and Agricultural Implements, Tyres & Tubes, U.P.S. and Batteries.
2. Petrol Pump - comprising of Motor Spirit/HSD and Lubricants.
3. Others - primarily comprising of Fertilizers, Pesticides, Seeds, Electrical goods, etc.

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure and the internal financing reporting systems.

(b) Segment revenue in each of the above domestic business segments primarily include sales, workshop receipt and commission earned etc.

Segment Revenue comprises of:

|                          | <b>31.03.2014</b> | <b>Rupees in lacs<br/>31.03.2013</b> |
|--------------------------|-------------------|--------------------------------------|
| Sales of products        | 6329.92           | 9017.78                              |
| Sales of services        | 10.33             | 14.14                                |
| Other Operating revenues | <u>75.03</u>      | <u>92.94</u>                         |
| Total                    | <u>6415.28</u>    | <u>9124.86</u>                       |

(c) The segment revenue in the geographical segments considered for disclosure are as follows:

Revenue within India includes sales to customers located within India and earnings in India.

(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

### Note 28.3 Related Party Transactions

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

#### 28.3.a. Description and Name of Related Parties

| <u>Description of Relationship</u>                                                                  | <u>Name</u>                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Individual holding substantial interest                                                         | Mr. Ranjit Puri, Chairman                                                                                                                                                                                                                                                                                                                                                                                                    |
| (b) Relatives of Individual holding substantial interest                                            | i) Mrs. Nina Puri, wife of Mr. Ranjit Puri<br>ii) Mr. Aditya Puri, Director, son of Mr. Ranjit Puri                                                                                                                                                                                                                                                                                                                          |
| (c) Holding Company                                                                                 | None                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (d) Subsidiaries                                                                                    | None                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (e) Joint Venture                                                                                   | None                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (f) Entities over which parties referred to in (a) and (b) above can exercise significant influence | i) ISGEC Heavy Engineering Limited<br>ii) Saraswati Sugar Mills Limited<br>iii) ISGEC Covema Limited<br>iv) ISGEC Engineering & Projects Limited<br>v) ISGEC Exports Limited<br>vi) ISGEC Hitachi Zosen Limited<br>[Note: parties mentioned at (ii) to (vi) are subsidiaries of ISGEC Heavy Engineering Limited]<br>vii) Blue Water Enterprises<br>viii) Kamla puri Charitable Trust<br>ix) Kamla puri Charitable Foundation |
| (g) Key Management Personnel                                                                        | None                                                                                                                                                                                                                                                                                                                                                                                                                         |



## Notes on Financial Statements

### Note 28.3 Disclosures under Accounting Standards (contd.)

#### 28.3.b Details of related party transactions during the year and outstanding balances as at 31<sup>st</sup> March, 2014 :

| Detail of transactions                                  | Rupees in Lacs                                                                                                                         |                                                                                      |                    |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------|
|                                                         | Entities 28.3.a (f) (i) & (ii)<br>over which parties referred<br>to in 28.3.a (a) & (b) above<br>can exercise significant<br>influence | Individual holding<br>substantial<br>interest and<br>relatives of<br>such Individual | Total              |
| Sale of finished goods and Service charges              | 821.55<br>(693.84)                                                                                                                     | -                                                                                    | 821.55<br>(693.84) |
| Dividend income                                         | 329.65<br>(328.76)                                                                                                                     | -                                                                                    | 329.65<br>(328.76) |
| Payment for other services rendered                     | 26.20<br>(25.16)                                                                                                                       | -                                                                                    | 26.20<br>(25.16)   |
| Payment of guest house charges,<br>and Professional fee | 0.49<br>(0.62)                                                                                                                         | -                                                                                    | 0.49<br>(0.62)     |
| Lease Rent and House Tax for Land<br>and Building       | 0.39<br>(1.01)                                                                                                                         | -                                                                                    | 0.39<br>(1.01)     |
| Commission earned                                       | 10.78<br>(11.18)                                                                                                                       | -                                                                                    | 10.78<br>(11.18)   |
| Interest Receipts                                       | 0.12<br>(0.12)                                                                                                                         | -                                                                                    | 0.12<br>(0.12)     |
| Commission/Board Meeting Fee                            |                                                                                                                                        | 0.26<br>(0.24)                                                                       | 0.26<br>(0.24)     |
| Interest on Deposits                                    |                                                                                                                                        | 55.90<br>(49.19)                                                                     | 55.90<br>(49.19)   |
| Balances outstanding at the end of the year :           |                                                                                                                                        |                                                                                      |                    |
| Trade Receivables                                       | 92.81<br>(183.58)                                                                                                                      | -                                                                                    | 92.81<br>(183.58)  |
| Deposits payable                                        |                                                                                                                                        | 510.00<br>(475.00)                                                                   | 510.00<br>(475.00) |

Note: Figures in bracket relates to the Previous year.

## Notes on Financial Statements

### Note 28 Disclosures under Accounting Standards (contd.)

**Note 28.4** In accordance with Accounting standards (AS-20) "Earning Per Share" is calculated by dividing the profit/(Loss) attributable to the equity shareholders by the weighted average number of shares outstanding during the year.

The number used in calculating basic and diluted earnings per equity share are as stated below:

| Description                                                                                          | 31.03.2014 | Rupees in Lacs |  |
|------------------------------------------------------------------------------------------------------|------------|----------------|--|
|                                                                                                      |            | 31.03.2013     |  |
| a) Net profit after tax as per statement of profit and loss                                          | 137.51     | 157.38         |  |
| b) Weighted average number of equity shares used as denominator for calculating of earning per share | 211,648    | 211,648        |  |
| c) Face value of equity shares (in Rs.)                                                              | 100        | 100            |  |
| d) Basic and diluted earnings per share (in Rs.)                                                     | 65         | 74             |  |

**Note 28.5** The break-up of Deferred tax Asset/ (liability) is as follows:

| Element of Deferred tax             | As at<br>01.04.2013 | Credit/(Charge)<br>during the year | Rupees in Lacs      |  |
|-------------------------------------|---------------------|------------------------------------|---------------------|--|
|                                     |                     |                                    | As at<br>31.03.2014 |  |
| Depreciation                        | 0.10                | 0.15                               | 0.25                |  |
| Other                               |                     |                                    |                     |  |
| Timing Differences                  | <u>(0.51)</u>       | <u>2.24</u>                        | <u>1.73</u>         |  |
| Net Deferred tax assets/(liability) | <u>(0.41)</u>       | <u>2.39</u>                        | <u>1.98</u>         |  |

Note : The tax impact for the above purpose has been arrived at by using the applicable tax rate.

**Note 29** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.