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Chairman's Message



To our Shareholders

The world economic crisis and overall slowdown in the Indian economy in the year 2011-12 have poised greater challenges and difficult times for the Indian Finance Market and it was felt in the year 2012-13 and 2013-14 as well. Diverse businesses, economic factors has made the year gone by, one of the most difficult year for the company. The overall economy is still recovering from the slowdown in the economies of the developed countries which made considerable impact on Indian Business as well.

We thank our customers who have been with us in these trying times and they are working hard with us to overcome this.

As the Company sets aggressive growth targets on an large customer base, our focus is on ensuring that the back end of our business keeps the desired pace. Consequently, the Company has set about investing in newer avenues and we

Chairman's Message Contd.

are finding it lucrative. These initiatives, which will reap results over the next 2-3 years, will not only give Golden Goenka the strategic control on core areas of business but also give strategic leads to sustainable growth advantages which will stand the Company in good stead in the coming years.

The financial position of the company for the year 2013-14 was overall satisfactory and we have made considerable progress in our core sector. We are proud to inform our shareholders that the Company has issued and allotted Equity Shares on rights basis in the ratio of 9:5.

The Union Budget has announced a number of measures to boost the investment climate, with special focus on infrastructure and manufacturing sectors. This will definitely bring a sense of confidence in the business circle and your company hopes to be the part of the ongoing success story which India is poised for.

The process of transformation on which your company embarked years ago is accelerating. That process is increasingly reflected in your company's results. We are well set for further success in the years ahead.

I'd like to thank shareholders for the loyalty they've shown. Your continued confidence coupled with the loyalty of our customers and the imagination and commitment of our employees is fundamental to our transformation for growth.

Sincerely



CA G L Goenka

Board of Directors

CA G. L. Goenka

Chairman & Managing Director

Mr. Dinesh Burman

Executive Director

CA Chandra Kumar Chandak

Non-Executive Independent Director

Mr. Niranjana Choraria

Independent Director

Mr. Rhythm Arora

Independent Director

CA Shiv Kr. Dabhiwala

Chief Financial Officer

CA Avinash Kr. Bhauwala

Chief Operating Officer

CS Amrita Mohta

Company Secretary

Corporate Informations

Statutory Auditors

Das & Prasad

Chartered Accountants

Vasudeo & Associates

Chartered Accountants

Internal Auditors

Sharad Mohata & Co.

Chartered Accountants

Bankers

HDFC Bank

Punjab National Bank

Standard Chartered Bank

United Bank of India

Registrar & Share Transfer Agents

Niche Technologies Pvt. Ltd.

D511, Bagree Market

71, B.R.B. Basu Road, Kolkata 700 001

Phone: 03322357270/7271

Fax: 03322156823

Email: nichetechpl@nichetechpl.com

Registered Office

Golden Goenka Fincorp Limited,

1st, British Indian Street, Room No. B-10

Kolkata-700069, West Bengal, India

Phone: 033-2262 3827

Fax: 033-44070020

E-mail: shareholders@goldengoenka.com

Website: www.goldengoenka.com

Corporate Office

Golden Goenka Fincorp Limited,

1st, British Indian Street, Room No. 109,

Kolkata-700069, West Bengal, India

Phone: 033-40042424

Corporate Identification Number

L65993WB1993PLC060377



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Golden Goenka Fincorp Limited will be held on Wednesday, the 10th day of September 2014 at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 at 11:45 A.M. to transact the following businesses:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. To appoint Auditors and to authorize the Board of Directors or Committee thereof to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT M/s Das & Prasad, Chartered Accountants (Registration No. 303054E) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of 21st Annual General Meeting until the conclusion of the 25th Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting held after this meeting, on such remuneration as shall be fixed by the Board of Directors or Committee thereof.”

AS SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rhythm Arora (DIN: 03586033), an existing Independent Director who was appointed as a Director of the Company on 21st November, 2011 in casual vacancy caused by resignation of Mrs. Nitu Kaur and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for the consecutive period of five years from the conclusion of 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Chandra Kumar Chandak (DIN: 02529629), an existing Independent Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for the consecutive period of five years from the conclusion of 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Niranjan Kumar Choraria (DIN: 03626290), an existing Independent Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for the consecutive period of five years from the conclusion of 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and Rules made there under (including any

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Mr. Dinesh Burman (DIN: 00612904), the Whole-time Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956 shall henceforth be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

“**RESOLVED**, in supersession of Resolution passed under Section 293(1)(a) of the Companies Act, 1956 by Members through Postal Ballot on 24th March, 2012, **THAT**, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) thereof) under Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, (including any modification(s) or re-enactment thereof for the time being in force), to create mortgage(s) and /or charge(s) and/or hypothecation, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any part of the movable and/or immovable properties and assets of all kinds of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in the form of first and/or second and/or pari-passu/subservient mortgage/charge and/or floating charge to secure in favour of Financial Institution(s)/Bank(s), Lender(s), Agent(s), and Trustee(s), for securing the borrowings of the Company and/or its subsidiary companies availed/to be availed by way of loans(s) and/or securities (comprising fully/partly Convertible Debentures and/or Non-Convertible Debentures) with or without detachable or non-detachable warrants and/or secured premia notes and/or floating rates notes/bonds or other debt instrument(s), issued /to be issued by the Company and/or its subsidiary companies from time to time and working capital facilities sanctioned/to be sanctioned by the banker/financial institution/bodies corporate or any other lender to the Company and/or its subsidiary companies for an amount not exceeding in aggregate up to ₹ 100 crores (Rupees One hundred crores) together with interest at the respective agreed rates, additional rates, compound interest in case of default, accumulated interest, liquated damages, commitment charges, premia on pre-payment, remuneration of the Agent(s)/Trustee(s), premium (if any)

on redemption, all other costs, charges and expenses, including all other monies payable by the Company and/or its subsidiary companies to the Trustees of the holders of the said debentures/financial institution /banks/others lenders and incurred in terms of Loan Agreement(s)/ Heads of Agreement(s), Debenture Trust Deed(s) or any other documents, entered into/to be entered into between the Company and/or its subsidiary companies and Lender(s)/Agent(s) and Trustee(s) in respect of the said loan(s)/borrowing(s) debenture(s) and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between Company and/or its subsidiary companies and Lender(s)/Agent(s)/ and Trustee(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the Banks/Financial Institutions/ Lenders, other investing agencies and Trustees the documents for creating the aforesaid mortgages or charges and/ or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents from time to time and to do all such acts and things and to execute all such documents as may be necessary and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

“**RESOLVED**, in supersession of Resolution passed under Section 293(1)(d) of the Companies Act, 1956 by Members at the Extraordinary General Meeting held on 23rd May, 2012, **THAT**, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) thereof) under Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, (including any modification(s) or re-enactment thereof for the time being in force) to borrow from time to time any sum or sums of moneys, as may be considered fit for the business of the Company from any one or more Banks, bodies corporate or financial institutions or individuals or trust or provident fund or by any other authority as authorized to invest in the Company, by way of cash or credit, debentures, bonds, advances or other loans, whether unsecured or secured on such terms and conditions as it may deem fit and expedient in the interest of the Company, notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the



NOTICE OF ANNUAL GENERAL MEETING (Contd.)

paid-up capital of the Company and its free reserves provided, however, that the total amount up to which moneys may be borrowed shall not at any time exceed the sum of ₹ 300 Crores (Rupees three hundred crores).

RESOLVED FURTHER THAT, the Board be and is hereby authorized to settle any question, doubt or difficulty that may arise in relation to above and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to the above resolution or otherwise considered appropriate by the Board."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company be amended as follows:-

Article 71(b) be substituted as follows:

Save as otherwise provided, the quorum of the General Meeting shall be as provided in the Companies Act, 2013.

New Article 113A be inserted as follows:

An individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director and/or Chief Executive Officer of the Company.

New Article 137 under the heading "DEMATERIALISATION" be inserted as follows:

A person subscribing for shares offered by the Company or invested in the shares of the Company shall have the option either to receive Certificates for such shares or hold the shares in a dematerialised state with a Depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

New Article 138 under the heading "OTHERS" be inserted as follows:

- 138 (a) Wherever in the Companies Act, 2013 it has been provided that the Company shall have any rights, privileges, or authority or that the Company could carry out any transactions only if the Company is so authorised by its articles, then and in that case the Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Companies Act, 2013 without there being any specific Articles in that behalf herein provided.

- (b) Wherever in the Articles of Association any reference of the Companies Act, 1956 has been made then the same should be read in accordance with the corresponding applicable provisions, if any of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. G. L. Goenka (DIN: 00613725) as Managing Director of the Company, for a period of 3 (three) years with effect from November 23, 2014 at a remuneration and on the terms and conditions set out below:-

- A. Basic Salary- ₹ 120000/- per month
- B. Perquisites & Allowances-
- i. House Rent Allowance-50% of the Basic Salary
 - ii. Medical Reimbursement – ₹ 15000/-per annum
 - iii. Leave Travel Concession equal to 1 (one) month Basic Salary
 - iv. Use of chauffeur driven Company car for official purpose and telecommunication facilities at residence & mobile expenses (Including payment for local calls and long distance official calls). Provision of Car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.
 - v. Encashment of unavailed leave as per the Rules of the Company at the time of retirement/ cessation of service.

The said perquisites and allowances shall be evaluated wherever applicable, as per the Income Tax Act, 1961 or any rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force). In absence of any such rules, perquisites and allowances shall be evaluated as per actual.

The term "family" means the spouse and the dependent children of the Managing Director.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committees thereof.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

The remuneration payable to the Managing Director by way of salary, perquisites and allowances shall not however exceed the ceiling limit as prescribed under Schedule V of the Companies Act, 2013.

The Board of Directors on the recommendation of Nomination and Remuneration Committee of Directors is entitled to determine and revise the salary, perquisites and allowances payable to the Managing Director at any time, such that the overall remuneration payable shall not exceed the aggregate limit as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

The period of office of Mr. G. L. Goenka as Managing Director shall be liable to determination by retirement of directors by rotation. However this will not constitute discontinuation in tenure of services of Mr. G. L. Goenka.

The tenure of employment of Mr. G. L. Goenka as Managing Director of the Company may be terminated by the Company by giving notice of 45 days or payment of salary (Basic) in lieu thereof. In case, the Managing Director does not wish to continue with the Company, he should serve a notice period of 90 days prior to date of leaving or should make payment of salary (basic) in lieu thereof.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, then also he shall be paid salary, allowances and perquisites as specified above as minimum remuneration in accordance with the applicable provisions of the Companies Act, 2013

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 30th July, 2014

By Order of the Board
Amrita Mohta
Company Secretary

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the

Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books will remain closed from 3rd Day of September, 2014 to 10th Day of September, 2014 (both days inclusive).
4. Members holding shares in physical form are requested to notify the change in their addresses to the Registrar and Share Transfer Agents, Niche Technologies Pvt. Ltd., Room No. D-511, Bagree Market, 71, B.R.B Basu Road, Kolkata 700001 or to the Company and always quote their Folio No. in all correspondence.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
7. Pursuant to provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the statement containing information of the unclaimed amounts of dividend lying with the Company as on the date of last Annual General Meeting i.e., 12th August, 2013 has been uploaded on the website of the Company and necessary forms/returns have also been filed with the Ministry of Corporate Affairs.
8. All relevant documents referred in the Notice and Explanatory Statement will be available for inspection by the members at the Registered Office of the Company on any working day of the Company up to the date of the meeting.
9. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
10. Members desirous of getting any information in relation to the Company's Annual Report 2013-14 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Company to enable the Management to keep the information readily available at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

11. Electronic copy of the 21st Annual Report (including the Notice) of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report is being sent in the permitted mode.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rules made there under and Clause 35B of the Listing Agreement the Company is pleased to provide its members with the facility to exercise their right to vote at the 21st Annual General Meeting of the Company by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).
13. A Member, holding shares in physical form or in dematerialised form, may choose to cast his/her vote electronically. The Company will consider votes casted through the e-voting system while declaring the results of the voting.
14. The voting right of Shareholder shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 1st August, 2014.
15. For those Members opting for e-voting, the process and manner of e-voting will be as follows:
 - (i) The voting period begins at 10:30 A.M. on Thursday, 4th September, 2014 and ends at 7:00 P.M. on Saturday, 6th September, 2014. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e., 1st August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The members should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select the "**Golden Goenka Fincorp Limited**" from the drop down menu and click on "SUBMIT"
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|---|
| PAN | <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. <p>Example:</p> <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p> |
| DOB | Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format. |
| Dividend Bank Details | <p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut-Off Date (Record Date) of 01.08.2014. |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **Golden Goenka Fincorp Limited** on which you choose to vote.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
16. The results of voting will be announced by the Chairman of the meeting at the Annual General Meeting to be held on 10th September, 2014. The result of the voting will be hosted on the website of the Company.
17. The Company has appointed CS Arani Guha, Practising Company Secretary (CP No. 9573) as the Scrutinizer for conducting the E-voting process in fair and transparent manner.
18. A copy of this notice has been placed on the website of CDSL.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 (“The Act”)

Item No. 3

Mr. Rhythm Arora was appointed as Director in Casual Vacancy in lieu of resignation of Mrs. Nitu Kaur w.e.f. 21st November, 2011 pursuant to the provisions of Section 262 of the Companies Act, 1956 and in terms of Article 94 of Articles of Association of the Company.

According to the provision of Section 262 of the Companies Act, 1956 and Article 94 of Articles of Association of the Company he will hold office up to the unexpired term of Mrs. Nitu Kaur who would have held the office till the ensuing Annual General Meeting had she not vacated.

It is proposed to appoint Mr. Rhythm Arora as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting.

Mr. Rhythm Arora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Rhythm Arora that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rhythm Arora for the office of Director of the Company.

In the opinion of the Board, Mr. Rhythm Arora fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Rhythm Arora is independent of the management.



NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Copy of the draft letter for appointment of Mr. Rhythm Arora as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Mr. Rhythm Arora, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

Mr. Chandra Kumar Chandak, is a non executive Independent Director of the Company. Mr. Chandra Kumar Chandak joined the Board of Directors of the Company on 30th May, 2013.

Mr. Chandra Kumar Chandak is a Director whose period of office is liable to determination by retirement of directors by rotation under erstwhile applicable provisions of the Companies Act, 1956.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Mr. Chandra Kumar Chandak is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

It is proposed to appoint Mr. Chandra Kumar Chandak as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting.

The Company has also received declaration from Mr. Chandra Kumar Chandak that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Chandra Kumar Chandak for the office of Directors of the Company.

In the opinion of the Board, Mr. Chandra Kumar Chandak fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Chandra Kumar Chandak is independent of the management.

Copy of the draft letter for appointment of Mr. Chandra Kumar Chandak as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Mr. Chandra Kumar Chandak, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Mr. Niranjana Kumar Choraria is a non executive Independent Director of the Company. Mr. Niranjana Kumar Choraria joined the Board of Directors of the Company on 9th November, 2011.

Mr. Niranjana Kumar Choraria is a Director whose period of office is liable to determination by retirement of directors by rotation under erstwhile applicable provisions of the Companies Act, 1956.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public Company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Mr. Niranjana Kumar Choraria is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

It is proposed to appoint Mr. Niranjana Kumar Choraria Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting.

The Company has also received declaration from Mr. Niranjana Kumar Choraria that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Niranjana Kumar Choraria for the office of Directors of the Company.

In the opinion of the Board, Mr. Niranjana Kumar Choraria fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Niranjana Kumar Choraria is independent of the management.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Copy of the draft letter for appointment of Mr. Niranjana Kumar Choraria as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Mr. Niranjana Kumar Choraria, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

Mr. Dinesh Burman, Whole-time Director of the Company was appointed pursuant to provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, by the members in the Annual General Meeting held on 22nd August, 2012 for a term of 3 years with effect from 30th May, 2012.

The period of office of Mr. Dinesh Burman being the Whole-time Director is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

The Board of Directors of your Company at present consists of five members, with three of them being Independent Directors, being Non-executive and the remaining two being Executive Directors.

The provisions of Section 152 of the Act provide that not less than two-thirds of the total number of directors of a public Company shall be the persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" does not include Independent Directors whether appointed under the Act or any other law for the time being in force.

In the light of above-referred provisions of the Act it is desirable that the period of office of Mr. Dinesh Burman is made liable to determination by retirement of directors by rotation. However this will not constitute discontinuation in tenure of service of Mr. Dinesh Burman.

Except Mr. Dinesh Burman, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution set out at

Item No. 6 of the Notice for approval by the members.

Item No. 7

The Company through Postal Ballot on 24th March, 2012 authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to create mortgages and/or charges on the assets of the Company in favour of the lenders to secure their financial assistance not exceeding in aggregate of ₹ 100 crores as contained in the aforesaid Resolution.

However, pursuant to provisions of Section 180(1)(a) of the Act, the Board can exercise the aforesaid power of creating mortgages and/or charges only with the approval of the Members of the Company by way of Special Resolution. There is no change in the earlier limit of ₹ 100 crores as approved by the Members on 24th March, 2012.

None of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

The Company at its Extraordinary General Meeting held on 23rd May, 2012 authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow moneys for the purpose of Company's funds requirement, in excess of the aggregate of the paid up capital of the Company and its free reserve provided that the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 300 crores.

However, pursuant to provisions of Section 180(1)(c) of the Act, the Board can exercise of such borrowing power only with the approval of the members of the Company by way of Special Resolution. There is no change in the borrowing limit of ₹ 300 crores as earlier approved by the Members at the aforesaid Extraordinary General Meeting.

None of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution set out at

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Item Nos. 8 of the Notice for approval by the members.

Item No. 9

The existing Articles of Association (AoA) is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. Hence several provisions of the AoA with the coming into force of the Act are proposed to be altered.

Section 6 of the Act explicitly provides that in case of any conflict between the provisions of the Act, and the Memorandum/Articles of Association of the Company, the provisions of Act will prevail. In the light of the same, substantial changes have not been carried out to the Articles of Association of the Company and existing Articles have been streamlined and aligned so as to comply with the requirements of the Act. Provisions of the rules framed under the Act are subject to change which may require frequent alterations in the AoA. Hence we propose to alter only significant provisions of the AoA so as to comply with the provisions of the Act and the rules framed there under.

Member's attention is drawn to certain significant changes that are proposed to be carried out to the existing AoA viz:

- (a) Quorum requirement for holding a valid meeting of the Members;
- (b) An individual at the same time may be Chairperson as well as Managing Director and/or Chief Executive Officer.

The draft AoA is available for inspection at the registered office of the Company on all working days.

None of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

Item No. 10

The Board of Directors of the Company (the 'Board'), at its meeting held on 30th July, 2014 has, subject to the approval of members, re-appointed Mr. G. L. Goenka as Managing Director, for a period of 3 (three) years

from the expiry of his present term, which will expire on 22nd November, 2014 at the remuneration and terms and conditions recommended by the Nomination and Remuneration Committee at its meeting held on 30th July, 2014.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. G. L. Goenka as Managing Director in terms of the applicable provisions of the Act. The salient terms and conditions of the appointment are set out in the Item No. 10 of the Notice.

Information as required under Section II of Part II of Schedule V of the Act are as follows:-

I. GENERAL INFORMATION-

(1) Nature of Industry

Non Banking Finance Company

(2) Date or expected date of commencement of commercial production

Your Company continues to carry on its business of Non Banking Financial Company and follows the prudent financial management norms as applicable to it. The Reserve Bank of India (RBI) vide its letter dated 17th September, 2012 clarified that the Company had become NBFC-ND-SI w.e.f. quarter ended June, 2012 as the assets size of the company exceeded ₹100 crores.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

(4) Financial performance based on given indicators (₹ In Lacs)

| Financial Year ended | 31.03.2014 | 31.03.2013 |
|----------------------------|------------|------------|
| Gross Sales & Other Income | 1,344.08 | 7,651.98 |
| Profit after Tax | 73.17 | 200.16 |
| Equity Share Capital | 3,450.02 | 3,275.02 |
| Reserve and Surplus | 6,501.54 | 5,953.37 |

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

(5) **Foreign investments or collaborations, if any** – NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) **Background details**

Mr. G. L. Goenka, aged above 50 years is an Industrialist with more than 24 years of experience and is the Chairman and Managing Director of the Company. He is a Bachelor of Commerce from University of Calcutta and a Fellow Member of The Institute of Chartered Accountants of India. Currently, he has powers of management of the whole or substantially the whole of the affairs of the Company. He has keen analytical skills and good communication & interpersonal skills.

(2) **Past Remuneration (F.Y. 2013-2014)**

₹ 21.60 Lacs p.a.

(3) **Recognition or Awards**

Mr. G. L. Goenka is a Melvin Jones Fellow and was the Zone Chairperson in the District for 2009-10. He was a Zone Chairperson for 2010-11 of Lions Club International District 322B1. He is also a life member of Lions Club International

(4) **Job profile and his suitability**

Mr. G. L. Goenka has evolved as a Successful Entrepreneur in last two decades. He has over 24 years experience in the Financial Sector. Under his able guidance and leadership the Company anticipates to achieve high growth in near future. With sufficient past experience in successfully managing the affairs of the Company, Mr. Goenka is best suited for the position.

The turnover of the Company is more than ₹ 1000 lacs. As the Managing Director of the Company, he has power of management of the whole or substantially the whole of the affairs of the Company.

(5) **Remuneration proposed**

As referred in the resolution.

(6) **Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)**

The proposed remuneration is at par with the salary range of the CEO/MD of the Companies operating in the same sector in this part of the country.

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any**

Mr. G L Goenka has no pecuniary relationship with the

Company other than his remuneration as Managing Director and member/promoter of the Company. Relationships in accordance with Accounting Standard -18 are disclosed in the Annual Report.

There is no managerial personnel related to Mr. G. L. Goenka.

III. OTHER INFORMATION:

(1) **Reasons of loss or inadequate profit**

The Company is engaged in non banking financial activities. The margins in such industries traditionally are subject to economic reforms and market conditions. Increasing inflation, domestic political uncertainty and global economic condition contributes to the inadequacy of profit of the Company.

(2) **Steps taken or proposed to be taken for improvement**

The Company is taking steps to expand its business in all the areas of financing and related activities.

(3) **Expected increase in productivity and profits in measurable terms**

With the expansion plans of the Company in the area of financing and related activities the productivity of the Company is expected to be in commensurate to the prevailing industry trend in this part of the country.

IV. DISCLOSURE:

1. A draft resolution and detailed explanatory statement about the appointment and terms and conditions thereof of Mr. G. L. Goenka is presented under the Notice convening the ensuing Annual General Meeting.
2. The details regarding remuneration package etc., of all other directors, are produced in the Corporate Governance Report, annexed to the Directors' Report.

A copy of the Minutes of the Meetings of the Board of Directors and Nomination and Remuneration Committee and a copy of the draft agreement between the Company and Mr. G. L. Goenka in this connection will be kept open for inspection by the Members at the Registered Office of the Company.

The appointment and remuneration payable to Mr. G. L. Goenka require approval of the members in terms of Schedule V of the Act.

Except Mr. G. L. Goenka, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

| | | | | |
|--|--|--|---|--|
| Name of Director | Mr. Rhythm Arora | Mr. Chandra Kumar Chandak | Mr. Niranjan Kumar Choraria | Mr. G. L. Goenka |
| Date of Birth | 26.09.1989 | 15.08.1963 | 16.06.1962 | 06.01.1964 |
| Date of appointment | 21.11.2011 | 30.05.2013 | 09.11.2011 | 08.10.2010 |
| Qualification | ISC | B.Com (Hons) Chartered Accountant | B.Com | B Com (H), FCA |
| Nature of Expertise | Experience in Designing of Audio Visual Systems. | A Chartered Accountant with 25 years post qualification and 7 years pre-qualification experience in Finance and Financial Administration, Procurement, Marketing and Production. | Deals with land related matters and advisory services in construction industry. | An Industrialist with more than 24 years of experience in Financial Services Sector. |
| Directorship in other public limited companies | NIL | Manabarrie Tea Company Limited | NIL | Aristro Capital Markets Limited |
| Name of committees of other companies in which the director is a member | NIL | Manabarrie Tea Company Limited:- (a) Audit Committee-Member (b) Remuneration Committee -Chairman | NIL | NIL |
| No. of shares held in the Company | NIL | NIL | NIL | 12,62,853 |
| Relationships with other Directors | NIL | NIL | NIL | NIL |

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 30th July, 2014

By Order of the Board

Amrita Mohta
Company Secretary

Directors' Report

To

The Members of
Golden Goenka Fincorp Limited,

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts for the year ended 31st March, 2014.

Financial Results

(₹ in Lacs)

| Particulars | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| Revenue from Operation | 1320.87 | 7622.70 |
| Profit before Provisions & Tax | 100.64 | 279.33 |
| Profit before Tax | 84.65 | 267.60 |
| Tax Expenses | 11.48 | 67.44 |
| Profit after Tax | 73.17 | 200.16 |
| Balance brought forward from previous year | 81.79 | 0.69 |
| Amount available for appropriation | 154.96 | 200.85 |
| Appropriations:- | | |
| Interim dividend including tax | - | 79.03 |
| Statutory Reserve | 14.63 | 40.03 |
| Balance Carried to Balance Sheet | 140.33 | 81.79 |

OPERATIONS & BUSINESS ACTIVITIES

Your Company achieved lower Revenue from Operation of ₹ 1320.87 lacs as against ₹ 7622.70 lacs and lower profit before tax of ₹ 84.65 lacs as against ₹ 267.60 lacs in the previous financial year mainly because of reduction in the share trading business caused by volatility in the Capital Market, which accounted for a substantial part of the company's turnover in the previous year. Your Company intends to expand into financial market segment on pan India basis soon and capitalize the set up for the same along with increasing capacity as required by the business. Further, in order to align with the long term objectives of the Company, your directors envisage to reduce dependence on the securities trading business and consequently there may not be any speculative income in the financials in future.

A detailed Management Discussion Analysis Report forms part of this report as **Annexure – 1**

DIVIDEND

The Directors of your Company do not recommend any dividend for the financial year ended 31st March, 2014 in order to plough back the resources for future growth.

FIXED DEPOSIT

The Company is a non deposit taking Non Banking Financial Company and therefore has not accepted any public deposit during the year.

LISTING OF SHARES

The equity share of the Company continues to be listed on BSE Limited and the Calcutta Stock Exchange Limited. Your Company has applied to National Stock Exchange of India Ltd (NSE) for listing of its entire equity shares on the main Board of NSE. The same is under consideration of NSE.

REDEMPTION OF NON CONVERTIBLE DEBENTURES

The Debenture holders of 12.75 % Rated, Secured, Taxable, Redeemable, Non-Convertible Debenture(s) of ₹ 1000/- each of the Company at their meeting held on 17th June 2014 have approved the redemption of the entire 5,00,000 Debentures of ₹ 1000/- each aggregating to ₹ 50 crores before the scheduled redemption date i.e 6th March, 2017 in one or more tranches. The Company is in the process of redeeming the debentures.

SYSTEMICALLY IMPORTANT NBFCs – ND (NBFC – ND – SI)

Your Company continues to be Non Deposit Taking Systematically Important NBFC (Assets size of the Company exceeds ₹ 100 crores) and carries on its business of Non Banking Financial Company and follows the prudent financial management norms as applicable to it.

AUTHORISED CAPITAL

During the year under review, the authorised share capital of the Company was increased from ₹ 85,00,00,000 (Rupees Eighty Five crores) to ₹ 1,00,00,00,000 (Rupees One Hundred crores) divided into 20,00,00,000 Equity Shares of ₹ 5/- each.



Directors' Report (Contd.)

ALLOTMENT OF SHARES

As reported earlier, the Company has allotted 35,00,000 Equity Shares of ₹ 5/- each on 30th May, 2013 to promoters group at a premium of ₹ 15/- each per equity share pursuant to conversion of 17,50,000 Optionally Convertible Debentures. With this conversion all the optionally convertible debentures have been converted into equity shares. As a result of such conversion the paid up capital of the Company has increased from ₹ 3275.02 lacs to ₹ 3450.02 lacs.

Further the Board of Directors of your Company at its meeting held on 3rd May, 2014 has allotted 121,237,929 Equity Shares of face value of ₹ 5/- each at a premium of ₹ 4/- per Equity Share issued on rights basis in accordance with the basis of allotment of the equity shares as finalized by the Company, the Lead Manager and the Registrar to the issue in consultation with BSE Limited (the Designated Stock Exchange for the Rights Issue) on 2nd May, 2014.

The Promoters of the Company had subscribed to the whole of their entitlement under rights issue.

As a result of allotment of shares issued on rights basis, the paid up capital of the Company has increased from ₹ 3450.02 lacs to ₹ 9511.92 lacs. Pursuant to such allotment the promoter's shareholding in the Company is 59.90%.

The Company has received approval from BSE Limited and The Calcutta Stock Exchange Limited for listing and dealing of all the above Equity Shares of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the requirement of Section 217(2AA) of the Companies Act, 1956 your Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

In terms of Clause 49 of the listing agreements with the Stock Exchanges, Report on Corporate Governance along with certificate of compliance from a Practicing Company Secretary confirming compliances to the conditions of the Corporate Governance are attached and form part of the Report as **Annexure -2**.

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

The Company is a Non Banking Financial Company and therefore information relating to Conservation of Energy and Technology Absorption are not applicable.

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

DIRECTORS

Mr. Arun Goenka, Director of the Company resigned w.e.f 17th December, 2013. The Board places on record its high appreciation of the valuable services rendered by Mr. Arun Goenka during his tenure as Director of the Company.

Mr. Rhythm Arora, was appointed as director in casual vacancy with effect from 21st November, 2011 in place of Mrs. Nitu Kaur. Mr. Rhythm Arora holds office till the ensuing Annual General Meeting and is eligible for reappointment as Independent Director of the Company, for a term until 26th Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came into effect from April 1, 2014, approval of the members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Chandra Kumar Chandak and Mr. Niranjana Kumar Chordia, Directors of the Company as Independent Directors of the Company, for a term until 26th Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under both Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. G. L. Goenka was appointed as Managing Director of the Company w.e.f. 23rd November, 2011 for a period of 3 years i.e, till 22nd November, 2014. Your Company proposes to re-appoint Mr. G. L. Goenka as the Managing Director of the Company for a further period of 3 years w.e.f 23rd November, 2014.

Directors' Report (Contd.)

The re-appointment and the remuneration of Mr. G. L. Goenka are subjected to the approval of the members at the ensuing Annual General Meeting.

AUDITORS

M/s Das & Prasad, Chartered Accountants, Joint Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and offer themselves for re-appointment. M/s Das & Prasad, Chartered Accountants have confirmed that their re-appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Further your Company has received a letter from M/s Vasudeo & Associates, Chartered Accountants, Joint Statutory Auditors of the Company indicating their unwillingness to be reappointed as Statutory Auditors of the Company.

In view of unwillingness of M/s Vasudeo & Associates, Chartered Accountants, M/s Das & Prasad, Chartered Accountant, if appointed, will be the sole Statutory Auditor of the Company and will hold the office from the conclusion of forthcoming 21st Annual General Meeting till the conclusion of 25th Annual General Meeting.

AUDITORS' OBSERVATIONS

The observations of the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

With reference to the Auditors' observation in respect of Investments in/Advances for Property Development aggregating to ₹ 7,45,00,000/- (Previous Year ₹ 17,45,00,000), the Company is of the view that the amounts invested/advanced are towards ventures which would yield profits in future.

With respect to investment made in 800,000 equity shares of S2 Capital Services Pvt Ltd of ₹ 10 each issued at premium of ₹ 40 per share amounting to ₹ 400 lacs, the Company is of the view that the said investment is long term strategic investment and hence no provision for diminution in value of said investment has been made in the current financial year.

With reference to the Auditors' observation in clause (iv) of the Annexure to the Auditors' Report, your Company is taking necessary steps to further strengthen the internal control system with regards to documentations relating to granting of Loans & Advances.

With regards to clause (vii) of the Annexure to the Auditors' Report, your Company is taking necessary steps to further enlarge the scope & coverage of Internal Audit System.

APPOINTMENT OF CHIEF FINANCIAL OFFICER

Mr. Shiv Kumar Dabriwala who was already holding the position of Chief Financial Officer of the Company since 1st May, 2012 was appointed as Chief Financial Officer pursuant to Section 203 read with Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014 w.e.f. 30th May, 2014.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration up to or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

SUBSIDIARIES

As per general exemption granted vide Government of India, Ministry of Corporate Affairs' general circular no. 2/2011 dated 8th February, 2011, the Company has not attached the annual accounts of its subsidiaries to this Annual Report. As required by the said circular, the relevant information for each subsidiary has been disclosed in the consolidated financial statements attached to this Annual Report.

The Company will make available the annual accounts of subsidiaries and the related information to any Member of the Company who may be interested in obtaining the same. The annual accounts of subsidiaries will also be kept for inspection by any Member of the Company at the registered office of the Company. The Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries.

During the year under review your Company acquired 100% Shares of Aristro Capital Markets Limited (ACML). ACML is engaged in the business of stock broking and is the member of NSE (Capital Market and Future & Option segment), BSE (Capital Market and Future & Option segment) and the Depository Participant of Central Depository Services (India) Limited (CDSL).

ACKNOWLEDGEMENTS

Your Directors thank the members and customers for the confidence reposed by them in the Company and also wish to record the appreciation for the services and sincere efforts of the Employees, Bankers, Registrar and Share Transfer Agents of the Company.

For and on behalf of the Board

Place: Kolkata

Date: 30th July, 2014

CA G.L. Goenka

Chairman & Managing Director



Annexure - 1 to the Directors' Report

Management Discussion And Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2013-14 continued to be a challenging year for the Indian economy. The Indian economy witnessed its second successive year of below 5% growth, driven predominantly by a decline in financial savings, low business confidence and sluggish investment demand, resulting in a sharp deceleration in industrial growth. The recovery is likely to be a slow and long process. The high interest rates, stubborn retail inflation and lack of policy direction, combined with a high level of Fiscal and Current Account Deficit (CAD) had an equally dampening effect on the Indian economy. Faced with compulsions to rein in the fiscal deficit, government put the brakes on Plan expenditure, as a result of which investment and consumption growth declined to their lowest levels in 11 years. In view of sticky retail inflation, RBI was compelled to increase the repo rate by 75 bps during the year. However, with retail inflation, as measured by the Consumer Price Index (CPI), dropping from 9.13% in December 2013 to 7.02% in May 2014, RBI held the policy rates steady in April 2014 and June 2014. RBI has further taken steps to inject liquidity in the banking system. Though both the fiscal deficit and CAD have narrowed, it is believed that the reduction in the fiscal deficit is temporary, which will catch up in the current financial year. The Balance of Payments situation however, appears to be comfortable.

OPPORTUNITIES & THREATS

The economy is expected to improve slowly in the current financial year. The forecast of GDP growth rate for 2014-15 is between 5.4% and 5.9% as compared to 4.7% in 2013-14. With the various steps taken by the government to revive investment and growth in the economy the industrial growth is likely to improve from the later part of current financial year which may create new opportunity for the Company. However continuing uncertainty in the global market, higher trade deficit and high inflation may impact the financial market.

The Company is taking various steps to withstand the uncertainty in the Financial Market.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The business of the Company predominantly falls within a single primary business segment viz. "Financial and Related Services" and hence the disclosure requirement of Accounting Standard- 17 "Segment Reporting" notified by the Central Government under Companies (Accounting Standards) Rules, 2006 is not applicable.

OUTLOOK

The index of industrial production in the year 2013-14 was lower at (-) 0.1% compared to 1.1% in the previous year. However it is likely to improve during the current financial year. The Indian electorate has voted overwhelmingly for stability. For the first time in nearly three decades, a non-coalition government is governing the country and expectations on the part of common people and industry alike, are running high. While business and investor sentiment has turned positive in the light of the mandate for stability, substantive changes on the ground may only come about in the later part of the year. There is a considerable improvement in the sentiment and outlook with a stable government. The government as expected has taken various initiatives to kick start investment, much needed development of infrastructure and reviving the stalled projects. GDP growth in 2014-15 is projected to improve, but is unlikely to exceed 6%, since the macro-economic corrections that India needs are not yet in place. Concerns around the real size of the fiscal deficit remain and inflation is still well above the RBI's 'comfort level'.

Your Company will continue to strive for meaningful growth, focusing as always on superior credit quality, a balance portfolio mix and efficient cost management, in order to sustain profitability.

Your Company is fully aware that the opportunities in the infrastructure and real estate will be many and diverse in nature. While this provides impetus for our sustainable growth, your Company is also careful that from amongst the multiple choices of attractive businesses available it will make the right choice. Your Company's business model and its risk management policies and mechanisms are being constantly reviewed and upgraded to ensure this.

Further there are ample opportunities in retail loan segment of business like Housing Loan, Education Loan, Medical Loan etc. where the Company can enter, sustain and grow because of its unique combination of various resources and expertise. Your Company's well defined systems & procedures would emerge as leader in retail credit.

Annexure - 1 to the Directors' Report Management Discussion And Analysis Report (Contd.)

RISK MANAGEMENT

Risks to a varying degree, is inevitable in all business transactions in an organization which is in financial services. Your Company, being in the business of financing and investment has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk. Hence, strong risk management capabilities are critical for a growing Company operating in a rapidly changing environment. The Asset Liability Management Committee reviews and manages the risk at periodic intervals. Further your Company has constituted Risk Management Committee to interalia identify and mitigate the risk associated with the Company.

The risk management framework of the Company is driven by the following fundamentals:-

- Identification of key risks faced by the Company.
- Evaluating the probability of their occurrences and their impact.
- Set an appropriate balance between risk and reward in order to maximize share holder return.
- Set tolerance limits and establish adequate review mechanisms to monitor and control the risks.
- Incorporate robust reporting mechanism and adoption of appropriate mitigation processes.

The Company manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the period is put to best use and acts to mitigate credit risks. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

INTERNAL CONTROL SYSTEM

Your Company's internal control system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business for safeguarding the assets of the Company and to meet with the compliances. The Company has established procedures including a clear delegation of authority and Standard Operating Procedures (SOP) for all business parts.

The internal audit programme focuses primarily on checks and controls on systems and processes, monitoring compliances, continuous upgrade of controls and the current business risk assessment. The critical audit observations are shared with the audit committee on a quarterly basis for an effecting monitoring of controls and implementation of recommendations. In view of the observation of statutory auditors internal control system is being further strengthened and the scope & coverage of Internal Audit System is being enlarged.

FINANCIAL PERFORMANCE

During the year under review, your Company achieved revenue from operations of ₹ 1320.87 lacs as against ₹ 7622.70 lacs in the previous year and recorded profit before tax of ₹ 84.65 lacs as against ₹ 267.60 lacs in the financial year 2012-13.

HUMAN RESOURCES

Your Company believes that its greatest assets are its people and training is an investment in long term people development for organizational excellence. During the year under review, your Company has taken several initiatives to ensure that the knowledge and wisdom gained over period is handed down to the next generation of employees.

Place: Kolkata

Date: 30th July, 2014

For and on behalf of the Board

CA G.L. Goenka

Chairman & Managing Director

Annexure - 2 to the Directors' Report

Report On Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of complete transparency and accountability by providing detailed information on various issues concerning the Company's business and financial performance to its shareholders.

The Board of Directors (Board) considers itself as the trustee of its shareholders. During the year under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans. The Company followed adequate monitoring system to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors comprises of two Executive Directors and three Non-Executive Directors. Non-Executive Directors constituted more than half of the total number of Directors. Three out of the five Directors are Independent Directors which duly complied with the requirement of Clause 49 of the Listing Agreement. The Company has an Executive Chairman who is also promoter of the Company.

The information on composition of the Board as on date, category of Directors, Directorships in other Public Limited Companies and Committees of other Public Limited Companies of which the Director is a member/chairman, is as under:

| Name of the Directors | Category of Directors | No. of Directorships held in other Public Limited Companies | No. of other Board Committee(s) of which he is a Member | No. of other Board Committee(s) of which he is a Chairman |
|--|---------------------------------------|---|---|---|
| Mr. G. L. Goenka | Chairman & Managing Director-Promoter | 1 | NIL | NIL |
| Mr. Dinesh Burman | Executive Non-Independent | NIL | NIL | NIL |
| Mr. Niranjana Kumar Choraria | Non-Executive Independent | NIL | NIL | NIL |
| Mr. Rhythm Arora | Non-Executive Independent | NIL | NIL | NIL |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013) | Non-Executive Independent | 1 | 1 | 1 |

There are no inter-se relationships among the directors.

Report On Corporate Governance (Contd.)

(b) Number of Board Meetings:

During the financial year 2013-14, ten meetings of the Board of Directors were held on 30.05.2013, 03.07.2013, 12.08.2013, 11.11.2013, 11.12.2013, 03.02.2014, 07.02.2014, 14.02.2014, 06.03.2014 and 21.03.2014.

The information on attendance at Board Meetings held during the year and at the last Annual General Meeting is as under:

| Name of the Directors | Board meetings | | | Attendance at last Annual General Meeting |
|--|----------------------|------------------------|----------|---|
| | Held during the year | Held during the tenure | Attended | |
| Mr. G. L. Goenka | 10 | 10 | 10 | YES |
| Mr. S. M. Kothari (Resigned w.e.f. 27.05.2013) | 10 | NIL | NIL | N.A. |
| Mr. Dinesh Burman | 10 | 10 | 10 | YES |
| Mr. Niranjn Kumar Choraria | 10 | 10 | 10 | YES |
| Mr. Rhythm Arora | 10 | 10 | 2 | NO |
| Mr. Arun Goenka (Resigned w.e.f. 17.12.2013) | 10 | 5 | 1 | YES |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013) | 10 | 9 | 9 | YES |

III. AUDIT COMMITTEE

- The Committee's composition and terms of reference are in accordance with the provisions of Section 292A of the Companies Act, 1956, Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.
- During the financial year 2013-14 seven Audit Committee Meetings were held on 30.05.2013, 03.07.2013, 12.08.2013, 11.11.2013, 03.02.2014, 07.02.2014 and 14.02.2014.
- The composition of Audit Committee as on date and the information on attendance at Audit Committee Meetings held during the year are as under:

| Name of the Directors | Positions Held | No of Meetings Held | Held during the tenure | No of Meeting Attended |
|--|--------------------------------|---------------------|------------------------|------------------------|
| Mr. Niranjn Kumar Choraria | Chairman (upto 30.05.2013) | 7 | 7 | 7 |
| Mr. S. M. Kothari (Resigned w.e.f. 27.05.2013) | Member | 7 | N.A. | N.A. |
| Mr. Arun Goenka (Resigned w.e.f. 17.12.2013) | Member | 7 | 4 | 1 |
| Mr. Rhythm Arora | Member | 7 | 7 | 1 |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 31.05.2013) | Chairman (w.e.f.31.05.2013) | 7 | 6 | 6 |

Report On Corporate Governance (Contd.)

All the members of the Audit Committee are Independent Directors. The Statutory Auditors and Internal Auditors are regular invitee. The Company Secretary acts as the Secretary of the committee.

IV. NOMINATION COMMITTEE

- During the financial year 2013-14 one Nomination Committee Meeting was held on 30.05.2013.
- The information on attendance at Nomination Committee Meeting held during the year is as under:

| Name of the Directors | Positions Held | No of Meetings Held | Held during the tenure | No of Meeting Attended |
|---|-------------------------------|---------------------|------------------------|------------------------|
| Mr. Niranjn Kumar Choraria | Chairman | 1 | 1 | 1 |
| Mr. Dinesh Burman | Member | 1 | 1 | 1 |
| Mr. Arun Goenka (Resigned w.e.f. 17.12.2013) | Member | 1 | 1 | NIL |
| Mr. Rhythm Arora | Member | 1 | 1 | 1 |
| Mr. Chandra Kumar Chandak | Member (w.e.f. 11.12.2013) | 1 | NIL | NIL |

In view of the constitution of Nomination and Remuneration Committee of Directors which inter alia also includes the scope of Nomination Committee, the Board of Directors at its meeting held on 23rd April, 2014 dissolved the committee.

V. REMUNERATION COMMITTEE/NOMINATION AND REMUNERATION COMMITTEE

- No meeting of Remuneration Committee was held during the year 2013-14. In order to comply with the provisions of Section 178 of the Companies Act, 2013 effective from 1st April, 2014 and amended Clause 49 of the Listing Agreement, the Board of Directors of the Company at its meeting held on 23rd April, 2014 renamed the Remuneration Committee as "Nomination and Remuneration Committee" and also expanded the terms of reference of the Committee as provided in Companies Act, 2013 and Clause 49 of Listing Agreement.
- The composition of the Nomination and Remuneration Committee as on the date of this report is as follows:

| Name of the Directors | Positions Held |
|----------------------------|----------------|
| Mr. Niranjn Kumar Choraria | Chairman |
| Mr. Chandra Kumar Chandak | Member |
| Mr. Rhythm Arora | Member |

All members of the Nomination and Remuneration Committee are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

The Company pays monthly remuneration to Executive Directors. The tenure of employment of Executive Directors of the Company may be terminated by the Company by giving notice of 45 days or payment of Salary (Basic) in lieu thereof. In case, the Executive Directors do not wish to continue with the Company, they should serve a notice period of 90 days prior to date of leaving or should make payment of Salary (Basic) in lieu thereof.

The Executive Directors shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as they functions as the Executive Directors of the Company.

Report On Corporate Governance (Contd.)

Apart from making payment of sitting fees for attending the Board Meetings/Committee Meetings and defraying expenses for attending such meetings and other travelling expenses incurred wholly and exclusively in attending to Company's work, no remuneration in any form is paid to Non-Executive Directors.

The Board of Directors of the Company at its meeting held on 30th May, 2014 approved a revised remuneration policy relating to remunerations of Directors, Key Managerial Personnel and other employees of the Company as recommended by the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Remuneration paid to Directors during the financial year ended 31st March, 2014 is as under:

Non- Executive Directors

(Amount in ₹)

| Name of the Directors | Sitting fees paid |
|---|-------------------|
| Mr. Arun Goenka (Resigned w.e.f. 17.12.2013) | 6,000 |
| Mr. Niranjana Kumar Chordia | 58,000 |
| Mr. Rhythm Arora | 12,000 |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013) | 53,000 |

Executive Directors

(Amount in ₹)

| Name of the Directors | Remunerations | |
|---|------------------|-------------|
| Mr. G. L. Goenka (Chairman & Managing Director) | Salary | - 14,40,000 |
| | Perquisites | - NIL |
| | Other Allowances | - 7,20,000 |
| Mr. Dinesh Burman (Whole-time Director) | Salary | - 2,04,000 |
| | Perquisites | - NIL |
| | Other Allowances | - 1,02,000 |

VI. SHAREHOLDERS' GRIEVANCES COMMITTEE /STAKEHOLDERS RELATIONSHIP COMMITTEE :

- During the financial year 2013-14 two Shareholders' Grievances Committee Meetings were held on 11.11.2013 and 14.02.2014.
- In order to comply with the provisions of Section 178 of the Companies Act, 2013 effective from 1st April, 2014 and amended Clause 49 of the Listing Agreement, the Board of Directors of the Company at its meeting held on 23rd April, 2014 renamed the Shareholders' Grievances Committee as "Stakeholders Relationship Committee".
- The composition of Stakeholders Relationship Committee as on date and the information on attendance at Shareholders' Grievances Committee Meetings held during the year is as under:

| Name of the Directors | Positions Held | No of Meetings Held | Held during the tenure | No of Meeting Attended |
|--|---------------------------------|---------------------|------------------------|------------------------|
| Mr. S. M. Kothari (Resigned w.e.f. 27.05.2013) | Chairman (upto 26.05.2013) | 2 | NIL | N.A. |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013) | Chairman (w.e.f. 30.05.2013) | 2 | 2 | 2 |
| Mr. G. L. Goenka | Member | 2 | 2 | 2 |
| Mr. Dinesh Burman | Member | 2 | 2 | 2 |
| Mr. Rhythm Arora | Member | 2 | 2 | NIL |

Report On Corporate Governance (Contd.)

- d) Name of Non Executive Director heading the committee: Mr. Chandra Kumar Chandak.
- e) Name & Designation of Compliance Officer: Ms. Amrita Mohta, Company Secretary.
- f) Number of Shareholder's queries received during the year: Six.
- g) Number of pending complaints: Nil.

VII. RIGHTS ISSUE COMMITTEE

No Meeting was held during the year 2013-14. The composition of the Rights Issue Committee as on the date of report is as follows:

| Name of the Directors | Positions Held |
|---|----------------|
| Mr. G. L. Goenka | Chairman |
| Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013) | Member |

VIII. ASSETS LIABILITY MANAGEMENT COMMITTEE

During the financial year 2013-14 four Assets Liability Management Committee Meeting were held on 12.07.2013, 11.11.2013, 14.02.2014 & 31.03.2014.

The composition of the Assets Liability Management Committee as on the date of report is as follows:

| Name | Positions Held |
|-------------------------|----------------|
| Mr. G. L. Goenka | Chairman |
| Mr. Dinesh Burman | Member |
| Chief Financial Officer | Member |
| Chief Operating Officer | Member |

IX. RISK MANAGEMENT COMMITTEE

The Board of Directors at its meeting held on 23rd April, 2014 constituted a Risk Management Committee and the composition of the Committee as on date is as follows:-

| Name of Members | Designation |
|------------------------------|-------------|
| Mr. Dinesh Burman | Chairman |
| Mr. Niranjana Kumar Choraria | Member |
| Mr. Rhythm Arora | Member |

X. SUBSIDIARY COMPANIES

The Company has four wholly owned non-material non listed Indian subsidiaries.

XI. CEO/CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, the CEO/CFO Certificate signed by Mr. G. L. Goenka, CEO and Mr. Shiv Kumar Dabriwala, CFO was placed before the Board of Directors at its meeting held on 30th May, 2014.

XII. GENERAL BODY MEETING

a) Location and time of the last three AGMs/EGMs held:

| AGM/EGM | Date | Venue | Time |
|----------------------|------------|--|------------|
| 20 th AGM | 12.08.2013 | Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069 | 11:30 A.M. |
| 19 th AGM | 22.08.2012 | Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069 | 10:00 A.M. |
| 18 th AGM | 16.09.2011 | Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069 | 10:30 A.M. |
| EGM | 23.05.2012 | 1 st , British Indian Street, 1 st Floor, Room No. 109, Kolkata – 700069 | 10:30 A.M. |
| EGM | 12.10.2011 | Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069 | 10:30 A.M. |
| EGM | 27.04.2011 | 1 st , British Indian Street, Room No. B-10, Kolkata – 700069 | 10:00 A.M. |

Report On Corporate Governance (Contd.)

b) Whether any special resolution was passed in the previous 3 AGMs/EGMs: Yes

| AGM/EGM | Date | Particulars of Resolution passed as Special Resolution |
|----------------------|------------|---|
| 18 th AGM | 16.09.2011 | To issue Equity Shares on rights basis for a sum upto ₹ 131 crores |
| EGM | 23.05.2012 | To issue Zero Percent Optionally Convertible Debentures on Preferential Basis |
| EGM | 12.10.2011 | To change name of the Company from Golden Securities Limited to Golden Goenka Fincorp Limited |
| EGM | 27.04.2011 | To offer, issue and allot, in one or more tranches, upto 1,40,00,000 (One Crore Forty Lacs Only) Equity Shares of face value of ₹ 10/- each of the Company, on Preferential Basis at a premium of ₹ 8/- each. |

Postal Ballot:

During the year one ordinary resolution was passed through Postal Ballot. Mr. Shree Mohan Kothari, Practicing Company Secretary was appointed as the Scrutinizer for the Postal Ballot process. The results of the Postal Ballot were announced by Mr. G. L. Goenka, Chairman & Managing Director on 17th January, 2014 and advertised in the newspapers namely "The Business Standard" and "Kalantar" on 19th January, 2014.

Details of Resolution passed through Postal Ballot are as follows:

(a) Ordinary Resolution for Amendment of Memorandum of Association of the Company.

| VOTING | Number of Shares | % of Total Votes |
|-----------------|------------------|------------------|
| Votes in favour | 65626959 | 100 |
| Votes against | Nil | Nil |

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 have been followed for the Postal Ballot conducted during the year.

XIII. CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Conduct (Code) for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has been displayed on the Company's website:- www.goldengoenka.com. All the members of the Board and the Senior Management personnel has affirmed compliance with the Code for the year ended 31st March, 2014 and a declaration to this effect signed by Mr. G. L. Goenka, Chairman & Managing Director forms part of this Report.

To
Board of Directors
Golden Goenka Fincorp Limited
1st British Indian Street
Room No. B-10
Kolkata-700 069

Dear Sir,

Sub: Compliance with the Company's Code of Ethics and Business Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Code of Ethics and Business Conduct of the Company for the Financial Year ended March 31, 2014.

For **Golden Goenka Fincorp Limited**

Sd/-

CA G. L. Goenka

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2014

Report On Corporate Governance (Contd.)

CODE OF CONDUCT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, the Company has framed a Code of Internal Procedures and Conduct and Code of Corporate Disclosures Practices for prevention of Insider Trading by Company Insiders. The code inter-alia, prohibits purchase and/or sale of shares of the Company by the Directors and Designated Employees while in the possession of unpublished price sensitive information of the Company.

XIV. DISCLOSURES

- Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its related parties that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transaction with related parties as per requirements of Accounting Standards AS-18 are disclosed in Note No. 32 forming part of the Accounts.
- The Company is regular in complying with the requirement of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, for non-compliance of any matter during the last three years except one Show Cause Notice Ref. No. EAD-6/AK/VRP/28717/2013 dated 11th November 2013 (hereinafter referred to as "SCN") issued to the Company under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the SEBI Act, 1992 for the alleging violation of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SAST Regulations, 1997) for non filing of the disclosures under Regulation 8(3) of the SAST Regulations, 1997 during the period 1997-2006. The Company vide reply dated 10th December 2013 to the SCN has inter alia stated that being a small company with inadequacy of staff during the period 1997-2006 failed to file the disclosures under Regulation 8(3) of the SAST Regulations, 1997 though it has filed Shareholding Pattern and as such information was in Public domain. After hearing the matter, SEBI vide Adjudication Order No. AK/AO-15/2014 dated 30th January 2014, imposed a penalty of ₹ 6,00,000/- (Rupees Six Lacs) under Section 15 A(b) of the SEBI Act, 1992 which was duly paid by the Company to end the litigation.
- The Board of Directors at its meeting held on 23rd April, 2014 has adopted a Whistle Blower Policy.
- The Company complied with all the mandatory requirements and one non – mandatory requirement of Clause 49 of the Listing Agreement viz. constitution of Remuneration Committee of Directors during the year 2013-14.

XV. MEANS OF COMMUNICATION

In compliance with Clause 41 of the Listing Agreement, the Company sends by Fax/E-mail the quarterly/ yearly unaudited / audited financial results to the Stock Exchanges within 15 minutes from the conclusion of the Board Meetings. Information is also sent to BSE Limited/The Calcutta Stock Exchange Limited by post/hand delivery. Results are published in Business Standard (English) and Kalantar (Bengali) etc. newspapers of Kolkata edition. The Company's financial results and official news releases are displayed on the Company's website www.goldengoenka.com. Management Discussion and Analysis Report forms part of the Annual Report, which is posted to the shareholders of the Company.

XVI. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT

No shares of the Company were required to be transferred to Unclaimed Suspense Account in terms of Clause 5A of the Listing Agreement.

XVII. GENERAL SHAREHOLDER INFORMATION

- AGM Date : Wednesday, 10th September, 2014 at 11:45 A.M. to be held at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata- 700 069
- Financial Year ended 31.03.2014 (2013-2014)
- Date of book closure– 3rd September, 2014 to 10th September, 2014 (both day inclusive).
- Dividend Payment date –N.A.

| Listing on Stock Exchange | Stock Code |
|--|--|
| a. The Calcutta Stock Exchange Limited 7 Lyons Range, Kolkata - 700 001 | 10017059 |
| b. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 | 530579 |
| ISIN | INE152C01025 for Face Value of ₹ 5/- each |

Report On Corporate Governance (Contd.)

(vi) Market Price Data: The Market Price of the Equity Share of the Company during 2013-2014 is given in the table below :

| Months | BSE | |
|----------------|-------|-------|
| | High | Low |
| April 2013 | 14.00 | 8.00 |
| May 2013 | 12.61 | 9.52 |
| June 2013 | 12.14 | 9.30 |
| July 2013 | 14.84 | 10.46 |
| August 2013 | 13.40 | 10.88 |
| September 2013 | 13.70 | 10.60 |
| October 2013 | 14.02 | 10.70 |
| November 2013 | 12.50 | 9.75 |
| December 2013 | 11.98 | 10.00 |
| January 2014 | 14.98 | 7.70 |
| February 2014 | 10.90 | 8.26 |
| March 2014 | 11.25 | 9.04 |

- There was no trading of shares at The Calcutta Stock Exchange Limited during the year.

(vii) Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc – N.A.

| | 31.03.2014 | 28.03.2013 | Change (%) |
|-----------------------------|------------|------------|------------|
| Share Prices of the Company | 9.56 | 8.30 | (+)15.18 |
| BSE Sensex | 22,386.27 | 18,835.77 | (+)18.85 |

(viii) Registrar & Share Transfer Agents: Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001, Telephone- 033-22357270/7271, Email- nichetechpl@nicetechpl.com.

(ix) Share Transfer System: The transfer of shares is affected by the Registrar and Share Transfer Agents after necessary approvals of the authorised officer. The shares sent for physical transfer are generally registered within a period of maximum 15 days from the date of receipt provided the documents are in order.

(x) a) Distribution of share holding as on 31st March, 2014:-

| No. of Shares | No of Share Holders | Percentage to Total (%) | Total Shares | Percentage to total (%) |
|------------------|---------------------|-------------------------|--------------------|-------------------------|
| 1 – 500 | 964 | 63.25 | 1,71,045 | 0.25 |
| 501 – 1000 | 254 | 16.67 | 2,15,664 | 0.31 |
| 1001 – 5000 | 209 | 13.71 | 5,17,838 | 0.75 |
| 5001 – 10000 | 38 | 2.50 | 2,88,416 | 0.42 |
| 10001 – 50000 | 43 | 2.82 | 9,05,322 | 1.31 |
| 50001 – 100000 | 3 | 0.20 | 2,74,500 | 0.40 |
| 100001 and above | 13 | 0.85 | 6,66,27,615 | 96.56 |
| Total | 1524 | 100.00 | 6,90,00,400 | 100.00 |

Report On Corporate Governance (Contd.)

b) Shareholding Pattern of the Company as on 31st March, 2014:-

| Category | No of Share Holders | Total No of Shares | Percentage to total (%) |
|--|---------------------|--------------------|-------------------------|
| Promoters | 5 | 4,06,95,794 | 58.98 |
| Residents(Individual) | 1428 | 19,28,063 | 2.80 |
| Non-Resident Individual /OCBs | 5 | 2,111 | 0.00 |
| Bodies Corporate | 70 | 2,62,11,981 | 37.99 |
| Clearing Corporation/Clearing Member / Trust | 16 | 1,62,451 | 0.23 |
| Total | 1524 | 6,90,00,400 | 100.00 |

(xi) Dematerialization of Shares and Liquidity: As on 31st March, 2014 the number of shares in dematerialized form was 6,87,06,142 representing 99.57% of the total shares and the balance 2,94,258 shares representing 0.43 % of the shares were held in physical form. All the shares held by promoter are in dematerialized form.

(xii) Outstanding GDRs / Warrants or any convertible instruments, conversion data and likely impact on equity as on 31.03.2014– NIL.

(xiii) Plant location – The Company is Non Banking Finance Company and hence there is no plant.

(xiv) Address for correspondence:

Registered Office:- Golden Goenka Fincorp Limited, 1st, British Indian Street, Room No. B-10, Kolkata-700069,
Phone No.- 033-2262 3827, Fax No. – 033-44070020

Corporate Office:- Golden Goenka Fincorp Limited, 1st, British Indian Street, Room No. 109, Kolkata-700069,
Phone- 033-40042424

Email ID : shareholders@goldengoenka.com

Website : www.goldengoenka.com

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Golden Goenka Fincorp Limited

I have reviewed the compliance of conditions of Corporate Governance by **Golden Goenka Fincorp Limited** for the year ended 31st 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 Management. My examination 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 the opinion on the financial statements of the Company.

On the basis of my review and according to the information and explanations given to me and the representations made to me by the Management, I state that to the best of my knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchange.

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

ARANI GUHA

Place: Kolkata
Date: 30th July, 2014

Practising Company Secretary
C.P. No. 9573



Standalone Financials

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
GOLDEN GOENKA FINCORP LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date.
- (c) in the case of the cash flow statement, on the cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention in respect of Investments in/Advances for Property Development aggregating to ₹ 7,45,00,000 (Previous Year ₹ 17,45,00,000). The Company is of the view that the amounts invested/advanced are towards ventures which would yield profits in future. Our opinion is not qualified in respect of this matter.



INDEPENDENT AUDITORS' REPORT (Contd.)

- b) Further attention is drawn to investment made in 800,000 equity shares of S2 Capital Services Pvt Ltd shares of ₹ 10 each issued at premium of ₹ 40 per share amounting to ₹ 400 lacs (Previous year - ₹ 400 lacs), being shown as Unquoted/Non Current Investments in financial results of the company for year ended 31st March, 2014, the financial results for financial year 2012-13 and 2013-14 could not be made available to us, hence we are unable to form an opinion regarding valuation of said investment. The Company is of the view that the said investment is long term strategic investment, hence no provision for diminution in value of said investment has been made in the current financial year. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet and the 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 statements comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **Das & Prasad**
Chartered Accountants
[Firm's Registration No.: 303054E]

For **Vasudeo & Associates**
Chartered Accountants
[Firm's Registration No.: 319299E]

Anil Kumar Agarwal
Partner
Membership No.: 062368

V. D. Agarwal
Partner
Membership No.: 054784

Place: Kolkata
Date: 30th May, 2014

Annexure to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- (ii) In respect of shares and securities held as Stock for Trade:
 - (a) According to the information and explanations given to us, the Stock for Trade 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 Stock for Trade 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 is maintaining proper records of Stock for Trade and no material discrepancies were noticed on physical verification.
- (iii)
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions stated in clauses 4 (iii)(a) to (d) of the Order are not applicable to the Company;
 - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 1100 lacs in respect of three companies (2 companies having opening balances) and the year-end balance due to such party was ₹ NIL.
 - (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are prima facie not prejudicial to the interest of the company.
 - (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amount, as stipulated, and is also regular in payment of interest, as applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of shares and securities held as Stock for Trade and fixed assets. The Company is a Non-Banking Financial (Non- Deposit Accepting or Holding) Company ('NBFC') providing Financial and Related Services but *the internal control system with regards to documentation relating to granting of loans & advances needs to be further strengthened*. However, we have not observed any other continuing failure to correct any weakness in the internal controls.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. five lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public covered under Section 58A and 58AA of the Companies Act, 1956.
- (vii) *The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*
- (viii) Being a Non-Banking Financial Company, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix)
 - (a) According to the information and explanation given to us, no undisputed amount payable in respect of Provident fund, Employee's State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax,



ANNEXURE TO THE AUDITORS' REPORT (Contd.)

Service tax, Customs duty, Excise duty, cess and other material statutory dues were outstanding, as on the Balance Sheet date for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given to us and according to the books and records produced and examined by us, the Company does not have any disputed statutory dues in respect of income-tax and statutory dues, as applicable to it, with the appropriate authorities.
- (x) The Company has no accumulated losses as at the end of the financial year covered by our audit. The Company has not incurred cash losses in the said financial year and the immediately preceding financial year.
- (xi) As in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing or trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanation given to us on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures during the year under audit.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Das & Prasad**
Chartered Accountants
[Firm's Registration No.: 303054E]

For **Vasudeo & Associates**
Chartered Accountants
[Firm's Registration No.: 319299E]

Anil Kumar Agarwal
Partner
Membership No.: 062368

V. D. Agarwal
Partner
Membership No.: 054784

Place: Kolkata
Date: 30th May, 2014

Balance Sheet as at 31st March, 2014

(Amount in ₹)

| | Note | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 345,002,000 | 327,502,000 |
| Reserves and Surplus | 3 | 650,154,254 | 595,337,147 |
| | | 995,156,254 | 922,839,147 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 500,747,213 | 501,643,889 |
| Other Long-Term Liabilities | 5 | 10,341,530 | 5,341,530 |
| Long-Term Provisions | 6 | 4,308,427 | 2,659,101 |
| | | 515,397,170 | 509,644,520 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | - | 70,000,000 |
| Other Current Liabilities | | | |
| - Current Maturities of Long-Term Borrowings | 4 | 896,666 | 896,666 |
| - Others | 8 | 39,393,206 | 35,567,706 |
| | | 40,289,872 | 106,464,372 |
| TOTAL | | 1,550,843,296 | 1,538,948,039 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| - Tangible Assets | 9 | 5,371,457 | 6,864,955 |
| | | 5,371,457 | 6,864,955 |
| Deferred Tax Assets (Net) | 10 | 470,003 | 214,978 |
| Non-Current Investments | 11 | 407,955,619 | 187,085,619 |
| Long-Term Loans and Advances | | | |
| - Loan Assets | 12 | 231,571,354 | 136,918,243 |
| - Other Long-Term Advances | 13 | 33,589,106 | 27,773,545 |
| Other Non-Current Assets | 14 | 74,500,000 | 179,500,000 |
| | | 748,086,082 | 531,492,385 |
| Current Assets | | | |
| Current Investments | | - | - |
| Stock for Trade | 15 | 41,074,091 | 42,434,317 |
| Trade Receivables | 16 | 50,029,196 | 1,161,004 |
| Cash and Bank Balances | 17 | 35,920,895 | 12,519,212 |
| Short-Term Loans and Advances | | | |
| - Loan Assets | 12 | 350,369,045 | 449,718,195 |
| - Other Short-Term Advances | 18 | 81,802,280 | 71,472,813 |
| Other Current Assets | | | |
| - Current Maturities of Long-Term Loan Assets | 12 | 215,023,384 | 333,381,599 |
| - Other Current Assets | 19 | 23,166,866 | 89,903,559 |
| | | 797,385,757 | 1,000,590,699 |
| TOTAL | | 1,550,843,296 | 1,538,948,039 |

Significant Accounting Policies and Notes to Financial Statements

1 to 38

The Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in ₹)

| | Note | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue From Operations | 20 | 132,087,418 | 762,269,951 |
| Other Income | 21 | 2,319,641 | 2,927,987 |
| Total | | 134,407,059 | 765,197,938 |
| EXPENSES | | | |
| Purchases of Shares, Mutual Funds & Commodities | | 45,828,577 | 583,206,860 |
| Changes in Stock for Trade | | 1,360,225 | 59,692,662 |
| Employee Benefits Expense | 22 | 5,652,596 | 7,262,573 |
| Finance Cost | 23 | 65,018,929 | 74,206,228 |
| Depreciation/Amortisation and Impairment | 9 | 1,493,498 | 416,053 |
| Other Expenses | 24 | 4,989,290 | 12,480,764 |
| Total | | 124,343,115 | 737,265,140 |
| Profit before Provisions & Tax | | 10,063,944 | 27,932,798 |
| Contingent Provisions against Standard Assets | 6(a) | (362,925) | 923,045 |
| Provision for Non-Performing Assets | 6(a) | 1,961,596 | 250,000 |
| | | 1,598,671 | 1,173,045 |
| Profit Before Tax | | 8,465,273 | 26,759,753 |
| Tax Expense: | | | |
| - Current tax | | 1,403,191 | 6,734,360 |
| - Deferred Tax | | (255,025) | 17,732 |
| Total Tax for current year | | 1,148,166 | 6,752,092 |
| Income Tax in respect of earlier years | | - | (8,380) |
| Profit After Tax | | 7,317,107 | 20,016,041 |
| Earnings per Equity Share (Par Value ₹ 5/- per Equity Share) | 30 | | |
| Basic (₹) | | 0.11 | 0.42 |
| Diluted (₹) | | 0.11 | 0.39 |

Significant Accounting Policies and Notes to Financial Statements 1 to 38

The Notes referred to above form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss referred to in our report of even date

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2014

(Amount in ₹)

| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | 8,465,273 | 26,759,753 |
| Adjustment for: | | |
| Depreciation/Amortisation and Impairment | 1,493,498 | 416,053 |
| Contingent Provisions against Standard Assets | (362,925) | 923,045 |
| Provision for Non-Performing Assets | 1,961,596 | 250,000 |
| Profit on Sale of Current Trade Investments (Net) | - | (589,639) |
| Interest Income from Investment in Fixed Deposit/Bonds | (626,510) | (703,056) |
| Provision for Diminution in value of Stock for Trade | 2,339,106 | 10,498,696 |
| Operating Profit before Working Capital Changes | 13,270,038 | 37,554,852 |
| Adjustments for: | | |
| Increase / (Decrease) in Liabilities and Provisions | 3,876,195 | 33,894,456 |
| Decrease/(Increase) in Trade Receivables | (48,868,192) | 46,369,520 |
| Decrease/(Increase) in Stock for Trade | (978,880) | 49,193,965 |
| Decrease /(Increase) in Loans and Advances/ Other Assets | 283,035,271 | (710,977,925) |
| Cash Generated from /(used in) Operations | 250,334,432 | (543,965,132) |
| Direct Taxes Paid | (5,792,544) | (13,079,032) |
| Net Cash (Used in) / Generated from Operating Activities a | 244,541,888 | (557,044,164) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | - | (5,419,757) |
| (Increase) / Decrease in Investments | (220,870,000) | (101,730,300) |
| (Increase) / Decrease in Fixed Deposit | 5,000,000 | (10,000,000) |
| Interest Income from Investment in Fixed Deposit/Bonds | 626,510 | 703,056 |
| Proceeds from Sale of Current Trade Investments | - | 20,589,639 |
| Net Cash (Used)/ Generated in Investing Activities b | (215,243,490) | (95,857,362) |
| C. Cash Flow from Financing Activities | | |
| Increase / (Decrease) in Share Capital | 70,000,000 | 630,000,000 |
| Increase / (Decrease) in Optionally Convertible Debentures | (70,000,000) | 70,000,000 |
| Increase / (Decrease) in Unsecured Short-Term Borrowings | - | (65,000,000) |
| Increase / (Decrease) in Vehicle Loan | (896,676) | 1,643,889 |
| Interim Dividend Paid | (40) | (7,213,284) |
| Corporate Dividend Tax Paid | - | (1,103,143) |
| Net Cash (Used)/ Generated in Financing Activities c | (896,716) | 628,327,462 |

Cash Flow Statement for the year ended 31st March, 2014

(Amount in ₹)

| | | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|--------------|--------------------------------|--------------------------------|
| Net Increase/(Decrease) in Cash & Cash Equivalents | a+b+c | 28,401,683 | (24,574,064) |
| Cash & Cash Equivalents at the beginning of the year | | 2,519,212 | 27,093,276 |
| Cash & Cash Equivalents at the end of the year | | 30,920,895 | 2,519,212 |

Explanations:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Significant Accounting Policies and Notes to Financial Statements

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the Accounting Standards ('AS') notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. Further, the Company follows the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-Deposit Accepting or Holding) Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

1.3 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Tangible Fixed Assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which takes substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

b) Depreciation/Amortisation

Depreciation/Amortisation is provided on the Written Down Value Method ('WDV') as per the rates and in the manner prescribed in Schedule XIV of the Act. Management estimates the useful lives of Fixed Assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation/Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.4 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis.

Cost is arrived at on weighted average method for the purpose of valuation of investment.



Significant Accounting Policies and Notes to Financial Statements (Contd.)

1.5 Stock for Trade

Stock for Trade is carried at lower of cost and market price, determined category-wise.

1.6 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

1.7 Provisioning / Write-off of Assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for other financial services is also made on similar basis.

1.8 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- a) Revenue from sale of Stock for Trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Interest Income from Loan assets is recognised in the Statement of Profit and Loss on accrual basis as per the terms and conditions of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to NBFCs. Penal interest is recognized upon realization.
- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instruments (futures and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.9 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

1.10 Retirement and other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out as at the balance sheet date. The Company has taken a policy administered by Life Insurance Corporation of India. Actuarial gains/losses are charged to the Statement of Profit and Loss and are not deferred.

b) Compensated Absences

Short term compensated expenses are charged to the Statement of Profit and Loss in the year in which the related service is rendered.

c) Provident Fund and Employee State Insurance

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employee State Insurance is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

Significant Accounting Policies and Notes to Financial Statements (Contd.)

1.11 Borrowing Costs

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

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.12 Segment reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financing and Related Services'.

1.13 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

1.14 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the year, attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

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

1.15 Cash and Cash Equivalents

Cash and Cash Equivalents in the Cash Flow Statement comprise of cash on hand and at bank, demand deposits with banks, cheques on hand, remittances in transit and short term highly liquid investments with an original maturity of three months or less.

1.16 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.17 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes to Financial Statements

2 Share Capital

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Authorised | | |
| Equity Shares, ₹ 5/- par value per share | 1,000,000,000 | 850,000,000 |
| 200,000,000 (Previous year: 170,000,000), Equity Shares | 1,000,000,000 | 850,000,000 |
| Issued, Subscribed and Fully Paid-up | | |
| Equity Shares, ₹ 5/- par value per share | 345,002,000 | 327,502,000 |
| 69,000,400 (Previous year: 65,500,400), Equity Shares | 345,002,000 | 327,502,000 |

(a) Reconciliation of Equity Shares outstanding:

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

| Equity Shares | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | No. of shares | (Amount in ₹) | No. of shares | (Amount in ₹) |
| At the beginning of the financial year | 65,500,400 | 327,502,000 | 34,000,400 | 170,002,000 |
| Add: Shares issued as fully paid-up during the financial year # | 3,500,000 | 17,500,000 | 31,500,000 | 157,500,000 |
| At the end of the financial year | 69,000,400 | 345,002,000 | 65,500,400 | 327,502,000 |

During the year, the Company issued and allotted 3,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoters/Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each.

(b) Rights, preferences and restrictions in respect of each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company's authorised capital consist of one class of shares, referred to as equity shares, having par value of ₹ 5/- each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, 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 of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% equity shares each, are set out below:

| Name of the Shareholders | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Risewell Credit Private Limited | 29,825,130 | 43.23 | 29,825,130 | 45.53 |
| Anchor Vinimay Private Limited | 4,226,547 | 6.13 | 4,512,481 | 6.89 |
| Girdhar Fiscal Services Private Limited | 5,000,000 | 7.25 | - | - |
| Rajgaj Traders Private Limited | 5,000,000 | 7.25 | - | - |
| Vinayaka Finlease Private Limited | 4,377,000 | 6.34 | 4,377,000 | 6.68 |
| Moonrise Vincom Private Limited | 4,500,000 | 6.52 | 4,500,000 | 6.87 |
| Strong Dealtrade Private Limited | 10,500,000 | 15.22 | 10,500,000 | 16.03 |

Notes to Financial Statements (Contd.)

3 Reserves and Surplus

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Securities Premium Reserve | | |
| Opening Balance | 579,158,470 | 111,658,470 |
| Add: Addition during the year [Refer note (a) herein below] | 52,500,000 | 472,500,000 |
| Less: Utilised for Premium on Redemption of Debentures [Refer note (b) herein below] | 5,000,000 | 5,000,000 |
| Closing Balance | 626,658,470 | 579,158,470 |
| Special Reserve [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934] | | |
| Opening Balance | 7,626,948 | 3,623,740 |
| Add: Transfer from Surplus in the Statement of Profit and Loss | 1,463,421 | 4,003,208 |
| Closing Balance | 9,090,369 | 7,626,948 |
| General Reserve | | |
| Opening Balance | 372,892 | 372,892 |
| Closing Balance | 372,892 | 372,892 |
| Surplus in the Statement of Profit and Loss | | |
| Opening Balance | 8,178,837 | 69,227 |
| Add: Net Profit for the year | 7,317,107 | 20,016,041 |
| Amount available for appropriation | 15,495,944 | 20,085,268 |
| Appropriations: | | |
| Interim Dividend | - | 6,800,080 |
| Corporate Dividend Tax on Interim Dividend | - | 1,103,143 |
| Special Reserve | 1,463,421 | 4,003,208 |
| Closing Balance | 14,032,523 | 8,178,837 |
| Total Reserves and Surplus | 650,154,254 | 595,337,147 |

Note:

- (a) During the year, the Company issued and allotted 3,500,000 equity shares of par value of ₹5/- each fully paid up at a premium of ₹15/- each to Promoters/Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹40/- each.
- (b) Pursuant to Section 78 of the Companies Act, 1956, the Company has utilised the balance in Securities Premium Reserve for providing for the premium payable on the redemption of Non-Convertible Redeemable Debentures ('NCDs'), issued during the current financial year, on a proportionate basis over the tenure of debentures.

4 Long-Term Borrowings

(Amount in ₹)

| Particulars | As at 31st March, 2014 | | | As at 31st March, 2013 | | |
|---|---------------------------|-----------------------|--------------------|---------------------------|-----------------------|--------------------|
| | Non-Current Maturities | Current Maturities | Total | Non-Current Maturities | Current Maturities | Total |
| Secured | | | | | | |
| Debentures | | | | | | |
| - Redeemable Non-Convertible Debentures [Refer note (a) & (b) herein below] | | | | | | |
| 500,000 (Previous Year: 500,000) 12.75 % Debentures of ₹ 1,000/- each | 500,000,000 | - | 500,000,000 | 500,000,000 | - | 500,000,000 |
| Term Loan | | | | | | |
| - Vehicle loan [Refer note (c) herein below] | 747,213 | 896,666 | 1,643,879 | 1,643,889 | 896,666 | 2,540,555 |
| Total | 500,747,213 | 896,666 | 501,643,879 | 501,643,889 | 896,666 | 502,540,555 |

Note:

- (a) The NCDs are redeemable at the end of 5 years (from date of allotment i.e. 7th March, 2012) at a premium of 5% of the face value. Interest on these debentures is payable semi-annually on 1st April and 1st October. These debentures were rated as CARE BB (-).
- (b) The NCDs are secured by mortgage over the Company's immovable property located in Gujarat, and by hypothecation of stock and trade receivable/ debtors both as agreed between the Company and the Trustee for the Debenture Holders.
- (c) The vehicle loan is hypothecated by vehicle bought and is repayable in balance 22 equated monthly installments of ₹ 74,723/- each.

Notes to Financial Statements (Contd.)

5 Other Long Term Liabilities

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Premium payable on Redemption of Redeemable Non-Convertible Debentures [Refer note 3(b)] | 10,341,530 | 5,341,530 |
| Total | 10,341,530 | 5,341,530 |

6 Long-Term Provisions

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Provision for Employee Benefits (Non Current Portion) [Refer note 28] | | |
| -Gratuity | 112,278 | 109,056 |
| -Leave Encashment | 47,433 | - |
| Others | | |
| Contingent Provisions against Standard Assets [Refer note (a) herein below] | 1,937,120 | 2,300,045 |
| Provisions for Non-Performing Assets [Refer note (a) herein below] | 2,211,596 | 250,000 |
| Total | 4,308,427 | 2,659,101 |

Note:

- (a) Provisions for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision based on the management's best estimate, to the extent considered necessary.

The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions year-on-year:

(Amount in ₹)

| Particulars | As at 1st April, 2013 | Provision made during the year | As at 31st March, 2014 |
|---|--------------------------|--------------------------------|---------------------------|
| Contingent Provisions against Standard Assets | 2,300,045 | (362,925) | 1,937,120 |
| Provision for Non-Performing Assets | 250,000 | 1,961,596 | 2,211,596 |

7 Short-Term Borrowings

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured | | |
| 0% Optionally Convertible Debentures | - | 70,000,000 |
| Total | - | 70,000,000 |

8 Other Current Liabilities - Others

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Interest accrued but not due on Debentures | 28,608,904 | 28,608,906 |
| Unclaimed dividend | 122,410 | 122,450 |
| Other payables | | |
| -Liability for Expenses | 6,853,849 | 3,495,765 |
| -Statutory Liabilities | 3,808,043 | 3,340,585 |
| Total | 39,393,206 | 35,567,706 |

Notes to Financial Statements (Contd.)

9 Fixed Assets

(Amount in ₹)

| Particulars | Land-Freehold | Air-conditioner | Office Equipment | Furniture and Fixtures | Motor Vehicles | Computers | Total |
|---------------------|---------------|-----------------|------------------|------------------------|----------------|-----------|-----------|
| Gross Block | | | | | | | |
| At April 1, 2012 | 1,189,000 | 127,267 | 170,093 | 35,400 | 537,167 | 403,829 | 2,462,756 |
| Additions | - | - | - | - | 5,274,583 | 145,174 | 5,419,757 |
| Disposals | - | - | - | - | - | - | - |
| At March 31, 2013 | 1,189,000 | 127,267 | 170,093 | 35,400 | 5,811,750 | 549,003 | 7,882,513 |
| Additions | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| At March 31, 2014 | 1,189,000 | 127,267 | 170,093 | 35,400 | 5,811,750 | 549,003 | 7,882,513 |
| Depreciation | | | | | | | |
| At April 1, 2012 | - | 99,762 | 74,625 | 35,400 | 180,299 | 211,419 | 601,505 |
| Charge for the year | - | 3,826 | 17,280 | - | 290,684 | 104,263 | 416,053 |
| Disposals | - | - | - | - | - | - | - |
| At March 31, 2013 | - | 103,588 | 91,905 | 35,400 | 470,983 | 315,682 | 1,017,558 |
| Charge for the year | - | 3,294 | 14,152 | - | 1,382,724 | 93,328 | 1,493,498 |
| Disposals | - | - | - | - | - | - | - |
| At March 31, 2014 | - | 106,882 | 106,057 | 35,400 | 1,853,707 | 409,010 | 2,511,056 |
| Net Block | | | | | | | |
| At March 31, 2013 | 1,189,000 | 23,679 | 78,188 | - | 5,340,767 | 233,321 | 6,864,955 |
| At March 31, 2014 | 1,189,000 | 20,385 | 64,036 | - | 3,958,043 | 139,993 | 5,371,457 |

Notes to Financial Statements (Contd.)

10 Deferred Tax Assets (Net)

In terms of Accounting Standard 22, the Deferred Tax Assets (DTA) recognised during the year is ₹ 799,366 (Previous year: ₹ 746,250) and the Deferred Tax Liabilities recognised during the year is ₹ 329,363 (Previous year: ₹ 531,272). Consequently, the net DTA as at 31st March, 2014 stands at ₹ 470,003 (Previous year: ₹ 214,978).

Deferred taxes comprises the following:

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---------------------------------|---------------------------|---------------------------|
| Deferred Tax Assets | | |
| Depreciation on Fixed asset | 115,983 | - |
| Others | 683,383 | 746,250 |
| Total | 799,366 | 746,250 |
| Deferred Tax Liabilities | | |
| Debenture issue expenses | (329,363) | (463,691) |
| Depreciation on Fixed asset | - | (67,581) |
| Total | 470,003 | 214,978 |

11 Non-Current Investments

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Trade Investments (at Cost unless otherwise stated) | | |
| In Equity instruments - Unquoted | | |
| In Subsidiaries | | |
| 10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Financial Advisors Private Limited | 100,000 | 100,000 |
| 10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Management Consultancy Services Private Limited | 100,000 | 100,000 |
| 10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Properties & Construction Private Limited | 100,000 | 100,000 |
| 9,00,000 (Previous year: 3,18,000), equity shares of ₹ 10/- each in Aristro Capital Markets Limited | 148,586,000 | 132,216,000 |
| In Associate | | |
| 25,00,000 (Previous year: Nil), equity shares of ₹ 10/- each in Purple Advertising Services Private Limited | 90,000,000 | - |
| Other Investments (at Cost unless otherwise stated) | | |
| In Equity instruments - Quoted | | |
| 2,354 (Previous year: 2,354), equity shares of ₹ 10/- each in Microsec Financial Services Limited [Net of provision for other than temporary diminution aggregating ₹ 222,453 (P.Y. ₹ 222,453)] | 55,319 | 55,319 |
| In Equity instruments - Unquoted | | |
| 24,006 (Previous year: 17,756), equity shares of ₹ 10/- each in Auto Profiles Limited | 15,014,300 | 10,014,300 |
| Nil (Previous year: 100,000), equity shares of ₹ 10/- each in Times Academy Limited | - | 4,500,000 |
| 800,000 (Previous year: 800,000), equity shares of ₹ 10/- each in S2 Capital Services Private Limited | 40,000,000 | 40,000,000 |
| 20,000 (Previous year: Nil), equity shares of ₹ 10/- each in R. G. Credit Private Limited | 10,000,000 | - |
| 3,200,000 (Previous year: Nil), equity shares of ₹ 10/- each in ANS Developers Private Limited | 80,000,000 | - |
| 400,000 (Previous year: Nil), equity shares of ₹ 10/- each in Megha Agri Food Products Private Limited | 4,000,000 | - |
| In Units of trust - Unquoted | | |
| 2,000 (Previous year: Nil), units of ₹ 1000/- each in Rudrabhishek Infrastructure Trust | 20,000,000 | - |
| Total | 407,955,619 | 187,085,619 |
| Aggregate amount of quoted non-current investments | 277,772 | 277,772 |
| Aggregate market value of quoted non-current investments | 61,439 | 74,033 |
| Aggregate amount of unquoted non-current investments | 407,900,300 | 187,030,300 |
| Aggregate Provision for diminution in the value of non-current investments | 222,453 | 222,453 |

All Investments mentioned above are fully paid-up.

Notes to Financial Statements (Contd.)

12 Loan Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | | | As at 31st March, 2013 | | |
|---|------------------------|--------------------|--------------------|------------------------|--------------------|--------------------|
| | Long-Term | | Short-Term | Long-Term | | Short-Term |
| | Non-Current Maturities | Current Maturities | | Non-Current Maturities | Current Maturities | |
| Considered Good, unless otherwise stated | | | | | | |
| Secured | | | | | | |
| Loan to Others | | | | | | |
| [Refer note (a) herein below] | | | | | | |
| - Two-Wheeler Loans | 1,571,354 | 3,023,384 | 1,378,925 | 1,918,243 | 1,976,599 | 428,075 |
| [Refer note (b) herein below] | | | | | | |
| - Others | - | - | 9,131,600 | - | - | 48,998,000 |
| [Refer note (c) herein below] | | | | | | |
| Unsecured | | | | | | |
| Loan to Related parties | | | | | | |
| [Refer note 32] | - | 102,000,000 | 100,000 | - | 102,905,000 | 100,000 |
| Loan to Others | 230,000,000 | 110,000,000 | 339,758,520 | 135,000,000 | 228,500,000 | 400,192,120 |
| [Refer note (d) herein below] | | | | | | |
| Total | 231,571,354 | 215,023,384 | 350,369,045 | 136,918,243 | 333,381,599 | 449,718,195 |

Note

- (a) Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security.
- (b) Two-Wheeler Loans includes Non-Performing Assets of ₹ 115,956 (Previous Year ₹ Nil)
- (c) Short-Term, secured, Loan to Others includes Non-Performing Assets of ₹ 9,131,600 (Previous Year ₹ Nil)
- (d) Short-Term, unsecured, Loan to Others includes Non-Performing Assets of ₹ 12,868,400 (Previous Year ₹ 2,500,000)

13 Other Long-Term Advances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Considered Good, unless otherwise stated | | |
| Unsecured | | |
| Capital Advances | 26,500,000 | 26,500,000 |
| Security Deposits | 6,386,465 | 207,900 |
| Other Advances | | |
| -Prepaid Expenses | 702,641 | 1,065,645 |
| Total | 33,589,106 | 27,773,545 |

Notes to Financial Statements (Contd.)

14 Other Non-Current Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Considered Good, unless otherwise stated | | |
| Unsecured | | |
| Other Non-Current Assets | | |
| Investments in/Advances for Property Development [Refer note (a) herein below] | 74,500,000 | 179,500,000 |
| Total | 74,500,000 | 179,500,000 |

Note:

(a) Investments in/ Advances for Property Development includes the following:-

| Sl. No. | Amount invested/advanced (₹) | Purpose | Underlying document | Consideration for amount invested/advanced |
|--------------|------------------------------------|--------------------------------|------------------------|--|
| 1 | 10,000,000 | | | Share in sales proceeds of developed property |
| 2 | 30,000,000 | | | Share in leasehold & other rights of the developed property |
| 3 | 34,500,000 | Financing Purchase of property | "Agreement" | Share in rental/lease income till full repayment of amount invested, failing which 50% or proportionate ownership right over the said property |
| Total | 74,500,000 | | | |

The Company has entered into the above mentioned transactions with the broad objective of financing property development & sharing the fruits of the developed property in the future. The underlying documents, being Agreement as mentioned above, have not been notarised or registered with the appropriate authority and the deals are based on interactions with the contracting parties, property development brochures & / or project costing details provided by them.

The Company is of the view that the consideration receivable in future, in the manner as indicated above, will be adequate not only to fully recover the amount invested/advanced but also to result in reasonable profits.

15 Stock for Trade

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Stock for Trade [Refer Annexure I to Notes to Financial Statements] (At lower of cost and net realisable value) | 41,074,091 | 42,434,317 |
| Total | 41,074,091 | 42,434,317 |

16 Trade Receivables

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured, considered good | | |
| Outstanding for more than six months | - | 1,143,000 |
| Other Debts | 50,029,196 | 18,004 |
| Total | 50,029,196 | 1,161,004 |

Notes to Financial Statements (Contd.)

17 Cash and Bank Balances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Cash and Cash Equivalents: | | |
| Cash on Hand | 529,575 | 708,659 |
| Balances with Banks | | |
| -In Current Account | 30,268,910 | 1,688,103 |
| -In Unclaimed Dividend Account | 122,410 | 122,450 |
| (A) | 30,920,895 | 2,519,212 |
| Other Bank Balance: | | |
| Fixed Deposit with bank (having balance maturity of more than 3 months) [Refer note (a) herein below] | 5,000,000 | 10,000,000 |
| (B) | 5,000,000 | 10,000,000 |
| Total (A+B) | 35,920,895 | 12,519,212 |

Note:

- (a) The fixed deposit receipt is pledged with bank as security amounting to ₹ 5,000,000 (Previous year ₹ 10,000,000) for availing bank guarantee / overdraft facility.

18 Other Short-Term Advances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Unsecured, Considered Good | | |
| Interest accrued and due on Loans | 56,956,658 | 8,618,876 |
| Other loans and advances | | |
| -Other advances | 9,839,697 | 2,062,955 |
| -Service tax receivable | 741,579 | 515,734 |
| -Prepaid Expenses | 363,259 | 363,514 |
| -MAT Credit Entitlement | 367,577 | 138,828 |
| -Advance Tax [(net of provision for tax ₹ 11,613,100) (Previous year ₹ 10,125,960)] | 13,533,510 | 9,372,906 |
| -Share Application Money Pending Allotment | - | 50,400,000 |
| Total | 81,802,280 | 71,472,813 |

19 Other Current Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Interest accrued but not due | 22,891,228 | 89,270,809 |
| Interest accrued but not due on Fixed Deposit | 275,638 | 632,750 |
| Total | 23,166,866 | 89,903,559 |

20 Revenue From Operations

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---------------------------------------|--------------------------------|--------------------------------|
| Sale of Stock for Trade | 44,534,518 | 624,214,940 |
| Income from Loans | 87,298,796 | 134,366,381 |
| Other Financial Services | - | 2,770,000 |
| Processing Charges | 254,104 | 328,991 |
| Profit on Sale of Current Investments | - | 589,639 |
| Total | 132,087,418 | 762,269,951 |

Notes to Financial Statements (Contd.)

21 Other Income

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--------------------------------------|--------------------------------|--------------------------------|
| Dividend Income from Stock for Trade | 1,514,802 | 2,224,931 |
| Interest on Fixed Deposits | 626,510 | 703,056 |
| Interest on Income Tax Refund | 178,329 | - |
| Total | 2,319,641 | 2,927,987 |

22 Employee Benefits Expense

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Salaries, Allowances and Bonus | 5,472,875 | 6,996,820 |
| Contribution to Provident and Other Funds | 104,055 | (42,285) |
| Staff Welfare Expenses | 75,666 | 308,038 |
| Total | 5,652,596 | 7,262,573 |

23 Finance Cost

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------|--------------------------------|--------------------------------|
| Interest Expense | | |
| Interest on Debentures | 63,750,000 | 63,750,000 |
| Other Interest | 1,268,929 | 10,456,228 |
| Total | 65,018,929 | 74,206,228 |

24 Other Expenses

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Capital & Commodity Market Expenses | 254,403 | 1,316,437 |
| Corporate Compliance Fees | 686,367 | 1,781,723 |
| Legal & Professional Fees | 961,290 | 1,591,740 |
| Debenture Issue Expenses | 363,259 | 352,587 |
| Auditors' Remuneration [Refer note 25] | 205,000 | 1,000,573 |
| Advertisement, Publicity & Sales Promotion | 244,979 | 596,509 |
| Motor Car Expenses | 300,292 | 170,739 |
| Directors' Sitting Fees | 144,947 | 184,000 |
| Printing and Stationery | 284,019 | 1,072,141 |
| Rent | 515,676 | 517,635 |
| Rates and Taxes | 18,599 | 65,032 |
| Repair and Maintenance | | |
| -Others | 25,467 | 101,509 |
| Communication Expenses | 156,592 | 204,215 |
| Travelling and Conveyance | 418,764 | 892,509 |
| Electricity Charges | 177,830 | 178,540 |
| Commission | 105,975 | 2,089,758 |
| Miscellaneous Expenses | 125,831 | 365,117 |
| Total | 4,989,290 | 12,480,764 |

Notes to Financial Statements (Contd.)

25 Auditors' Remuneration*

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------------|--------------------------------|--------------------------------|
| As Auditors | 130,000 | 555,000 |
| For Taxation Matters | 15,000 | 15,000 |
| For Other Services | 60,000 | 426,000 |
| For Reimbursement of Expenses | - | 4,573 |
| Total | 205,000 | 1,000,573 |

*excluding service tax

26 Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| I Contingent Liabilities Bank Guarantee | 50,00,000 | Nil |
| II Commitments Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances) | 6,80,38,000 | 4,05,78,555 |

27 Operating lease-in the capacity of lessee

The Company has a cancellable operating lease arrangement for office space for a period of 3 years and is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year amounted to ₹ 515,676 (Previous year: ₹ 515,288).

28 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Defined Benefit Plan:

The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC).

(a) Expenses recognised in the Statement of Profit and Loss are as follows:

(Amount in ₹)

| Particulars | Gratuity | |
|--------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
| Current services cost | 1,11,365 | 1,02,219 |
| Interest cost | 11,575 | 3,381 |
| Expected return on plan assets | (19,717) | (6,430) |
| Past Service Cost | - | - |
| Net actuarial losses/(gains) | (6,168) | (1,41,455) |
| Net benefit expense | 97,055 | (42,285) |

(b) Net Liability recognised in the Balance Sheet is as follows:

(Amount in ₹)

| Particulars | Gratuity | |
|-----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Defined benefit obligation | 3,87,855 | 2,63,651 |
| Fair value of plan assets | (2,75,577) | (1,54,595) |
| Net Asset/ liability | 1,12,278 | 1,09,056 |
| - Non-Current | 1,12,278 | 1,09,056 |
| - Current | - | - |

Notes to Financial Statements (Contd.)

(c) Changes in the present value of the defined benefit obligations are as follows: (Amount in ₹)

| Particulars | Gratuity | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
| Opening defined benefit obligation | 2,63,651 | 3,02,970 |
| Interest cost | 11,575 | 3,381 |
| Current service cost | 1,11,365 | 1,02,219 |
| Benefit paid | - | - |
| Actuarial losses/(gains) | 1,264 | (1,44,919) |
| Plan Amendments | - | - |
| Closing defined benefit obligation | 3,87,855 | 2,63,651 |

(d) The details of fair value of plan assets at the Balance Sheet date are as follows: (Amount in ₹)

| Particulars | Gratuity | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Opening fair value of plan assets | 1,54,595 | - |
| Expected return on plan assets | 19,717 | 6,430 |
| Contribution by the Company | 1,01,265 | 1,48,165 |
| Benefits paid | - | - |
| Actuarial (losses) / gains | - | - |
| Closing fair value of plan assets | 2,75,577 | 1,54,595 |

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|-------------------|---------------------------|---------------------------|
| Discount rate (%) | 8.00% | 8.00% |
| Mortality Rate | LIC (1994-96) Ultimate | LIC (1994-96) Ultimate |

(f) The amounts for the current and previous years are as follows: (Amount in ₹)

| Particulars | Gratuity | |
|---|------------------|------------------|
| | 31st March, 2014 | 31st March, 2013 |
| Defined benefit obligation | 3,87,855 | 2,63,651 |
| Fair value of plan assets | 2,75,577 | 1,54,595 |
| Deficit | 1,12,278 | 1,09,056 |
| Experience adjustments on plan liabilities – gain/ (loss) | - | (3,180) |
| Experience adjustments on plan assets – gain/(loss) | - | - |
| Actuarial gain/(loss) due to change on assumptions | - | (1,41,455) |

29 The management is of the view that the business of the Company predominantly falls within a single primary segment viz. “Financial and Related Services” and hence the disclosure requirement of Accounting Standard-17 ‘Segment Reporting’ notified by the Central Government under Companies (Accounting Standards) Rules, 2006, is not applicable.

Notes to Financial Statements (Contd.)

30 Earnings Per Equity Share

| Particulars | 2013 - 14 | 2012 - 13 |
|--|-------------|-------------|
| Profit After Tax attributable to Equity Shareholders (₹) | 73,31,764 | 2,00,16,041 |
| Weighted average number of Equity Shares (Basic) | 6,84,34,647 | 4,79,81,222 |
| Weighted average number of Potential Equity Shares | - | 35,00,000 |
| Weighted average number of Equity Shares (Diluted) | 6,84,34,647 | 5,14,81,222 |
| Nominal Value of Equity per share (₹) | 5 | 5 |
| Earnings per share (₹) - Basic | 0.11 | 0.42 |
| - Diluted | 0.11 | 0.39 |

- 31** The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2014 as micro, small or medium enterprises. Consequently, the amount paid / payable to these parties during the year is ₹ Nil (Previous year: ₹ Nil).

32 Related Party Disclosures

A. Related Parties:

- | | |
|--|--|
| i. Holding Company | : Risewell Credit Private Limited (ceased w.e.f. 31 st October, 2012) |
| ii. Subsidiaries | : Golden Goenka Properties & Construction Private Limited : Golden Goenka Financial Advisors Private Limited : Golden Goenka Management Consultancy Services Private Limited : Aristro Capital Markets Limited (w.e.f. 25 th May, 2013) |
| iii. Associates | : Aristro Capital Markets Limited (ceased w.e.f. 25 th May, 2013) : Purple Advertising Services Private Limited (w.e.f. 7 th December, 2012) : S2 Capital Services Private Limited (ceased w.e.f. 7 th September, 2012) |
| iv. Investing Company | : Risewell Credit Private Limited (w.e.f. 31 st October, 2012) |
| v. Enterprises significantly influenced by Key management personnel or their relatives | : Girdhar Fiscal Services Private Limited Rajgaj Traders Private Limited |

B. Key Management Personnel:

- | | |
|-------------------------|--|
| vi. Managing Director | : Mr. Girdhari Lal Goenka |
| vii. Executive Director | : Mr. Dinesh Burman (w.e.f. 30 th May, 2012) |

C. Relative of Key Management Personnel:

- | | |
|---|-------------------|
| viii. Wife of Girdhari Lal Goenka , Managing Director | : Mrs. Raj Goenka |
|---|-------------------|

Notes to Financial Statements (Contd.)

The following is the summary of transactions with related parties:

(Amount in ₹)

| Name of related party | Nature of transactions and outstanding balances | 2013-14 | 2012-13 |
|---|--|--------------|---------------|
| Subsidiaries: | | | |
| Golden Goenka Properties & Construction Private Limited | Loan Given | 43,12,151 | 24,99,05,000 |
| | Balance Receivable: Loans | 10,20,00,000 | 10,29,05,000 |
| Golden Goenka Financial Advisors Private Limited | Loan Given | - | 1,00,000 |
| | Balance Receivable: Loans | 1,00,000 | 1,00,000 |
| Aristro Capital Markets Limited * As a share broker | Loan Given | - | 60,00,000 |
| | Investment in Equity Instrument | - | 6,00,000 |
| | Mark to Market Margin received/(paid)* | 5,19,922 | (1,12,67,903) |
| | Direct Expenses on Future & Options* | 15,400 | 1,08,277 |
| | Security transaction Tax* | 67,986 | 4,97,754 |
| | Purchase of Shares & Securities* | 3,03,28,578 | 18,52,48,966 |
| | Sales of Shares & Securities* | 3,74,94,371 | 21,98,93,018 |
| | Direct Expenses on Shares* | 87,378 | 5,78,489 |
| | Share Speculation Profit/(Loss)* | 20,225 | (18,61,713) |
| | Balance Receivable/(Payable) | (171,333) | (600,000) |
| Associates: | | | |
| Purple Advertising Services Private Limited | Investment in Equity Instrument | 3,96,00,000 | 5,04,00,000 |
| Investing Company: | | | |
| Risewell Credit Private Limited | Loan Taken | 20,75,00,000 | 42,59,90,553 |
| | Interest on Loan | 10,61,576 | 98,50,273 |
| | Balance Payable: Loans | - | - |
| | Allotment of 0% Optionally Convertible Debentures | - | 20,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | - | 20,00,00,000 |
| Enterprises significantly influenced by Key management personnel or their relatives: | | | |
| Girdhar Fiscal Services Private Limited | Allotment of 0% Optionally Convertible Debentures | - | 10,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | 3,50,00,000 | 6,50,00,000 |
| Rajgaj Traders Private Limited | Allotment of 0% Optionally Convertible Debentures | - | 10,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | 3,50,00,000 | 6,50,00,000 |
| Key Management Personnel: | | | |
| Mr. Girdhari Lal Goenka | Managerial Remuneration | 21,60,000 | 21,60,000 |
| Mr. Dinesh Burman | Managerial Remuneration | 3,06,000 | 2,56,645 |
| | Director Sitting fees | - | 11,000 |
| Relative of Key Management Personnel: | | | |
| Mrs. Raj Goenka | Rent paid | 15,876 | 15,488 |

Notes to Financial Statements (Contd.)

- 33** The Board of Directors of the Company at its meeting held on 30th May, 2013 approved the issue and allotment of 3,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each in the ratio of two equity shares of par value of ₹ 5/- each fully paid up for one OCD of par value of ₹ 40/- each.
- 34** Subsequent to the approval of the shareholders of the Company through postal ballot, the authorised Equity Share Capital of the Company has increased to ₹ 1,000,000,000/- divided into 200,000,000 shares of par value of ₹ 5/- each from ₹ 850,000,000/- divided into 170,000,000 shares of par value of ₹ 5/- each.
- 35** The Board of Directors of the Company at its meeting held on 3rd May, 2014 has issued and allotted 12,12,37,929 equity shares of ₹ 5/- each at a price of ₹ 9/- per equity share (including premium of ₹ 4/-) for an amount aggregating to ₹ 10,911.41 lakhs to the successful applicants who subscribed to the Rights Issue of the Company in the ratio of 9 (Nine) fully paid up equity shares of ₹ 5/- each for every 5 (Five) fully paid up equity shares of ₹ 5/- held (i.e. 9:5) by the equity shareholders on the record date i.e. March 19, 2014. Consequent to the aforesaid allotment, the paid up Equity Share capital of the Company stands increased from ₹ 34,50,02,000/- (comprising of 6,90,00,400 fully paid up equity shares of ₹ 5/- each) to ₹ 95,11,91,645/- (comprising of 19,02,38,329 fully paid up equity shares of ₹ 5/- each).
- 36** Information as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide **Annexure – III** is attached herewith. Additional information as per guidelines issued by the Reserve Bank of India in respect of Non-Banking Financial (Non-Deposit Accepting or Holding) systemically important (NBFC-ND-SI) are given in **Annexure – II**, attached herewith.
- 37** Previous years' financial statements have been jointly audited by M/s Vasudeo & Associates, Chartered Accountants & M/s Haribhakti & Co., Chartered Accountants.
- 38** Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

Signatories to Notes 1 to 38

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Notes to Financial Statements (Contd.)

ANNEXURE I TO THE NOTES TO FINANCIAL STATEMENTS [Refer Note 15]

Particulars of Stock for Trade as on 31st March, 2014

| Particulars | Face Value | Quantity | Cost | Value |
|--|------------|----------|---------------|---------------|
| | (₹) | (Nos.) | (Amount in ₹) | (Amount in ₹) |
| Equity Shares: Trade (A) | | | | |
| Action Construction Equipment | 2 | 32,581 | 8,89,208 | 4,66,602 |
| Ahmednagar Forgings Limited | 10 | 11,723 | 14,06,808 | 14,06,808 |
| Allahabad Bank Limited | 10 | 27,500 | 33,00,894 | 24,94,751 |
| Andhra Bank Limited | 10 | 49,100 | 39,16,986 | 31,33,665 |
| Andhra Petrochemicals Limited | 10 | 57,892 | 10,21,503 | 5,47,719 |
| Archies Limited | 2 | 15,000 | 2,52,576 | 2,52,245 |
| Alstom T&D India Limited | 2 | 346 | 81,275 | 81,275 |
| Assam Company (India) Limited | 1 | 57,000 | 3,72,260 | 2,64,520 |
| AstraZeneca Pharma India Limited | 2 | 250 | 4,07,406 | 2,75,660 |
| Bartronics India Limited | 10 | 12,500 | 2,68,762 | 78,593 |
| Bharti Shipyard Limited | 10 | 30,500 | 26,32,917 | 7,77,716 |
| Bharat Heavy Electricals Limited | 2 | 1,000 | 1,87,560 | 1,87,560 |
| Camson Bio Technologies Limited | 10 | 4,043 | 2,26,253 | 2,25,753 |
| Chisel & Hammer (Möbel) Limited | 10 | 7,500 | 2,95,250 | 36,602 |
| Cosmo Films Limited | 10 | 17,000 | 13,20,972 | 8,51,693 |
| CREW B.O.S. Products Limited | 10 | 43,155 | 13,54,040 | 1,69,691 |
| Dena Bank | 10 | 10 | 958 | 604 |
| Diamond Power Infrastructure Limited | 10 | 9,048 | 7,69,074 | 4,34,790 |
| Electroherm (India) Limited | 10 | 19,948 | 13,93,882 | 3,44,410 |
| Excel Crop Care Limited | 5 | 30 | 3,507 | 3,507 |
| Excel Industries Limited | 5 | 6,423 | 5,10,411 | 4,42,942 |
| GIC Housing Finance Ltd | 10 | 2,000 | 2,03,846 | 2,03,846 |
| HBL Power Systems Limited | 1 | 10,000 | 2,07,451 | 98,303 |
| Hindustan Construction Company Limited | 1 | 29,500 | 6,97,725 | 4,97,553 |
| Himadri Chemicals & Industries Limited | 1 | 13,101 | 4,63,171 | 2,70,648 |
| Indraprastha Medical Corporation Limited | 10 | 33,815 | 12,97,528 | 12,97,528 |
| Jain Irrigation Systems Limited – DVR | - | 500 | - | - |
| Jain Irrigation Systems Limited | 2 | 15,100 | 13,17,527 | 9,86,318 |
| Kesoram Industries Limited | 10 | 3,900 | 2,89,924 | 2,81,990 |
| Lanco Industries Limited | 10 | 12,407 | 2,96,730 | 2,96,730 |
| Lanco Infratech Limited | 1 | 37,000 | 4,10,732 | 2,62,175 |
| Lumax Automotive Systems Limited | 10 | 26,229 | 9,77,964 | 4,43,692 |
| Lumax Auto Technologies Limited | 10 | 8,864 | 13,78,839 | 10,08,033 |
| Lyka Labs Limited | 10 | 57,119 | 8,41,789 | 5,98,550 |
| MIC Electronics Limited | 2 | 1,10,010 | 7,27,892 | 3,07,412 |

Notes to Financial Statements (Contd.)

ANNEXURE I [Contd.]

| Particulars | Face Value | Quantity | Cost | Value |
|--|------------|--------------|--------------------|--------------------|
| | (₹) | (Nos.) | (Amount in ₹) | (Amount in ₹) |
| Microsec Financial Services Limited | 10 | 6,150 | 1,49,315 | 1,49,315 |
| Mukand Limited | 10 | 15,801 | 4,37,821 | 3,70,581 |
| NMDC Limited | 1 | 6,500 | 8,90,625 | 8,90,625 |
| Opto Circuits India Limited | 10 | 31,000 | 30,48,450 | 8,41,514 |
| Punjab & Sind Bank | 10 | 85,491 | 63,75,823 | 38,47,933 |
| RSWM Limited | 10 | 1,400 | 1,54,292 | 1,54,292 |
| Shree Nath Commercial & Finance Ltd. | 10 | 15,000 | 1,19,99,968 | 1,24,550 |
| SIL Investments Limited | 10 | 15,043 | 12,24,674 | 6,60,568 |
| SJVN Limited | 10 | 2,001 | 40,353 | 40,353 |
| Sona Koyo Steering Systems Limited | 1 | 1,130 | 15,010 | 15,010 |
| Standard Industries Limited | 5 | 5,000 | 95,500 | 54,641 |
| Sumedha Fiscal Services Limited | 10 | 9,500 | 2,00,368 | 86,277 |
| Tata Motors (DVR) | - | 16,072 | 31,40,122 | 31,40,122 |
| Tourism Finance Corporation of India Limited | 10 | 21,000 | 4,78,598 | 4,78,598 |
| Tamilnadu Petroproducts Limited | 10 | 9,527 | 1,53,754 | 1,02,686 |
| TRF Limited | 10 | 5,418 | 10,76,457 | 7,92,420 |
| Tube Investments of India Limited | 2 | 100 | 11,997 | 11,997 |
| Uniphos Enterprises Limited | 2 | 4,094 | 1,10,234 | 77,018 |
| Universal Cables Limited | 10 | 38,949 | 14,55,111 | 10,65,076 |
| Zenith Computers Limited | 10 | 38,333 | 6,69,440 | 87,990 |
| Total | | | 6,14,51,531 | 3,20,21,448 |
| Mutual Fund (B) | | Units | | |
| Reliance Liquid Fund-Growth Plan | | 4,426 | 90,52,643 | 90,52,643 |
| Grand total (A+B) | | | 7,05,04,174 | 4,10,74,091 |
| Less: Provision for diminution | | | 2,94,30,083 | |
| Total | | | 4,10,74,091 | 4,10,74,091 |

Notes to Financial Statements (Contd.)

ANNEXURE II TO THE NOTES TO FINANCIAL STATEMENTS [Refer Note 36]

Disclosure of details as required in terms of paragraph 10 of Non Banking Financial
(Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1 Capital to Risk Assets Ratio (CRAR)

| Sl. | Items | As at 31st March, 2014 | As at 31st March, 2013 |
|------|----------------------------|---------------------------|---------------------------|
| i) | CRAR (%) | 57.90% | 61.96% |
| ii) | CRAR – Tier I Capital (%) | 57.75% | 56.69% |
| iii) | CRAR – Tier II Capital (%) | 0.15% | 5.27% |

2 Exposure to Real Estate Sector

(Amount in ₹)

| Category | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| a) Direct exposure | | |
| i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately) | 2,000,000 | 2,500,000 |
| ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | - | - |
| iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | - | - |
| a) Residential | - | - |
| b) Commercial Real Estate | - | - |
| b) Indirect exposure | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | - |

Notes to Financial Statements (Contd.)

3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2014 are as follows;

| Particulars | 1 day to 30/31 days (one month) | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
|--|---------------------------------------|--------------------------------|---------------------------------|---------------------------------|-------------------------------|------------------------------|----------------------------|------------------------------|------------------------------|
| Liabilities | | | | | | | | | |
| Borrowings from Banks | - | - | - | - | - | - | - | - | - |
| Market Borrowings | 74,723 (74,723) | 74,723 (74,723) | 74,723 (74,723) | 224,169 (224,169) | 448,328 (448,328) | 500,747,213 (1,643,889) | - (500,000,000) | - | 501,643,879 (502,540,555) |
| Assets | | | | | | | | | |
| Advances (Refer Note (a) below) | 170,552,758 (396,790,951) | 380,384 (5,499,497) | 377,159 (203,457) | 7,616,443 (22,128,686) | 364,349,729 (358,477,203) | 231,571,354 (136,918,243) | 22,115,956 - | - - | 796,963,783 (920,018,037) |
| Investments (including Stock for Trade) | 41,074,091 (42,434,317) | - - | - - | - - | - - | 149,069,619 (54,569,619) | - - | 258,886,000 (132,516,000) | 449,029,710 (229,519,936) |

Notes:

(a) Advances represent the maturity pattern of loan assets.

Notes to Financial Statements (Contd.)

ANNEXURE III TO THE NOTES TO FINANCIAL STATEMENTS [Refer Note 36]

Disclosure of details as required in terms of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Amount in ₹)

| Particulars | | Amount Outstanding | Amount Overdue |
|--------------------------|---|--------------------|----------------|
| Liabilities Side: | | | |
| (1) | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures: | | |
| | Secured | 528,608,904 | - |
| | Unsecured (other than falling within the meaning of public deposit) | - | - |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | 1,643,879 | - |
| | (d) Inter-corporate loans and borrowing | - | - |
| | (e) Commercial Paper | - | - |
| | (f) Other Loans: | | |
| | Working capital facility | | |
| | Public Deposit | - | - |

| Particulars | | Amount Outstanding |
|---------------------|--|--------------------|
| Assets Side: | | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (3) below]: | |
| | (a) Secured | 15,105,263 |
| | (b) Unsecured | 856,358,520 |
| (3) | Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities | |
| | (a) Financial assets | - |
| | (b) Assets and advance for Operating Lease | - |
| | (c) Repossessed Assets | - |
| (4) | Break up of Investments | |
| | Current Investments* | |
| | (1) Quoted: | |
| | (i) Shares: (a) Equity | 41,074,091 |
| | (b) Preference | - |
| | (ii) Debentures and bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | (2) Unquoted: | |
| | (i) Shares: (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |

*Stock for Trade

Notes to Financial Statements (Contd.)

(Amount in ₹)

| Particulars | | | Amount Outstanding | | |
|--|--|--|--------------------------------|-------------|-------------|
| Long term investments | | | | | |
| | (1) | Quoted: | | | |
| | (i) | Shares: (a) Equity | 55,319 | | |
| | | (b) Preference | - | | |
| | (ii) | Debentures and bonds | - | | |
| | (iii) | Units of mutual funds | - | | |
| | (iv) | Government Securities | - | | |
| | (v) | Others | - | | |
| | (2) | Unquoted: | | | |
| | (i) | Shares: (a) Equity | 387,900,300 | | |
| | | (b) Preference | - | | |
| | (ii) | Debentures and bonds | - | | |
| | (iii) | Units of mutual funds | - | | |
| | (iv) | Government Securities | - | | |
| | (v) | Others (Investment in Funds) | 20,000,000 | | |
| | (5) Borrower group-wise classification of assets financed as in (2) and (3) above: | | | | |
| Category | | Amount net of provisions | | | |
| | | Secured | Unsecured | Total | |
| | 1. | Related Parties | | | |
| | | (a) Subsidiaries | - | 102,100,000 | 102,100,000 |
| | | (b) Companies in the same group | - | - | - |
| | | (c) Other related parties | - | - | - |
| | 2. | Other than related parties | 15,105,263 | 754,258,520 | 769,363,783 |
| | Total | | 15,105,263 | 856,358,520 | 871,463,783 |
| (6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | | | | |
| Category | | Market Value / Break up or fair value or NAV | Book Value (net of provisions) | | |
| | 1. | Related Parties | | | |
| | | (a) Subsidiaries | 148,886,000 | | 148,886,000 |
| | | (b) Companies in the same group | 90,000,000 | | 90,000,000 |
| | | (c) Other related parties | - | | - |
| | 2. | Other than related parties | 190,149,830 | | 190,143,710 |
| | Total | | 429,035,830 | | 429,029,710 |
| (7) Other Information: | | | | | |
| Particulars | | | Amount in ₹ | | |
| | i. | Gross Non-Performing Assets | | | |
| | | (a) Related parties | | - | |
| | | (b) Other than related parties | | 22,115,956 | |
| | ii. | Net Non-Performing Assets | | | |
| | | (a) Related parties | | - | |
| | | (b) Other than related parties | | 22,115,956 | |
| | iii. | Assets acquired in satisfaction of debt | | | |

Consolidated
Financials

Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report

To

Board of Directors of Golden Goenka Fincorp Limited

We have audited the accompanying consolidated financial statements of **Golden Goenka Fincorp Limited** ('the Company'), its subsidiaries and associate [the Company, its subsidiaries and associate collectively referred to as 'the Group'] which comprise the consolidated Balance Sheet as at 31st March 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

As stated in the Other Matters paragraph below, our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associates not audited by us, is based solely on the reports of such other auditors.

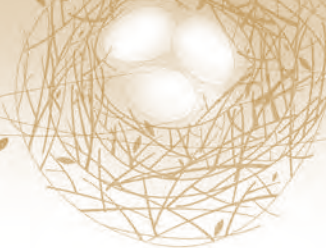
Basis of Qualified Opinion

Attention to Note no. 26(a) of the consolidated financial statements, in respect of non consolidation of financial results of one of its Associates namely Purple Advertising Services Pvt Ltd due to non availability of audited accounts for the year ended 31st March 2014.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 7 above- the Basis for Qualified Opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.



INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GOLDEN GOENKA FINCORP LIMITED (Contd.)

Emphasis of Matter

- (a) We draw attention in respect of Investments in/Advances for Property Development aggregating to ₹ 7,45,00,000 (Previous Year ₹ 17,45,00,000). The Company is of the view that the amounts invested/advanced are towards ventures which would yield profits in future. Our opinion is not qualified in respect of this matter.
- (b) Further attention is drawn to investment made in 800,000 equity shares of S2 Capital Services Pvt Ltd shares of ₹ 10 each issued at premium of ₹ 40 per share amounting to ₹ 400 lacs (Previous year- ₹ 400 lacs), being shown as Unquoted/Non Current Investments in financial results of the company for year ended 31st March 2014, the financial results for financial year 2012-13 and 2013-14 could not be made available to us, hence we are unable to form an opinion regarding valuation of said investment. The Company is of the view that the said investment is long term strategic investment, hence no provision for diminution in value of said investment has been made in the current financial year. Our opinion is not qualified in respect of this matter.

Other Matters

Financial statements of the subsidiaries, which reflect total assets of ₹ 3304.75 lacs, as at 31st March, 2014, total revenues of ₹ 342.92 lacs and net cash inflow amounting to ₹ 22.25 Lacs for the then year ended as considered in the Consolidated Financial Statements, have been audited by one of us. Our opinion is not qualified in respect of this matter. Further reference is drawn to Note No. 26 (a) of Consolidated financial statement and paragraph no 7 above, in respect of non consolidation of financial results of one of its Associates namely Purple Advertising Services Pvt Ltd due to non availability of audited accounts for the year ended 31st March, 2014

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

Anil Kumar Agarwal
Partner
Membership No. 062368

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

(Amount in ₹)

| | Note | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 345,002,000 | 327,502,000 |
| Reserves and Surplus | 3 | 659,655,272 | 598,285,655 |
| | | 1,004,657,272 | 925,787,655 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 556,747,213 | 609,643,889 |
| Other Long-Term Liabilities | 5 | 10,341,530 | 5,341,530 |
| Long-Term Provisions | 6 | 4,308,427 | 2,659,101 |
| | | 571,397,170 | 617,644,520 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 6,300,000 | 70,000,000 |
| Other Current Liabilities | | | |
| - Current Maturities of Long-Term Borrowings | 4 | 896,666 | 896,666 |
| - Others | 8 | 46,962,005 | 40,721,616 |
| | | 54,158,671 | 111,618,282 |
| TOTAL | | 1,630,213,113 | 1,655,050,457 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 9 | | |
| - Tangible assets | | 7,578,374 | 6,908,671 |
| - Intangible assets | | 55,710 | 55,710 |
| | | 7,634,084 | 6,964,381 |
| Deferred Tax Assets (Net) | 10 | 466,711 | 218,923 |
| Non-Current Investments | 11 | 290,853,344 | 189,384,143 |
| Long-Term Loans and Advances | | | |
| - Loan Assets | 12 | 231,571,354 | 136,918,243 |
| - Other Long-Term Advances | 13 | 60,414,606 | 27,773,545 |
| Other Non-Current Assets | 14 | 231,944,933 | 394,943,753 |
| | | 815,250,948 | 749,238,607 |
| Current Assets | | | |
| Stock for Trade | 15 | 92,948,617 | 42,434,317 |
| Trade Receivables | 16 | 61,660,651 | 1,395,004 |
| Cash and Bank Balances | 17 | 51,017,752 | 12,619,652 |
| Short-Term Loans and Advances | | | |
| - Loan Assets | 12 | 350,269,045 | 449,618,195 |
| - Other Short-Term Advances | 18 | 115,041,304 | 72,400,143 |
| Other Current Assets | | | |
| - Current Maturities of Long-Term Loan Assets | 12 | 113,023,384 | 230,476,599 |
| - Other Current Assets | 19 | 23,367,328 | 89,903,559 |
| | | 807,328,081 | 898,847,469 |
| TOTAL | | 1,630,213,113 | 1,655,050,457 |

Significant Accounting Policies and Notes to Consolidated Financial Statements
The Notes referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

1 to 35

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in ₹)

| | Note | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue From Operations | 20 | 165,918,323 | 768,625,677 |
| Other Income | 21 | 3,737,251 | 3,187,987 |
| Total | | 169,655,574 | 771,813,664 |
| EXPENSES | | | |
| Purchases of Shares, Mutual Funds & Commodities | | 94,532,662 | 583,206,860 |
| Changes in Stock for Trade | | (10,944,834) | 59,692,662 |
| Loss on sale of investment | | 22,638,348 | - |
| Employee Benefits Expense | 22 | 6,824,776 | 7,579,326 |
| Finance Cost | 23 | 65,716,540 | 79,227,734 |
| Depreciation/Amortisation and Impairment | 9 | 2,137,399 | 420,837 |
| Other Expenses | 24 | 7,303,622 | 13,566,094 |
| Total | | 188,208,513 | 743,693,513 |
| Profit before Provisions & Tax | | (18,552,939) | 28,120,151 |
| Contingent Provisions against Standard Assets | | (362,925) | 923,045 |
| Provision for Non-Performing Assets | | 1,961,596 | 250,000 |
| | | 1,598,671 | 1,173,045 |
| Profit Before Exceptional items & Tax | | (20,151,610) | 26,947,106 |
| Exceptional Items | | | |
| Profit on sale of Office Premises | | 4,823,795 | - |
| Profit Before Tax | | (15,327,815) | 26,947,106 |
| Tax Expense: | | | |
| - Current tax | | 1,409,722 | 6,775,663 |
| - Deferred Tax | | (247,789) | 15,024 |
| Total Tax for the current year | | 1,161,933 | 6,790,687 |
| Income Tax in respect of earlier years | | 170 | (8,380) |
| Profit After Tax but before Share of Profit of Associate | | (16,489,918) | 20,164,799 |
| Share of Profit of Associate | | - | 225,475 |
| Profit After Tax | | (16,489,918) | 20,390,274 |
| Earnings per Equity Share (Par Value ₹ 5/- per Equity Share) | 28 | | |
| Basic (₹) | | (0.24) | 0.42 |
| Diluted (₹) | | (0.24) | 0.40 |

Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 35

The Notes referred to above form an integral part of the Statement of Profit and Loss
This is the Statement of Profit and Loss referred to in our report of even date

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(Amount in ₹)

| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | (15,327,815) | 26,947,106 |
| Adjustment for: | | |
| Depreciation/Amortisation and Impairment | 2,137,399 | 420,837 |
| Contingent Provisions against Standard Assets | (362,925) | 923,045 |
| Provision for Non-Performing Assets | 1,961,596 | 250,000 |
| Profit on Sale of Current Trade Investments (Net) | - | (589,639) |
| Interest Income from Investment in Fixed Deposit/Bonds | (626,510) | (703,056) |
| Provision for Diminution in value of Stock for Trade | - | 10,462,106 |
| Operating Profit before Working Capital Changes | (12,218,255) | 37,710,399 |
| Adjustments for: | | |
| Increase / (Decrease) in Liabilities and Provisions | 6,291,085 | 39,034,884 |
| Decrease / (Increase) in Trade Receivables | (60,265,647) | 46,135,520 |
| Decrease / (Increase) in Stock for Trade | (50,514,300) | 49,230,555 |
| Decrease / (Increase) in Loans and Advances/Other Assets | 281,006,064 | (823,416,678) |
| Cash Generated from/(used) Operations | 164,298,947 | (651,305,320) |
| Direct Taxes Paid | (6,013,872) | (13,811,448) |
| Net Cash (Used in)/Generated from Operating Activities a | 158,285,075 | (665,116,768) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (2,807,102) | (5,468,257) |
| (Increase) / Decrease in Investments | (71,109,667) | (101,730,300) |
| (Increase) / Decrease in Fixed Deposit | (2,393,778) | (10,000,000) |
| Interest Income from Investment in Fixed Deposit/Bonds | 626,510 | 703,056 |
| Proceeds from Sale of Current Trade Investments | - | 20,589,639 |
| Net Cash (Used)/ Generated in Investing Activities b | (75,684,037) | (95,905,862) |
| C. Cash Flow from Financing Activities | | |
| Increase / (Decrease) in Share Capital | 70,000,000 | 630,000,000 |
| Increase / (Decrease) in Optionally Convertible Debentures | (70,000,000) | 70,000,000 |
| Increase / (Decrease) in Long-Term Borrowings | (52,000,000) | 108,000,000 |
| Increase / (Decrease) in Unsecured Short-Term Borrowings | 6,300,000 | (65,000,000) |
| Increase / (Decrease) in Vehicle Loan | (896,676) | 1,643,888 |
| Interim Dividend Paid | (40) | (7,213,284) |
| Corporate Dividend Tax Paid | - | (1,103,143) |
| Net Cash (Used)/ Generated in Financing Activities c | (46,596,716) | 736,327,461 |

Consolidated Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

(Amount in ₹)

| | | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|--------------|--------------------------------|--------------------------------|
| Net Increase/(Decrease) in Cash & Cash Equivalents | a+b+c | 36,004,322 | (24,695,169) |
| Cash & Cash Equivalents at the beginning of the year | | 2,619,652 | 27,314,821 |
| Cash & Cash Equivalents at the end of the year | | 38,623,974 | 2,619,652 |

Explanations:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Significant Accounting Policies and Notes to the Consolidated Financial Statements

1 Significant Accounting Policies

1.1 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the Accounting Standards ('AS') notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. Further, the Company follows the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-Deposit Accepting or Holding) Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.


1.2 Use of estimates

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

1.3 Principles of Consolidation

Golden Goenka Fincorp Limited (the Holding Company, hereinafter referred to as "the Company"), its subsidiaries and associate are collectively referred to as 'the Group'. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements" and Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- c) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- d) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- e) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.



Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.4 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Tangible Fixed Assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit or Loss.

b) Depreciation/Amortisation

Depreciation/Amortisation is provided on the Written Down Value Method ('WDV') as per the rates and in the manner prescribed in Schedule XIV of the Act. Management's estimates the useful lives of fixed assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation / Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.5 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis.

Cost is arrived at on weighted average method for the purpose of valuation of investments.

Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.6 Stock for Trade

Stock for Trade is carried at lower of cost and market price, determined category-wise.

1.7 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

1.8 Provisioning / Write-off of assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for other financial services is also made on similar basis.

1.9 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of Stock for Trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Income from Loan Assets is recognised in the Statement of Profit and Loss on accrual basis as per the term and condition of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the RBI, applicable to NBFC.
- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instrument (future and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.10 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.



Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.11 Retirement and Other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out as at the balance sheet date. The Company has taken a policy administered by Life Insurance Corporation of India. Actuarial gains/losses are charged to the Statement of Profit and Loss and are not deferred.

b) Compensated Absences

Short term compensated expenses are charged to the Statement of Profit and Loss in the year in which the related service is rendered.

c) Provident Fund and Employee State Insurance

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employee State Insurance is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

1.12 Borrowing Costs

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

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.13 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financing and Related Services' and 'Property Development and Construction' as primary reportable segments.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Fixed assets used in the Group's business have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

1.14 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.16 Cash and Cash Equivalents

Cash and cash equivalents in the Cash Flow Statement comprises of cash on hand, cash at bank, demand deposits with banks, cheques on hand, remittances in transit and short-term highly liquid investments with an original maturity of three months or less.

1.17 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (**MAT**) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the **MAT** credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as **MAT** Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of **MAT** Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.18 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

Notes to Consolidated Financial Statements

2 Share Capital

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Authorised | | |
| Equity Shares, ₹ 5/- par value per share | 1,000,000,000 | 850,000,000 |
| 200,000,000 (Previous year: 170,000,000), Equity Shares | 1,000,000,000 | 850,000,000 |
| Issued, Subscribed and Fully Paid-up | | |
| Equity Shares, ₹ 5/- par value per share | 345,002,000 | 327,502,000 |
| 69,000,400 (Previous year: 65,500,400), Equity Shares | 345,002,000 | 327,502,000 |

3 Reserves and Surplus

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Capital Reserve | | |
| Opening Balance | - | - |
| Add: Addition during the year | 30,359,534 | - |
| Closing Balance | 30,359,534 | - |
| Securities Premium Reserve | | |
| Opening Balance | 579,158,470 | 111,658,470 |
| Add: Addition during the year | 52,500,000 | 472,500,000 |
| Less: Utilised for Premium on Redemption of Debentures | 5,000,000 | 5,000,000 |
| Closing Balance | 626,658,470 | 579,158,470 |
| Special Reserve [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934] | | |
| Opening Balance | 7,626,948 | 3,623,740 |
| Add: Transfer from Surplus in the Statement of Profit and Loss | 1,466,353 | 4,003,208 |
| Closing Balance | 9,093,301 | 7,626,948 |
| General Reserve | | |
| Opening Balance | 372,892 | 372,892 |
| Closing Balance | 372,892 | 372,892 |
| Surplus in the Statement of Profit and Loss | | |
| Opening Balance | 11,127,345 | 2,643,502 |
| Add: Net Profit for the year | (16,489,918) | 20,390,274 |
| Amount available for appropriation | (5,362,573) | 23,033,776 |
| Appropriations: | | |
| Interim Dividend | - | 6,800,080 |
| Corporate Dividend Tax on Interim Dividend | - | 1,103,143 |
| Special Reserve | 1,466,353 | 4,003,208 |
| Closing Balance | (6,828,926) | 11,127,345 |
| Total Reserves and Surplus | 659,655,272 | 598,285,655 |

4 Long-Term Borrowings

(Amount in ₹)

| Particulars | As at 31st March, 2014 | | | As at 31st March, 2013 | | |
|---|---------------------------|-----------------------|--------------------|---------------------------|-----------------------|--------------------|
| | Non-Current Maturities | Current Maturities | Total | Non-Current Maturities | Current Maturities | Total |
| Secured | | | | | | |
| Debentures | | | | | | |
| - Redeemable Non-Convertible Debentures | | | | | | |
| 500,000 (Previous Year: 500,000) | | | | | | |
| 12.75 % Debentures of ₹ 1,000/- each | 500,000,000 | - | 500,000,000 | 500,000,000 | - | 500,000,000 |
| Term Loan | | | | | | |
| - Vehicle loan | 747,213 | 896,666 | 1,643,879 | 1,643,889 | 896,666 | 2,540,555 |
| Unsecured | | | | | | |
| Loans from related parties | 56,000,000 | - | 56,000,000 | 108,000,000 | - | 108,000,000 |
| Total | 556,747,213 | 896,666 | 557,643,879 | 609,643,889 | 896,666 | 610,540,555 |

Notes to Consolidated Financial Statements (Contd.)

5 Other Long Term Liabilities

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Premium payable on redemption of Redeemable Non-Convertible Debentures | 10,341,530 | 5,341,530 |
| Total | 10,341,530 | 5,341,530 |

6 Long-Term Provisions

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Provision for Employee Benefits (Non Current Portion) | | |
| -Gratuity | 112,278 | 109,056 |
| -Leave Encashment | 47,433 | - |
| Others | | |
| Contingent Provisions against Standard Assets | 1,937,120 | 2,300,045 |
| Provisions for Non-Performing Assets | 2,211,596 | 250,000 |
| Total | 4,308,427 | 2,659,101 |

7 Short-Term Borrowings

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured | | |
| Loans | 6,300,000 | - |
| 0% Optionally Convertible Debentures | - | 70,000,000 |
| Total | 6,300,000 | 70,000,000 |

8 Other Current Liabilities - Others

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Interest accrued but not due on Debentures | 28,608,904 | 28,608,906 |
| Interest accrued and due on Borrowings | 627,850 | 4,519,355 |
| Unclaimed Dividend | 122,410 | 122,450 |
| Other payables | | |
| -Liability for Operating Expenses | 13,794,798 | 3,583,169 |
| -Statutory Liabilities | 3,808,043 | 3,887,736 |
| Total | 46,962,005 | 40,721,616 |

Notes to Consolidated Financial Statements (Contd.)

9 Fixed Assets

(Amount in ₹)

| Particulars | Tangible Assets | | | | | | | Intangible Assets | | Total |
|--------------------------|------------------|-----------------|-----------------|------------------|------------------------|------------------|------------------|-------------------|---------------|-------------------|
| | Land-Freehold | Office Premises | Air-conditioner | Office Equipment | Furniture and Fixtures | Motor Vehicles | Computers | Total | Goodwill @ | |
| Gross Block | | | | | | | | | | |
| At April 1, 2012 | 1,189,000 | - | 127,267 | 170,093 | 35,400 | 537,167 | 403,829 | 2,462,756 | 55,710 | 2,518,466 |
| Additions/Adjustments | - | - | - | - | - | 5,274,583 | 193,674 | 5,468,257 | - | 5,468,257 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2013 | 1,189,000 | - | 127,267 | 170,093 | 35,400 | 5,811,750 | 597,503 | 7,931,013 | 55,710 | 7,986,723 |
| Additions/Adjustments | - | 8,177,089 | - | 1,069,329 | 1,059,615 | - | 2,395,692 | 12,701,725 | - | 12,701,725 |
| Disposals/Adjustments | - | 7,577,089 | - | - | - | - | - | 7,577,089 | - | 7,577,089 |
| At March 31, 2014 | 1,189,000 | 600,000 | 127,267 | 1,239,422 | 1,095,015 | 5,811,750 | 2,993,195 | 13,055,649 | 55,710 | 13,111,359 |
| Depreciation | | | | | | | | | | |
| At April 1, 2012 | - | - | 99,762 | 74,625 | 35,400 | 180,299 | 211,419 | 601,505 | - | 601,505 |
| Charge for the year | - | - | 3,826 | 17,280 | - | 290,684 | 109,047 | 420,837 | - | 420,837 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2013 | - | - | 103,588 | 91,905 | 35,400 | 470,983 | 320,466 | 1,022,342 | - | 1,022,342 |
| Charge for the year | - | 81,647 | 3,294 | 120,387 | 118,575 | 1,382,724 | 430,772 | 2,137,399 | - | 2,137,399 |
| Disposals/Adjustments | - | (11,629) | - | (305,604) | (404,503) | - | (1,595,798) | (2,317,534) | - | (2,317,534) |
| At March 31, 2014 | - | 93,276 | 106,882 | 517,896 | 558,478 | 1,853,707 | 2,347,036 | 5,477,275 | - | 5,477,275 |
| Net Block | | | | | | | | | | |
| At March 31, 2013 | 1,189,000 | - | 23,679 | 78,188 | - | 5,340,767 | 277,037 | 6,908,671 | 55,710 | 6,964,381 |
| At March 31, 2014 | 1,189,000 | 506,724 | 20,385 | 721,526 | 536,537 | 3,958,043 | 646,159 | 7,578,374 | 55,710 | 7,634,084 |

@ Goodwill arising on consolidation of subsidiaries

Notes to Consolidated Financial Statements (Contd.)

10 Deferred Tax Assets (Net)

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---------------------------------|---------------------------|---------------------------|
| Deferred Tax Assets | | |
| Depreciation on Fixed asset | 112,691 | 3,945 |
| Disallowance under Section 43 B | - | - |
| Others | 683,383 | 746,250 |
| Total | 796,074 | 750,195 |
| Deferred Tax Liabilities | | |
| Debenture issue expenses | (329,363) | (463,691) |
| Depreciation on Fixed asset | - | (67,581) |
| Total | 466,711 | 218,923 |

11 Non-Current Investments

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|----------------------------------|---------------------------|---------------------------|
| In Equity instruments - Unquoted | 290,798,025 | 189,328,824 |
| In Equity instruments - Quoted | 55,319 | 55,319 |
| Total | 290,853,344 | 189,384,143 |

12 Loan Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | | | As at 31st March, 2013 | | |
|---|---------------------------|-----------------------|--------------------|---------------------------|-----------------------|--------------------|
| | Long - Term | | | Long - Term | | |
| | Non-Current Maturities | Current Maturities | Short-Term | Non-Current Maturities | Current Maturities | Short-Term |
| Considered good, unless otherwise Stated | | | | | | |
| Secured | | | | | | |
| Loan to Others | | | | | | |
| -Two-Wheeler Loans | 1,571,354 | 3,023,384 | 1,378,925 | 1,918,243 | 1,976,599 | 428,075 |
| -Others | - | - | 9,131,600 | - | - | 48,998,000 |
| Unsecured | | | | | | |
| Loan to Others | 230,000,000 | 110,000,000 | 339,758,520 | 135,000,000 | 228,500,000 | 400,192,120 |
| Total | 231,571,354 | 113,023,384 | 350,269,045 | 136,918,243 | 230,476,599 | 449,618,195 |

13 Other Long-Term Advances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Considered good, unless otherwise Stated | | |
| Unsecured | | |
| Capital Advances | 33,000,000 | 26,500,000 |
| Secutity Deposits | 26,711,965 | 207,900 |
| Other advances | | |
| -Prepaid Expenses | 702,641 | 1,065,645 |
| Total | 60,414,606 | 27,773,545 |

Notes to Consolidated Financial Statements (Contd.)

14 Other Non-Current Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Considered Good, unless otherwise stated | | |
| Other Non-Current Assets | | |
| Investments in/Advances for Property Development [Refer note (a) herein below] | 231,944,933 | 394,943,753 |
| Total | 231,944,933 | 394,943,753 |

Note:

(a) Investments in/Advances for Property Development includes the following:-

| Sl. No. | Amount invested/advanced (₹) | Purpose | Underlying document | Consideration for amount invested/advanced |
|--------------|--------------------------------------|--------------------------------|------------------------|--|
| 1 | 10,000,000 | | | Share in sales proceeds of developed property |
| 2 | 30,000,000 | | | Share in leasehold & other rights of the developed property |
| 3 | 34,500,000 | Financing Purchase of property | "Agreement" | Share in rental/lease income till full repayment of amount invested, failing which 50% or proportionate ownership right over the said property |
| Total | 74,500,000 | | | |

The Company has entered into the above mentioned transactions with the broad objective of financing property development & sharing the fruits of the developed property in the future. The underlying documents, being Agreement as mentioned above, have not been notarised or registered with the appropriate authority and the deals are based on interactions with the contracting parties, property development brochures & / or project costing details provided by them.

The Company is of the view that the consideration receivable in future, in the manner as indicated above, will be adequate not only to fully recover the amount invested/advanced but also to result in reasonable profits.

15 Stock for Trade

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|-----------------|---------------------------|---------------------------|
| Stock for Trade | 92,948,617 | 42,434,317 |
| Total | 92,948,617 | 42,434,317 |

16 Trade Receivables

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured, considered good | | |
| Outstanding for more than six months | 2,226,385 | 1,143,000 |
| Other Debts | 59,434,266 | 252,004 |
| Total | 61,660,651 | 1,395,004 |

Notes to Consolidated Financial Statements (Contd.)

17 Cash and Bank Balances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Cash and Cash Equivalents: | | |
| Cash on Hand | 1,123,635 | 718,917 |
| Balances with Banks | | |
| - In Current Account | 37,376,719 | 1,778,285 |
| - In Unclaimed Dividend Account | 122,410 | 122,450 |
| - Broker Note in Hand | 1,210 | - |
| (A) | 38,623,974 | 2,619,652 |
| Other Bank Balance: | | |
| Fixed Deposit with bank (having balance maturity of more than 3 months and less than 12 months) | 12,393,778 | 10,000,000 |
| (B) | 12,393,778 | 10,000,000 |
| Total (A+B) | 51,017,752 | 12,619,652 |

18 Other Short-Term Advances

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Unsecured, Considered good | | |
| Interest accrued and due on Loans | 56,956,658 | 8,921,301 |
| Other loans and advances | | |
| -Other advances | 10,183,379 | 2,062,955 |
| -Amount Recoverable from Stock Exchange | 31,900,000 | - |
| -Service tax receivable | 789,124 | 515,734 |
| -Prepaid Expenses | 471,523 | 363,514 |
| -MAT Credit Entitlement | 367,577 | 138,828 |
| -Advance Tax (net of provision for tax) | 14,373,043 | 9,997,811 |
| -Share Application Money Pending Allotment | - | 50,400,000 |
| Total | 115,041,304 | 72,400,143 |

19 Other Current Assets

(Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| Interest accrued but not due | 22,891,228 | 89,270,809 |
| Interest accrued but not due on Fixed Deposit | 476,100 | 632,750 |
| Total | 23,367,328 | 89,903,559 |

20 Revenue From Operations

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---------------------------------------|--------------------------------|--------------------------------|
| Sale of Stock for Trade | 77,200,790 | 624,214,940 |
| Income from Loans | 87,298,796 | 134,366,381 |
| Other Financial Services | - | 2,770,000 |
| Interest received from others | - | 6,355,726 |
| Processing Charges | 254,104 | 328,991 |
| Profit on Sale of Current Investments | - | 589,639 |
| Demat Charges Received | 100,369 | - |
| Income from Brokerage and Commission | 1,064,264 | - |
| Total | 165,918,323 | 768,625,677 |

Notes to Consolidated Financial Statements (Contd.)

21 Other Income

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--------------------------------------|--------------------------------|--------------------------------|
| Dividend Income from Stock for Trade | 1,995,558 | 2,224,931 |
| Interest on Fixed Deposits | 1,303,364 | 703,056 |
| Interest on Income Tax Refund | 178,329 | - |
| Commission Received | 240,000 | 260,000 |
| Misc. Income | 20,000 | - |
| Total | 3,737,251 | 3,187,987 |

22 Employee Benefits Expense

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---|--------------------------------|--------------------------------|
| Salaries, Allowances and Bonus | 6,466,761 | 7,305,286 |
| Contribution to Provident and Other Funds | 104,055 | (42,285) |
| Staff Welfare Expenses | 253,960 | 316,325 |
| Total | 6,824,776 | 7,579,326 |

23 Finance Cost

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------|--------------------------------|--------------------------------|
| Interest Expense | | |
| Interest on Debentures | 63,750,000 | 63,750,000 |
| Other Interest | 1,966,540 | 15,477,734 |
| Total | 65,716,540 | 79,227,734 |

24 Other Expenses

(Amount in ₹)

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--|--------------------------------|--------------------------------|
| Capital & Commodity Market Expenses | 549,582 | 1,316,437 |
| Corporate Compliance Fees | 1,091,114 | 1,788,059 |
| Legal & Professional Fees | 1,067,163 | 2,041,740 |
| Debenture Issue Expenses | 363,259 | 352,587 |
| Auditors' Remuneration | 247,000 | 1,012,573 |
| Advertisement, Publicity & Sales Promotion | 419,479 | 796,509 |
| Motor Car Expenses | 300,292 | 170,739 |
| Directors' Sitting Fees | 144,947 | 184,000 |
| Printing and Stationery | 651,468 | 1,072,141 |
| Rent | 635,676 | 517,635 |
| Rates and Taxes | 28,621 | 72,532 |
| Repair and Maintenance | | |
| -Others | 25,467 | 101,509 |
| Communication Expenses | 557,656 | 204,215 |
| Travelling and Conveyance | 420,811 | 1,292,509 |
| Electricity Charges | 296,770 | 178,540 |
| Commission | 105,975 | 2,089,758 |
| Miscellaneous expenses | 398,342 | 374,611 |
| Total | 7,303,622 | 13,566,094 |

Notes to Consolidated Financial Statements (Contd.)

25. In accordance with Accounting Standard 21 “Consolidated Financial Statements” notified by Central Government under Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

26. The details of subsidiaries and associates are as follows:–

| Name of the Company | Country of Incorporation | % Holding as at 31st March, 2014 | % Holding as at 31st March, 2013 |
|--|--------------------------|----------------------------------|----------------------------------|
| Subsidiaries | | | |
| Golden Goenka Financial Advisors Private Limited | India | 100% | 100% |
| Golden Goenka Management Consultancy Services Private Limited | India | 100% | 100% |
| Golden Goenka Properties & Construction Private Limited | India | 100% | 100% |
| Aristro Capital Markets Limited | India | 100% | - |
| Associates | | | |
| Aristro Capital Markets Limited | India | - | 35.33% |
| Purple Advertising Services Private Limited [Refer note (a) herein below] | India | 33.33% | - |

Note:

(a) Financials could not be completed and hence same has not been considered for consolidation purpose

27. Contingent Liabilities and Commitments (to the extent not provided for) (Amount in ₹)

| Particulars | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------------------------|------------------------|
| I Contingent Liabilities -Bank Guarantee | 5,000,000 | Nil |
| II Commitments Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances) | 6,80,38,000 | 40,578,555 |

28 Earnings Per Equity Share

| Particulars | 2013 - 14 | 2012 - 13 |
|--|---------------|-------------|
| Profit After Tax attributable to Equity Shareholders (₹) | (16,489,918) | 20,390,274 |
| Weighted average number of Equity Shares (Basic) | 68,434,647 | 47,981,222 |
| Weighted average number of Potential Equity Shares | - | 3,500,000 |
| Weighted average number of Equity Shares (Diluted) | 68,434,647 | 51,481,222 |
| Nominal Value of Equity per share (₹) | 5 | 5 |
| Earnings per share (₹) - Basic | (0.24) | 0.42 |
| - Diluted | (0.24) | 0.40 |

29. ‘Financing and Related Services’ is the only main business segment and ‘Property Development & Construction’ operations are less than 10% of the total revenue. Further there is a single geographical segment. Hence, there is no requirement of segment reporting for the company as per Accounting Standard-17 (Segment Reporting),

Notes to Consolidated Financial Statements (Contd.)

30 Related Party Disclosures

A. Related Parties:

| | |
|---|---|
| i. Holding Company | : Risewell Credit Private Limited (ceased w.e.f. 31 st October, 2012) |
| ii. Subsidiaries | : Aristro Capital Markets Limited (w.e.f. 25 th May, 2013) |
| iii. Associates | : Aristro Capital Markets Limited (w.e.f. 25 th May, 2013) : Purple Advertising Services Private Limited (w.e.f. 7 th December, 2012) : S2 Capital Services Private Limited (ceased w.e.f. 7 th September, 2012) |
| iv. Investing Company | : Risewell Credit Private Limited (w.e.f. 31 st October, 2012) |
| v. Enterprises significantly influenced by Key management personnel or their relatives | : Girdhar Fiscal Services Private Limited : Rajgaj Traders Private Limited |

B. Key Management Personnel:

| | |
|-------------------------|--|
| vi. Managing Director | : Mr. Girdhari Lal Goenka |
| vii. Executive Director | : Mr. Dinesh Burman (w.e.f. 30 th May, 2012) |

C. Relative of Key Management Personnel:

| | |
|---|-------------------|
| viii. Wife of Girdhari Lal Goenka , Managing Director | : Mrs. Raj Goenka |
|---|-------------------|

The following is the summary of transactions with related parties:

(Amount in ₹)

| Name of related party | Nature of transactions and outstanding balances | 2013-14 | 2012-13 |
|---|--|--------------|---------------|
| Subsidiaries: | | | |
| Aristro Capital Markets Limited | Loan Given | - | 60,00,000 |
| * As a share broker | Mark to Market Margin received/(paid)* | 5,19,922 | (1,12,67,903) |
| | Direct Expenses on Future & Options* | 15,400 | 1,08,277 |
| | Security transaction Tax* | 67,986 | 4,97,754 |
| | Purchase of Shares & Securities* | 3,03,28,578 | 18,52,48,966 |
| | Sales of Shares & Securities* | 3,74,94,371 | 21,98,93,018 |
| | Direct Expenses on Shares* | 87,378 | 5,78,489 |
| | Share Speculation Profit/(Loss)* | 20,225 | (18,61,713) |
| | Balance Receivable/(Payable) | - | (600,000) |
| Associates: | | | |
| Purple Advertising Services Private Limited | Investment in Equity Instrument | 3,96,00,000 | 5,04,00,000 |
| Investing Company: | | | |
| Risewell Credit Private Limited | Loan Taken | 20,75,00,000 | 42,59,90,553 |
| | Interest on Loan | 10,61,576 | 98,50,273 |
| | Balance Payable: | | |
| | Loans | - | - |
| | Allotment of 0% Optionally Convertible Debentures | - | 20,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | - | 20,00,00,000 |

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

| Name of related party | Nature of transactions and outstanding balances | 2013-14 | 2012-13 |
|--|--|-------------|--------------|
| Enterprises significantly influenced by Key management personnel or their relatives | | | |
| Girdhar Fiscal Services Private Limited | Allotment of 0% Optionally Convertible Debentures | - | 10,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | 3,50,00,000 | 6,50,00,000 |
| Rajgaj Traders Private Limited | Allotment of 0% Optionally Convertible Debentures | - | 10,00,00,000 |
| | Issue of equity shares on conversion of 0% Optionally Convertible Debentures | 3,50,00,000 | 6,50,00,000 |
| Key Management Personnel | | | |
| Mr. Girdhari Lal Goenka | Managerial Remuneration | 21,60,000 | 21,60,000 |
| Mr. Dinesh Burman | Managerial Remuneration | 3,06,000 | 2,56,645 |
| | Director Sitting fees | - | 11,000 |
| Relative of Key Management Personnel | | | |
| Mrs. Raj Goenka | Rent paid | 15,876 | 15,488 |

31. The Board of Directors of the Company at its meeting held on 30th May, 2013 approved the issue and allotment of 3,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each in the ratio of two equity shares of par value of ₹ 5/- each fully paid up for one OCD of par value of ₹ 40/- each.
32. Subsequent to the approval of the shareholders of the Company through postal ballot, the authorised Equity Share Capital of the Company has increased to ₹ 1,000,000,000/- divided into 200,000,000 shares of par value of ₹ 5/- each from ₹ 850,000,000/- divided into 170,000,000 shares of par value of ₹ 5/- each.
33. The Board of Directors of the Company at its meeting held on 3rd May, 2014 has issued and allotted 12,12,37,929 equity shares of ₹ 5/- each at a price of ₹ 9/- per equity share (including premium of ₹ 4/-) for an amount aggregating to ₹ 10,911.41 lakhs to the successful applicants who subscribed to the Rights Issue of the Company in the ratio of 9 (Nine) fully paid up equity shares of ₹ 5/- each for every 5 (Five) fully paid up equity shares of ₹ 5/- held (i.e. 9:5) by the equity shareholders on the record date i.e. March 19, 2014. Consequent to the aforesaid allotment, the paid up Equity Share capital of the Company stands increased from ₹ 34,50,02,000/- (comprising of 6,90,00,400 fully paid up equity shares of ₹ 5/- each) to ₹ 95,11,91,645/- (comprising of 19,02,38,329 fully paid up equity shares of ₹ 5/- each).
34. Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.
35. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Act subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

Notes to Consolidated Financial Statements (Contd.)

Information on Subsidiary Companies Pursuant to Direction Under Section 212(8) of the Companies Act, 1956 is given below:

(Amount in ₹)

| Sr. No | Particulars | Golden Goenka Financial Advisors Private Limited | Golden Goenka Management Consultancy Services Private Limited | Golden Goenka Properties & Construction Private Limited | Aristro Capital Markets Limited |
|--------|---|--|---|---|---------------------------------|
| 1 | Financial year ending on | 31st March, 2014 | 31st March, 2014 | 31st March, 2014 | 31st March, 2014 |
| 2 | Currency | ₹ | ₹ | ₹ | ₹ |
| 3 | Shares of the Subsidiary Company held on the above date and extent of holding | | | | |
| | a) Number of equity shares | 10,000 | 10,000 | 10,000 | 9,00,000 |
| | b) Extent of Holding | 100% | 100% | 100% | 100% |
| 4 | Share Capital | 100,000 | 100,000 | 100,000 | 9,00,000 |
| 5 | Reserves & Surplus | 10,011 | (29,133) | 315,946 | 148,734,484 |
| 6 | Total Liabilities | 214,011 | 74,867 | 158,423,238 | 171,762,616 |
| 7 | Total Assets | 214,011 | 74,867 | 158,423,238 | 171,762,616 |
| 8 | Investments | - | - | - | 31,783,725 |
| 9 | Turnover | 120,000 | - | 120,000 | 35,008,515 |
| 10 | Profit/(Loss) before Taxation | 7,465 | (9,532) | 18,554 | (23,809,574) |
| 11 | Provision for Taxation | 1,998 | 170 | 11,769 | - |
| 12 | Profit/(Loss) after Taxation | 5,467 | (9,702) | 6,785 | (23,809,574) |
| 13 | Proposed Dividend | - | - | - | - |

Signatories to Notes 1 to 35

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anil Kumar Agarwal
Partner
Membership No. 062368

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2014

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Notes

This image shows a full page of blank, lined paper. It features approximately 20 horizontal grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings present.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

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**GOLDEN GOENKA FINCORP LIMITED****Regd. Off.-** 1st, British Indian Street, Room No. B-10, Kolkata- 700069**Tel:** +91 33 2262 3827; **Fax:** +91 33 4407 0020;**E-mail:** contact@goldengoenka.com; **Website:** www.goldengoenka.com**Corporate Identification Number:** L65993WB1993PLC060377**PROXY FORM****Form MGT- 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Share holder (s) (In Block Letters) -----**Registered Address** -----**E-mail Id** -----**Registered Folio No. / DP ID & Client ID No.**-----

I/We, being the member(s) of ----- shares of Golden Goenka Fincorp Ltd. hereby appoint:-

(1) **Name :** ----- **Address** -----**E-mail ID:** ----- **Signature** -----

or falling him/her

(2) **Name :** ----- **Address** -----**E-mail ID:** ----- **Signature** -----

or falling him/her

(3) **Name :** ----- **Address** -----**E-mail ID:** ----- **Signature** -----

or falling him/her

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Wednesday, 10th day of September, 2014 at 11:45 A.M. at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Ordinary Business | Special Business |
|---|--|
| 1. Adoption of Annual Accounts of the Company as on March 31, 2014. | 1. Appointment of Mr. Rhythm Arora, as an Independent Director. |
| 2. Re-appointment of Statutory Auditors of the Company. | 2. Appointment of Mr. Chandra Kumar Chandak, as an Independent Director. |
| | 3. Appointment fo Mr. Niranjana Kumar Choraria, as an Independent Director. |
| | 4. Change in period of office of Mr. Dinesh Burman, Whole-time Director, to be liable to determination by retirement of Directors by rotation. |
| | 5. Approval under section 180 (1) (a) of the Companies Act, 2013 to mortgage/charge assets of the Company. |
| | 6. Approval under section 180 (1) (c) of the Companies Act, 2013 for borrowing funds. |
| | 7. Alteration of Articles of association of the Company. |
| | 8. Re-appointment of Mr. G. L. Goenka as a Managing Director of the Company. |

Signed this _____ day of _____, 2014

Signature of Shareholder (s) _____

Signature of Proxy holder (s) _____

Affix
Revenue
Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 1st, British Indian Street, Room No.- B-10, Kolkata - 700 069 not less than 48 hours before the commencement of the meeting.



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GOLDEN GOENKA FINCORP LIMITED

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E-mail: contact@goldengoenka.com; **Website:** www.goldengoenka.com

Corporate Identification Number: L65993WB1993PLC060377

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE.

Name of the Shareholder (s) (In Block Letters)

Registered Folio No./DP ID & Client ID No.

No. of Shares held

Name of the Proxy, if any (In Block Letters)

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company being held at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 on Wednesday, 10th day of September, 2014 at 11:45 A.M.

Signature of the Shareholder or Proxy

ELECTRONIC VOTING PARTICULARS

| EVSN | User ID | Password |
|-----------|--------------------------------------|----------|
| 140805041 | Please refer to Note No.15 of Notice | |



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Registration of e-mail address for future communication

Name of the Shareholder (s) (In Block Letters)

Registered Address.

E-mail Id

Registered Folio No/DP ID & Client ID No.

Signature of the Shareholder (s)

