



**B. L. Rathi & Co.**  
Chartered Accountants

**B. L. RATHI B. Com. (Hons.), FCA, DISA, (ICAI)**  
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**INDEPENDENT AUDITOR'S REPORT**

**TO**  
**THE MEMBERS OF**  
**HARGAON INVESTMENT & TRADING COMPANY LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Hargaon Investment & Trading Company Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

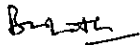
In our opinion and to the best of my information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its **profit** for the year ended on that date.



**Report on Other Legal & Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Company Law Board in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable to the company.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, 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, aforesaid (Standalone) financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Refer to our separate report in "Annexure B" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position in the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided the requisite disclosures in its standalone financial statements as on to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 20 to the standalone financial statement.

For B.L. RATHI & CO.  
Chartered Accountants



(B. L. RATHI)  
Proprietor  
Membership No. 053795  
Kolkata, 23<sup>rd</sup> day of May, 2017



**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

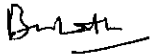
**(Referred to in paragraph 1 under the heading, "Report on Other Legal & Regulatory Requirements" of our report on even date)**

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As informed to us, the Fixed Assets are physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.  
c) The title deeds of immovable properties are held in the name of the company.
2. The company has no manufacturing and/or trading activities and as such the question of having any stock and maintenance of records in respect thereof and physical verification of inventory does not arise and hence this clause is not applicable to the company.
3. a) As informed, the Company had granted loan (during part of the year), unsecured, to a related Company covered in the Register maintained Under Section 189 of The Companies Act, 2013  
b) The rate of interest and other terms & conditions of loans given by the company, unsecured is prima facie not prejudicial to the interest of the company and  
c) The receipt of interest and principal amount which are due are also regular and  
d) No amount is overdue in respect of such loan.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Companies Act , 2013 in respect of grant of loans ,making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the Companies Act, 2013 hence this clause is not applicable to the company.
6. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 hence the clause (vi) is not applicable to the Company.
7. According to the information and explanations given to us ,in respect of statutory dues:
  - a) The Company is regular in depositing the statutory dues such as Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise duty, Cess & any other statutory dues with the appropriate authorities.
  - b) There were no undisputed amount payable in respect of statutory dues such as Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise duty, Cess were outstanding as at the year end for a period of more than six months from the date they become payable.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company has no Whole Time Director or manager in the financial year. Hence this clause is not applicable to the company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.



13. In our opinion and according to the information and explanations given to us the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is a Non-Banking Financial Company and is required to be registered under section 45-I of the Reserve Bank of India. The company has obtained the registration.

For B.L. RATHI & CO.  
Chartered Accountants



(B.L. RATHI)  
Proprietor  
Membership No. 053795  
Kolkata, 23<sup>rd</sup> day of May, 2017



## "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Hargaon Investment & Trading Company Limited** as of March 31, 2017.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the internal limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.L. RATHI & CO.  
Chartered Accountants



(B. L. RATHI)  
Proprietor  
Membership No. 053795  
Kolkata, 23<sup>rd</sup> day of May, 2017



**Hargaon Investment & Trading Co. Limited**

**BALANCE SHEET AS AT 31ST MARCH 2017**

	Notes	As at 31-Mar 2017 Rs	As at 31-Mar 2016 Rs
<b>I EQUITY AND LIABILITIES</b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	3	30,457,270	30,457,270
Reserves & Surplus	4	210,605,139	185,190,522
Short term borrowings	5	190,000,000	190,000,000
Other current liabilities	6	2,275,099	2,278,563
Short term provisions	7	673,000	550,000
TOTAL :		<b>434,010,508</b>	<b>408,476,355</b>
<b>II ASSETS</b>			
<b><u>Non Current Assets</u></b>			
Fixed Assets			
(i) Tangible Assets	8	2,935,653	2,935,653
Non Current Investments	9	234,407,978	183,164,978
<b><u>Current Assets</u></b>			
Cash and Bank balances	10	2,185,289	2,574,139
Short term loans and advances	11	192,459,946	193,124,777
Other current assets	12	2,021,642	26,676,808
TOTAL :		<b>434,010,508</b>	<b>408,476,355</b>

**Summary of significant accounting policies**

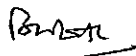
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The Accompanying notes are an integral part of the financial statements

In terms of our attached report of even date.

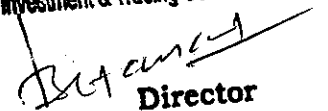
9, India Exchange Place  
Kolkata - 700 001  
Dated: 23-05-2017

FOR B.L.Rathi & Co.  
Chartered Accountants  
Firm Regn. No. 318113E



Bhanwar Lal Rathi  
Proprietor  
Membership No. 053795

For Hargaon Investment & Trading Co. Ltd.

  
Director

For Hargaon Investment & Trading Co. Ltd.

A.K. Dage,  
Director



**Hargaon Investment & Trading Co. Limited**

**Statement of profit and loss for the year ended 31st March 2017**

	Notes	for the year ended	
		2016-2017	2015-2016
		Rs	Rs
<b>I Income</b>			
Revenue from operations	13 12	50,631,013	47,855,928
Other Income	14 13	537,320	107,299
<b>Total Revenue</b>		<u>51,168,333</u>	<u>47,963,227</u>
<b>II Expenses</b>			
Other Expense	15	1,429,719	1,147,689
<b>Total</b>	14	<u>1,429,719</u>	<u>1,147,689</u>
<b>Earnings before Interest, Depreciation &amp; amortisation and Tax ( I - II )</b>		49,738,615	46,815,538
Finance Cost	16	24,319,998	24,780,164
<b>Profit/(Loss) before Tax</b>		<u>25,418,617</u>	<u>22,035,374</u>
<u>Tax Expenses</u>			
Current Tax		4,000	-
<b>Total Tax Expense</b>		<u>4,000</u>	<u>-</u>
<b>Profit /(loss) for the year</b>		<u>25,414,617</u>	<u>22,035,374</u>
Earnings per Equity Shares in Rs (Face value of Rs 10/- each)			
Basic & Diluted		8.34	7.23

**Summary of significant accounting policies** 2

The Accompanying notes are an integral part of the financial statements

In terms of our attached report of even date.

9, India Exchange Place  
Kolkata - 700 001  
Dated: 23-05-2017

FOR B.L.Rathi & Co.  
Chartered Accountants  
Firm Regn. No. 318113E

*B.L.Rathi*

Bhanwar Lal Rathi  
Proprietor  
Membership No. 053795

For Hargaon Investment & Trading Co. Ltd.

*[Signature]*

**Director**

For Hargaon Investment & Trading Co. Ltd.

*A.K. Datta*  
**Director**



**Hargaon Investment & Trading Co. Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	2016-17	2015-16
<i>(all fig in Rs)</i>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit / Loss before tax	25,414,617	22,035,374
Adjustment for :		
Depreciation	-	-
Dividend & Interest Income	(50,631,013)	(47,855,928)
<b>Operating profit/(loss) before working capital changes</b>	<b>(25,216,396)</b>	<b>(25,820,554)</b>
Adjustment for :		
Decrease/(Increase) in Trade & other receivables	24,655,166	(16,475,360)
Increase/(Decrease) in Provisions	127,000	43,400
Increase/(Decrease) in Current Liabilities	(3,464)	(2,129,170)
<b>Cash generated from the operation</b>	<b>(437,694)</b>	<b>(44,381,684)</b>
Direct Taxes Paid (Net of refunds)	660,831	(911,083)
<b>Net Cash from Operating Activities</b>	<b>(A) 223,137</b>	<b>(45,292,767)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	-
(Purchase)/Sale of Investments	(51,243,000)	-
Dividend Received	25,836,012	22,634,600
Interest Received	24,795,001	25,221,328
<b>Net Cash from Investing Activities</b>	<b>(B) (611,987)</b>	<b>47,855,928</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan (Nett)	-	-
<b>Net Cash From Financing Activities</b>	<b>(C) -</b>	<b>-</b>
<b>Net changes in Cash And Cash equivalents (A+B+C)</b>	<b>(388,850)</b>	<b>2,563,161</b>
<b>Cash And Cash Equivalents-Opening Balance *</b>	<b>2,574,139</b>	<b>10,978</b>
<b>Cash And Cash Equivalents-Closing Balance *</b>	<b>2,185,289</b>	<b>2,574,139</b>
<b>* Represents Cash &amp; Bank Balances as indicated in Note 11</b>		

7, Rabindra Sarani,  
Kolkata - 700 001  
Dated:

FOR B.L.Rathi & Co.  
Chartered Accountants  
Firm Regn. No. 318113E

*B.L. Rathi*

Bhanwar Lal Rathi  
Proprietor  
Membership No. 053795

For Hargaon Investment & Trading Co. Ltd.

*Bhanwar Lal Rathi*  
Director

For Hargaon Investment & Trading Co. Ltd.

A.K. Daga  
Director



## Hargaon Investment & Trading Co. Limited

### Notes to financial statements for the year ended 31st March 2017

#### **1 Corporate Information**

Hargaon Investment & Trading Co. Limited is primarily a NBFC Company under Registered with RBI. It is engaged in Investments of its funds in shares, debentures, bonds etc of joint stock companies, Bonds etc of Different mutual fund schemes and intercorporate/other deposit with Indian Companies and Nationalised banks etc.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a Basis of Preparation**

The financial statements have been prepared to comply in all material aspects with the Accounting Standards Notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956/2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year, except for the change in accounting policy explained below.

##### **b Revenue Recognition Policy**

- (i) Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head 'Operating Income' in the Profit & Loss Account
- (ii) Dividend Income is recognized when the shareholders' right to receive payment is established by the balance sheet date. The Income is included under the head 'Operating Income' in the Profit & loss Account
- (iii) Profit & loss from trading or sale of Investment is reflected as and when any transaction takes place

##### **c Investment**

Long Term Investments are considered at cost on individual basis, unless there is permanent decline in value thereof, in which case adequate provision is made against the diminution in the value of Investments

d Items of Income and Expenditure are recognised on accrual basis.

##### **e Income Taxes:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred 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.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset 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.

##### **f Earning per Share:**

Basic earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average no. of shares outstanding during the period, are adjusted for the effect of all dilutive potential equity shares.

##### **g Cash and Cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with an original maturity of three months or less



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

**3. Share Capital**

		for the year ended	
		31-Mar 2017	31-Mar 2016
		Rs	Rs
<b>(a) Authorised shares</b>			
4,990,000	Equity Shares of Rs. 10 each	49,900,000	49,900,000
10,000	Preference Shares of Rs. 10 each	100,000	100,000
		<u>50,000,000</u>	<u>50,000,000</u>
<b>(b) Issued, subscribed and fully paid-up shares</b>			
3,045,733	Equity Shares of Rs. 10/- each	30,457,330	30,457,330
3,045,727	Equity Shares of Rs. 10/- each fully paid up in ca	30,457,270	30,457,270
		<u>30,457,270</u>	<u>30,457,270</u>

**(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	31st March, 2017		31st March, 2016	
	No.	(Rs.)	No.	(Rs)
At the beginning of the Period	3,045,727	30,457,270	3,045,727	30,457,270
Add:- Issued during the period	-	-	-	-
Outstanding at the end of the Period	<u>3,045,727</u>	<u>30,457,270</u>	<u>3,045,727</u>	<u>30,457,270</u>

**(d) Terms/ rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

For the year ended 31st March 2017, the Board of Directors has not proposed any dividend. (P.Y. Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

**(e) Details of shareholders holding more than 5% shares in the Company**

Equity Shares of Rs. 10 each fully paid	31st March, 2017		31st March, 2016	
	No.	% holding	No.	% holding
Palash Securities Limited * (earlier The Oudh Sugar Mills Ltd.)	3,045,727	100%	3,045,727	100%

\* Pursuant to composite scheme of arrangement between The Oudh Sugar Mills Limited & others, these shares are now vested to the company.



## Hargaon Investment & Trading Co. Limited

### Notes to financial statements for the year ended 31st March 2017

#### 4. Reserves & Surplus

	for the year ended	
	31-Mar 2017	31-Mar 2016
	Rs	Rs
<b>Shares Premium Account</b>		
As per last Account	30,457,210	30,457,210
<b>General Reserve</b>		
As per last Account	12,450,000	12,450,000
<b>Reserve Fund</b>		
As per last Account	32,120,700	27,714,700
Add: Transfer from surplus in the statement of Profit & Loss	5,100,000	4,406,000
	37,220,700	32,120,700
<b>Surplus/(Deficit) in the statement of Profit &amp; Loss</b>		
Balance as per last financial statements	110,162,612	92,533,238
Profit/(Loss) for the Year	25,414,617	22,035,374
Less:- Appropriations	135,577,229	114,568,612
Transfer to Reserve Fund	5,100,000	4,406,000
	130,477,229	110,162,612
Net Surplus/(Deficit) in the statement of Profit and Loss	130,477,229	110,162,612
Total Reserves and Surplus	<u>210,605,139</u>	<u>185,190,522</u>

#### 5. Current Liabilities

##### Short-term borrowings

(Unsecured)

Sil Investments Limited	190,000,000	190,000,000
	<u>190,000,000</u>	<u>190,000,000</u>

The Loan from the Sil Investment Limited carries interest @ 12.80% p.a. The loan is repayable on demand

#### 6. Other Current Liabilities

TDS Payable	403,617	402,331
Accrued Interest	1,858,982	1,863,732
Audit Fees	12,500	12,500
	<u>2,275,099</u>	<u>2,278,563</u>

#### 7. Short Term Provisions

Contingent Provision for Standard Assets	673,000	550,000
	<u>673,000</u>	<u>550,000</u>



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

**8. Tangible Assets**

<b><u>Cost or Valuation</u></b>	Freehold		<b><u>Total</u></b>
	Land	Others	
At 1 April 2015	2,935,653	-	2,935,653
Additions	-	-	-
Disposal	-	-	-
<b>At 31st March 2016</b>	<b>2,935,653</b>	<b>-</b>	<b>2,935,653</b>
Additions			
Disposal			
<b>At 31st March 2017</b>	<b>2,935,653</b>	<b>-</b>	<b>2,935,653</b>

<b><u>Depreciation</u></b>	Freehold		<b><u>Total</u></b>
	Land	Others	
At 1 April 2015	-	-	-
Charge for the year	-	-	-
Disposal	-	-	-
<b>At 31st March 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions			
Charge for the year			
<b>At 31st March 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Block			
<b>At 31st March 2016</b>	<b>2,935,653</b>	<b>-</b>	<b>2,935,653</b>
<b>At 31st March 2017</b>	<b>2,935,653</b>	<b>-</b>	<b>2,935,653</b>



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

**9. Non Current Investments (At Cost)**

**Non Trade**

	No. of Shares / Debentures	Face Value (Rs.)	As at 31st March 2017 Rs	As at 31st March 2016 Rs
<b><u>QUOTED</u></b>				
<b><u>Equity Shares (Fully Paid)</u></b>				
New India Retailing & Investment Ltd.	134,448	10	10,672,988	10,672,988
Sil Investments Limited	1,140,931	10	26,025,111	26,025,111
Sutlej Textiles & Industries Ltd.	1,711,396	10	31,022,481	31,022,481
			<b>67,720,580</b>	<b>67,720,580</b>
<b><u>UNQUOTED</u></b>				
<b><u>Equity Shares : (Fully Paid)</u></b>				
India Educational and Research Institution Pvt. Ltd.	24,500	10	245,000	245,000
SCM Investment & Trading Co. Ltd	1,875,000	10	37,500,000	37,500,000
Avadh Sugar & Energy Limited *	241,255	10		
Ganges Securities Limited *	569,252	10	48,831,540	48,831,540
Magadh Sugar & Energy Limited *	512,399	10		
<b><u>Preference Shares :</u></b>				
8% Non Convertible Cumulative Redeemable Preference Shares of New India Retailing & Investment Ltd.	250,000	100	25,000,000	25,000,000
12% Non Convertible Cumulative Redeemable Preference				
- Avadh Sugar & Energy Limited **	246,500	100	29,037,700	-
- Ganges Securities Limited **	21,750	100	2,562,150	-
- Magadh Sugar & Energy Limited **	166,750	100	19,643,150	-
<b><u>Equity Shares : (Partly Paid)</u></b>				
Modern Diagen Services Ltd. (Rs 2/- paid up)	545,044	10	1,090,088	1,090,088
<b><u>Investment in Subsidiary Company :</u></b>				
<b><u>Equity Shares : (Fully Paid)</u></b>				
Hargaon Properties Limited	277,777	10	2,777,770	2,777,770
			<b>166,687,398</b>	<b>115,444,398</b>
			<b>234,407,978</b>	<b>183,164,978</b>
<b><u>AGGREGATE VALUE OF INVESTMENTS</u></b>				
Quoted			67,720,580	67,720,580
Unquoted			166,687,398	115,444,398
			<b>234,407,978</b>	<b>183,164,978</b>
<b>Market Value of Quoted Investments</b>			<b>1,823,288,647</b>	<b>948,724,008</b>

\* Allotted on 30-03-2017, pursuant to scheme of Arrangement between Upper Ganges Sugar & Industries Ltd and Others. Further these share are yet to be listed on Stock Exchange.

\*\* Allotted on 30-03-2017, pursuant to scheme of Arrangement between Upper Ganges Sugar & Industries Ltd and Others. These Preference Share are carrying cumulative dividend and the cost of acquisition includes dividend right thereon since original allotment.



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

	<u>31-Mar 2017</u>	<u>31-Mar 2016</u>
<b><u>10. Cash and Bank Balances</u></b>	<u>Rs</u>	<u>Rs</u>
<b>Cash and cash equivalents</b>		
Balances with bank	2,142,648	2,572,650
Cash in Hand	42,641	1,489
	<u>2,185,289</u>	<u>2,574,139</u>
<b><u>11. Loans and Advances</u></b>		
<b><u>(Unsecured Loan)</u></b>		
Avadh Sugar & Energy Limited		
UNIT : ROSA	90,000,000	90,000,000
UNIT : HARGAON	100,000,000	100,000,000
Tax Deducted at source (Net of Provision)	2,459,946	3,124,777
	<u>192,459,946</u>	<u>193,124,777</u>
<b><u>12. Other Current Assets</u></b>		
Interest Accured on Loan Given	2,021,642	2,026,808
OSM Invesrment & Trading Co. Limited	-	24,650,000
	<u>2,021,642</u>	<u>26,676,808</u>



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

	for the year ended	
	<b>31-Mar 2017</b>	<b>31-Mar 2016</b>
	<u>Rs</u>	<u>Rs</u>
<b><u>13. Revenue from operations</u></b>		
Interest On loan to Body Corporate (TDS Rs.1362705)	24,795,001	25,221,328
Dividend on Long Term Investments - other than trade	25,836,012	22,634,600
	<u>50,631,013</u>	<u>47,855,928</u>
<b><u>14. Other Income</u></b>		
Interest on Fixed Deposits (TDS Rs. 42326.23)	423,262	16,027
Interest from Income Tax Department	114,058	91,272
	<u>537,320</u>	<u>107,299</u>
<b><u>15. Other Expenses</u></b>		
Rates & Taxes	7,300	7,300
Payment to Auditors		
Audit Fee	12,500	12,500
In other capacity for certificates & other services	7,000	7,000
Bank Charges	1,347	1,766
Professional and Consultancy Fees	8,750	7,937
Service Charges	241,500	194,225
Depository Charges	1,269	1,011
Printing & Stationery	4,950	-
Miscellaneous Expenses	17,903	17,150
Donation- Samaj Electoral Trust Association	1,000,000	850,000
Filling Fees	4,200	5,400
Provision for Standard Assets	123,000	43,400
	<u>1,429,719</u>	<u>1,147,689</u>
<b><u>16. Finance Cost</u></b>		
Interest on loans	24,319,998	24,780,164
	<u>24,319,998</u>	<u>24,780,164</u>



**Hargaon Investment & Trading Co. Limited**

**Notes to financial statements for the year ended 31st March 2017**

**17 Earning per Share (EPS)**

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations:

**Total operations for the year**

	31-Mar-17	31-Mar-16
Profit / (Loss) after tax	25,414,617	22,035,374
Less: Dividends on Preference Shares and tax thereon	-	-
<b>Net profit / (loss) for calculation of basic / diluted EPS</b>	<b>25,414,617</b>	<b>22,035,374</b>

**Continuing Operations**

	31-Mar-17	31-Mar-16
Profit / (Loss) after tax	25,414,617	22,035,374
Less: Dividends on Preference Shares and tax thereon	-	-
<b>Net profit / (loss) for calculation of basic / diluted EPS</b>	<b>25,414,617</b>	<b>22,035,374</b>

	Nos	Nos
Weighted average number of equity shares in calculating basic EPS	3,045,727	3,045,727
Effect of dilution	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>3,045,727</b>	<b>3,045,727</b>

EPS 8.34 7.23

**18 Names of related parties and description of relationships**

Palash Securities Limited	100% Holding Company
OSM Investment & Trading Co. Limited	Subsidiary of Holding Co.
Champanan Marketing Co. Limited	Subsidiary of Holding Co.
Allahabad Canning Limited.	Subsidiary of Holding Co.
Hargaon Properties Limited	Subsidiary of Holding Co.
The Oudh Sugar Mills Limited	Erstwhile Holding Company

**Transaction With Related parties (Erstwhile Holding Co)**

Name	Op. Balance	Movement During The Year	Closing Balance
The Oudh Sugar Mills Limited	190000000 (Dr)	-	190000000 (Dr)*
Interest Received from The Oudh Sugar Mills Limited.	-	24795001 (Cr)	-

\* after 23.03.2017 transferred to Avadh Sugar & Energy Ltd

**19** Revenue from Operation include Rs.2,47,95,001/- representing Interest on Loan extended, against which company has paid Rs. 2,43,19,998/-, which has been shown in finance cost.

**20** Contingent Liability not provided for in respect of uncalled capital on partly paid shares held as Investments of Rs 43,60,352/- (Previous Year Rs 43,60,352/-)

**21** The details of Specified Bank Notes (SBNs) held and transaction during the period 08th November, 2016 to 30th December, 2016 are as under

Particular	SBN's (Rs)	Other Denomination Notes (Rs.)	Total (Rs)
Closing Cash in hand as on 08.11.2016	1,000.00	489.55	1,489.55
(+) Permitted Receipts *	-	60,000.00	60,000.00
(-) Permitted Payments	-	15,600.00	15,600.00
(-) Amount Deposited in Banks	1,000.00	-	1,000.00
<b>Closing Cash in hand as on 30.12.2016</b>	-	<b>44,889.55</b>	<b>44,889.55</b>

\* Include Rs 60,000/- withdrawl from Bank

**22** Previous years' figures have been regrouped and/or rearranged, wherever necessary

In terms of our attached report of even date.

9, India Exchange Place  
Kolkata - 700 001  
Dated : 23-05-2017

FOR B.L.Rathi & Co.  
Chartered Accountants  
Firm Regn. No. 318113E

Bhanwar Lal Rathi  
Proprietor  
Membership No. 053795



**For HARGAON INVESTMENT & TRADING CO. LIMITED**

*[Signature]*  
**Director**

**For HARGAON INVESTMENT & TRADING CO. LIMITED**