



NAGA DHUNSERI GROUP LIMITED

REGISTERED OFFICE : **DHUNSERI HOUSE**
4A WOODBURN PARK, KOLKATA - 700 020

CIN NO.: L01132WB1918PLC003029
E-mail: hpbhuwalia@dhunseriqa.com
website: www.nagadhunserigroup.com

Ref: NDG/SA/7 & 7A/2017/119

17/08/2017

The National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G – Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 Symbol – (NDGL) Pan No. AABCN0997R	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range Kolkata – 700001 Stock Code : (10024005) Pan No. AABCN0997R
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Dear Sirs,

Sub: Annual Reports & Account for the year 2016-17

Please find enclosed the Annual Reports & Accounts of the Company for the year ended 31st March, 2017.

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For NAGA DHUNSERI GROUP LIMITED

Shilpa Agarwal

SHILPA AGARWAL
COMPANY SECRETARY

Encl: As stated

Mail@nagadhunserigroup.com

Phone : 2280 1950 (5 Lines) Fax : 91 33 2287 8995

NAGA DHUNSERI GROUP LIMITED

CIN : L01132WB1918PLC003029

BOARD OF DIRECTORS :

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

CHIEF EXECUTIVE OFFICER :

Mr. Hari Prasad Bhuwania

CHIEF FINANCIAL OFFICER :

Mr. Ayush Beriwal

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Shilpa Agarwal

BANKERS :

State Bank of India
HDFC Bank Ltd.

STATUTORY AUDITOR :

M/s. S. S. Kothari & Co.
Chartered Accountants

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS :

M/s. Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor,
Kolkata - 700 001
Phone : (033) 2243-5029 / 2248 2248
Fax : (033) 2248 4787
E-mail : mdpldc@yahoo.com

99TH ANNUAL GENERAL MEETING

Tuesday, 8th August, 2017 at 3.30 P.M.
at 'KALAKUNJ', Sangit Kala Mandir Trust
48, Shakespeare Sarani, Kolkata - 700 017

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NOTICE

NOTICE is hereby given that the 99th Annual General Meeting (AGM) of the Members of NAGA DHUNSERI GROUP LIMITED will be held on Tuesday, the 8th day of August, 2017 at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata - 700 017 at 03.30 P.M. to transact the following business :

ORDINARY BUSINESS :

1. Adoption of the Financial Statements

To receive, consider and adopt the audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2017 and the Reports of the Directors' and Auditors' thereon.

2. Declaration of a dividend

To declare a dividend of ₹ 2.50 per equity share for the financial year ended 31st March, 2017.

3. Appointment of Director

To appoint a director in place of Mrs. Aruna Dhanuka (DIN : 00005677) who retires by rotation and being eligible offers herself for re-appointment.

4. Appointment of Statutory Auditors

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

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and pursuant to recommendation of the Audit Committee and the Board of Director M/s. Dhandhanika & Associates., Chartered Accountants (Firm Registration No. 316052E) be and are hereby appointed as the Auditors of the Company in place of M/s. S. S. Kothari & Co., Chartered Accountants whose tenure expires at the ensuing Annual General Meeting of the Company, to hold office from the conclusion of the 99th AGM until the conclusion of 104th AGM, (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting), and the Board of Directors be and are hereby authorised to fix remuneration in consultation with the Auditors.

Place : Kolkata

Dated : The 30th day of May, 2017

By Order of the Board
Naga Dhunseri Group Limited
SHILPA AGARWAL
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed hereto. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 2nd August, 2017 to Tuesday, 8th August, 2017 (both days inclusive).
3. Subject to provisions of Section 126 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2017, as recommended by the Board, if approved at the AGM, will be paid on or after Wednesday, the 16th August, 2017 :
 - a) To those Members whose names appear in the Register of Members of the Company as on 8th August, 2017 after giving effect to all valid Share Transfers in physical form lodged with the Company before 2nd August, 2017.
 - b) In respect of shares held in electronic form, to those “deemed members” whose names appear on the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), at the end of business hour on 1st August, 2017.
4. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members.
5. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Company at its Registered Office or the Company’s Registrar & Share Transfer Agent M/s. Maheshwari Datamatics Private Limited, 23, R. N.Mukherjee Road, 5th Floor, Kolkata - 700 001.
6. Shareholders of erstwhile Chandramalai Estates Limited and Aryan Engineering Works Limited which were amalgamated with Bareilly Electricity Supply Co. Ltd. / Bareilly Holdings Ltd. which was again amalgamated with Naga Hills Tea Co. Ltd. (Name since changed to Naga Dhunseri Group Ltd.), who have not yet surrendered their share scrips to the Company for exchange are requested to do so to enable the Company to forward its share scrips.
7. The details of the director seeking re-appointment under Item No. 3 of this Notice is annexed hereto.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who

NOTES (Contd.)

have not registered their email address with the Company can now register the same by submitting their email address either to the Company Secretary or to M/s. Maheshwari Datamatics Pvt. Ltd. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

9. The Notice of AGM, Annual Report and Admission Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Admission Slip etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Admission Slip etc. in electronic mode are requested to print the Admission Slip and submit a duly filled in Admission Slip at the Registration Counter at the AGM. The Admission slip shall also be made available to them at the venue of the meeting.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at the 99th AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, the 1st August, 2017 i.e. the cut-off date, are entitled to vote on the resolutions set forth in this Notice.

Members who do not have access to e-voting facility may complete and send the Ballot Form enclosed with the Notice of the AGM, so as to reach the Scrutinizer, Mr. Atul Kumar Labh (FCS-4848; CP-3238), Practicing Company Secretary, at the Registered Office of the Company, not later than 7th August, 2017. The instructions for filling the Ballot Form are given on the Form.

The members may cast their votes on electronic voting system from a place other than the venue of the meeting (i.e remote e-voting). The remote e-voting period will commence at 9.00 A.M. on Thursday, the 3rd August, 2017 and will end at 5.00 P.M. on Monday, the 7th August, 2017. In addition, the facility for physical voting shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting or through Ballot form, shall be eligible to vote at the AGM. The Company has appointed Mr. Atul Kumar Labh (FCS-4848; CP-3238), Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING :

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under :
 - (a) In case of Members receiving an e-mail from NSDL :
 - i) Open the PDF file NDGL e-voting.pdf, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an "Initial Password".

NOTES (Contd.)

- ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder-Login
- iv) Insert "User ID" and "Initial Password" as noted in step (i) above and click on "Login".
- v) Password change menu will appear. Change the password with a new Password of your choice with minimum 8 digits / characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- vi) Home page of e-voting will open. Click on e-voting–Active Voting Cycles.
- vii) Select 'EVEN' of "Naga Dhunseri Group Limited"
- viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit". Click on 'confirm' when prompted.
- x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- xi) Once you have confirmed your vote on the resolution you cannot modify your vote.
- xii) Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by an email at aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving by post the physical copy of the Notice of AGM and Admission Slip

- (i) User id and Password is provided, at the bottom of the Admission Slip as follows :

(E-Voting Event Number)	USER ID	PASSWORD

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xii) Mentioned above, to cast vote.

- II. In case of any queries, you may refer to the Frequently Asked Questions (FAQ) and 'e-voting user manual' available in the 'downloads' section of NSDL's e-voting website [http:// evoting.nsdl.com](http://evoting.nsdl.com) or call on toll free number : 1800-222-990.
- III. The voting rights shall be as per the number of equity shares held by the Member(s) as on 1st August, 2017, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. The facility of e-voting would be provided once for every folio / client id irrespective of the number of joint holders.
- IV. Members who have acquired shares after the dispatch of the Annual Report and before the book closures may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or mdpldc@yahoo.com. However if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800 222 990.

NOTES (Contd.)

- V. The details of the voting results along with the Scrutinizer's Report, shall be submitted to the Stock Exchanges where the shares of the Company are listed within forty eight hours of conclusion of the AGM and shall also be placed on the company's website www.nagadhunserigroup.com and on NSDL's website www.evoting.nsdl.com simultaneously.
11. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
12. The Register of Directors and Key Managerial Personnel and their Shareholding Maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
13. Members who have not encashed their dividend warrants, if any, for the years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 are requested to contact the Company Secretary or M/s. Maheshwari Datamatics Private Limited. The unpaid or unclaimed dividend amounts lying with the Company as on the date of last AGM (9th August, 2016) has been uploaded on the Company's Website and also available on the Ministry of Corporate Affairs website.
14. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed / claimed within seven years from the date of such transfer will be transferred to the Investors Education and Protection Fund (IEPF) established under section 125(1) of the Companies Act, 2013. Further all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF as required by Section 124(6) of the Companies Act, 2013.
15. Members may communicate either with the Company Secretary or with the Company's Registrar and Share Transfer Agent for redressal of their queries, if any.
16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to either to the Company Secretary or to M/s. Maheshwari Datamatics Private Limited.
17. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Admission Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Admission Slip and hand it over at the Registration Counter at the venue.
18. Members desiring any information relating to the accounts are requested to write to the Company Secretary 10 days in advance so as to enable the management to keep the information ready.

NOTES (Contd.)**Details of director seeking re-appointment in the forthcoming Annual General Meeting
[Information pursuant to Regulations 36(3) & 26(4) of SEBI (LODR) Regulation 2015]**

Name of Director	ARUNA DHANUKA DIN : 00005677
Date of Birth	05.09.1959
Date of Appointment	31.10.2005
Expertise in specific Functional areas	Occupation : Business Vast knowledge in the area of Finance & Investments.
Qualifications	Graduate
Directorship held in other Companies	Dhunseri Petrochem Ltd– Managing Director Dhunseri Investments Limited – Managing Director Mint Investments Limited Trimplex Investments Limited Madhuting Tea Private Limited Deepshika Modern Fashionware Private Limited
Membership / Chairmanship of Committees in other Public companies	Dhunseri Petrochem Limited - Investment Committee : Member Dhunseri Investments Limited - Audit Committee : Member - Share Transfer Committee : Member -Investment Committee : Member
Shareholdings in the Company	78,700

Place : Kolkata

Dated : The 30th day of May, 2017

By Order of the Board
Naga Dhunseri Group Limited
SHILPA AGARWAL
Company Secretary

DIRECTORS' REPORT

We have pleasure in presenting the 99th Annual Report together with Audited Financial Statements of Accounts of the Company for the year ended 31st March, 2017.

1. Financial Results

	Standalone For the year ended 31.03.2017 ₹ Lakhs	Standalone For the year ended 31.03.2016 ₹ Lakhs	Consolidated For the year ended 31.03.2017 ₹ Lakhs	Consolidated For the year ended 31.03.2016 ₹ Lakhs
Profit before Depreciation & Taxation	1,329.28	249.39	1,329.28	249.39
Add / Less : Depreciation	(17.56)	(25.55)	(17.56)	(25.55)
Provision for Taxation	(247.00)	—	(247.00)	—
Deferred Tax Liability (Asset)	(2.76)	1.30	(2.76)	1.30
Earlier Year Tax Adjustment	—	1.31	—	1.31
Profit after Taxation	1,061.96	226.45	1,061.96	226.45
Share of Profit / (Loss) of Associates	—	—	7,561.49	(2,030.33)
Net Profit after Share of Profit / (Loss) of Associates	1,061.96	226.45	8,623.45	(1,803.88)
Add : Balance brought forward from previous year	119.72	68.65	(1,787.51)	191.75
Profit available for appropriation	1,181.68	295.10	6,835.94	(1,612.13)
Appropriations				
Proposed Dividend (Previous year ₹ 2.50 per share)	—	25.00	—	25.00
Dividend Tax on proposed dividend	—	5.09	—	5.09
Transferred to NBFC Reserve Fund	212.39	45.29	212.39	45.29
Transferred to General Reserve	400.00	100.00	400.00	100.00
Balance carried to Balance Sheet	569.29	119.72	6,223.55	(1,787.51)
	1,181.68	295.10	6,835.94	(1,612.13)

2. Operations

The income of the Company during the year under review mainly comprised of profit on sale of investments in shares & securities, dividend income and rental income. The Company's profit increased substantially due to improved market conditions. The profit after tax during the year was ₹ 1061.96 Lakhs compared to ₹ 226.45 Lakhs during the previous year.

3. Dividend

Your Directors are pleased to recommend a dividend @ ₹ 2.50 per equity share (25%) for the financial year ended 31st March, 2017 subject to shareholders approval at the ensuing Annual General Meeting to be held on 8th August, 2017. The total outgo on account of dividend inclusive of taxes, for 2016-17 is ₹ 30.09 Lakhs.

DIRECTORS' REPORT *(Contd.)***4. NBFC Reserve Fund**

The Company proposes to transfer ₹ 212.39 Lakhs to NBFC Reserve Fund out of the amount available for appropriation.

5. General Reserve

The Company proposes to transfer ₹ 400 lakhs to General Reserve out of the amount available for appropriation.

6. Associate and Subsidiary Company

Pursuant to Section 2(6) of the Companies Act, 2013, the Company has an Associate Company as on 31.03.2017 i.e. Dhunseri Investments Limited and does not have any Subsidiary Company as on 31st March, 2017.

Pursuant to Provisions of Section 129(3) of the Act, a statement in Form AOC- 1, containing the salient features of the financial statements of the Company's Associate is attached with the financial statement of the Company.

7. NBFC Public Deposits Directions

The Company neither invited nor accepted any deposit from the public during the financial year 2016-17. The Company does not intend to invite or accept any public deposit during the financial year 2017-18. No amount on account of principal or interest on deposit from public was outstanding as on the date of balance sheet.

8. Listing of shares with Stock Exchange

The equity shares of the Company are listed on the Calcutta Stock Exchange and also on the National Stock Exchange of India Ltd. (w.e.f. 29th August, 2016). The Company's shares are compulsorily traded in dematerialized form.

9. Delisting with Calcutta Stock Exchange (CSE)

The equity shares of the Company are presently listed on the Calcutta Stock Exchange Limited (CSE) and the National Stock Exchange of India Ltd. (NSE). There is no trading on CSE for last several years, thus, no advantage to the Company or the shareholders is available for continued listing on CSE. Moreover, the Company has to incur considerable cost toward listing fee and other compliances with CSE. Further, NSE is having nationwide trading terminal and the shares of the Company are actively traded on NSE. Thus, considering the interest of the Company and no benefits available to the shareholders, the Board at its meeting held on May 30, 2017, has approved the Voluntary Delisting of the equity shares of the Company from the CSE, in accordance with Regulation 6(a) read with Regulation 7 of the Delisting Regulations. After delisting from CSE, the equity shares of the Company shall continue to be listed on the NSE. Further, as per the provisions of Regulation 6(a) of the Delisting Regulations, no exit opportunity needs to be given to the public shareholders.

10. Directors' Responsibility Statement

Pursuant to Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that –

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with no material departures;
- (b) They have selected such Accounting Policies and applied them consistently and made judgements 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 that period.

DIRECTORS' REPORT (Contd.)

- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

With reference to the work performed by the Internal Auditor, Statutory Auditor and Secretarial Auditor and the reviews performed by the Management and the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2016-17.

11. Directors & Key Managerial Personnel

Directors

Mrs. Aruna Dhanuka retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Key Managerial Personnel

Mr. H. P. Bhuwania, retired from the post of Chief Financial Officer of the Company w.e.f. 01.10.2016 and Mr. Ayush Beriwal was appointed in his place w.e.f 03.11.2016.

Mrs. Aruna Dhanuka resigned from the post of Managing Director w.e.f. 9th February, 2017. However she continues as director of the Company.

Mr. H. P. Bhuwania was appointed as Chief Executive Officer w.e.f. 10th February, 2017.

Mr. A. K. Sarkar retired from the post of Company Secretary and Ms. Shilpa Agarwal was appointed in his place w.e.f. 1st March, 2017.

12. Number of Meetings of the Board

The Board met four times during the financial year 2016-17. The details have been provided in the Corporate Governance Report in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Board Evaluation

An annual evaluation of the performances of the Board, its committees and individual directors was undertaken during the year and has been disclosed in the Corporate Governance Report.

14. Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters as required under Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

DIRECTORS' REPORT *(Contd.)*

16. Internal Financial Control System and their adequacy

The details in respect of Internal Financial Control and their adequacy are included in the Management Discussion & Analysis, which forms part of the Corporate Governance Report.

17. Audit Committee

The details pertaining to composition of Audit Committee and its meetings are included in the Corporate Governance Report.

18. Auditors

M/s. S. S. Kothari & Co., Chartered Accountants the Statutory Auditors of the Company, who were appointed for a period of 3 years at the 96th Annual General Meeting (AGM) held on 4th September, 2014 will retire on the conclusion of this 99th AGM of the Company.

The Board proposes to appoint M/s. Dhandhanika & Associates, Chartered Accountants (FRN : 316052E) as the Statutory Auditor of the Company for a period of 5 years to hold office from the conclusion of 99th AGM till the conclusion of 104th AGM of the Company subject to ratification of appointment by the Members at every AGM held after this AGM.

19. Auditors' Report and Secretarial Auditors' Report

The Auditors' Report and Secretarial Auditors' report are self-explanatory and does not contain any qualifications, reservations or adverse remarks and have been annexed to the report.

20. Risk Management

The details of the Risk Management Committee have been provided in the Corporate Governance Report.

21. Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

22. Transactions with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 26 to the financial statement which sets out related party disclosures.

23. Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015, is provided in the Corporate Governance Report.

24. Extract of the Annual Return

As required under section 92(3) of the Companies Act, 2013, an extract of the Annual Return is given in Annexure I in the prescribed Form No. MGT – 9 which forms part of this Report.

DIRECTORS' REPORT (Contd.)**25. Corporate Social Responsibility**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiative undertaken by the Company on the CSR activities during the year are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is also available on the Company's website : www.nagadhunserigroup.com.

26. Particulars of Employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :

a. Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-2017.

Sl. No.	Name of Director	Remuneration (₹)	Median Remuneration (₹/in Lakhs)	Ratio
1.	Mrs. Aruna Dhanuka	45,23,605/-	3.08 Lakhs	14.69
2.	Mr. C. K. Dhanuka	29,000/-	3.08 Lakhs	0.09
3.	Mr. Mrigank Dhanuka	25,000/-	3.08 Lakhs	0.08
4.	Mr. Rajeev Rungta	36,500/-	3.08 Lakhs	0.12
5.	Mr. I. K. Kejriwal	40,500/-	3.08 Lakhs	0.13
6.	Mr. G. R. Goenka	36,500/-	3.08 Lakhs	0.12

b. Percentage Increase of Remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year :

Sl. No.	Name and Designation	% of Increase
1.	Mr. C. K. Dhanuka – Chairman	No Change
2.	Mrs. Aruna Dhanuka – Managing Director upto 09.02.2017	53.86%
3.	Mr. Mrigank Dhanuka – Director	No Change
4.	Mr. Rajeev Rungta – Director	No Change
5.	Mr. I. K. Kejriwal – Director	No Change
6.	Mr. G. R. Goenka – Director	No Change
7.	Mr. H. P. Bhuvania – CFO (retired on 01.10.2016)	No Change
8.	Mr. Ayush Beriwal – CFO (appointed on 03.11.2016)	No Change
9.	Mr. H. P. Bhuvania – CEO (appointed on 10.02.2017)	No Change
10.	Mr. A. K. Sarkar – CS (retired on 01.03.2017)	20.00%
11.	Ms. Shilpa Agarwal – CS (appointed on 01.03.2017)	No Change

DIRECTORS' REPORT (Contd.)

- c. **The percentage increase in the median remuneration of the employees in the financial year : 17.11**
- d. **No of employees on the rolls of the Company as on 31.03.2017 : 10 (Ten)**
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2016-17 was 10.93% and in the case of managerial remuneration the increase was 53.86%. The remuneration payable to Managing Director has variable component which is dependent on the profit of the Company and other employees remuneration has fixed pay which depends on his / her performance.
- f. The Company affirms remuneration is as per remuneration policy of the Company.
- g. **The statement containing particulars of employees as required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

i) Statement of Particulars of Top 10 Employees

Sr. No.	Name of Employee	Age	Qualification	Designation	Date of Joining	Experience (in years)	Remuneration (₹ Rs.)
1.	Mrs. Aruna Dhanuka*	58	Graduate	Managing Director	31.10.2005	12	45,23,605
2.	Mr. Hari Prasad Bhuwania**	79	Graduate	CFO	13.08.2014	50	15,06,683
3.	Mr. Ashit Kumar Sarkar#	82	Graduate CA, CS	CS	01.11.2014	50	6,47,116
4.	Mr. Ayush Beriwal	35	Graduate CA	CFO	03.11.2016	10	4,99,897
5.	Mr. Swapan Kumar Das	62	Graduate	Accounts Executive	01.11.1979	37	3,88,496
6.	Mr. Sumanjit Das	47	Graduate	Accounts Executive	18.04.1994	23	3,64,220
7.	Mr. Supriyo Bose##	65	Graduate	Accounts Executive	06.08.1979	37	3,41,627
8.	Mr. Deepak Verma	28	Graduate	Accounts Executive	27.07.2015	5	3,15,833
9.	Mr. K. Venugopal Nair	56	Graduate	Accounts Executive	01.04.2007	31	3,00,800
10.	Mr. Samir Kumar Mitra###	63	Graduate	Accounts Executive	02.11.1974	42	2,39,200

* Resigned as Managing Director w.e.f. 09.02.2017.

** Retired w.e.f. 01.10.2016.

Retired w.e.f. 01.03.2017.

Retired w.e.f. 01.01.2017.

Retired w.e.f. 01.11.2016.

DIRECTORS' REPORT *(Contd.)*

- ii) **Employed throughout the Financial Year 2016-17 and drawing a remuneration in aggregate not Less Than One Crore Two Lakh Rupees per annum : NIL**
- iii) **Employed for a part of the Financial Year 2016-17 and drawing a remuneration in aggregate not Less Than Eight Lakh Fifty Thousand Rupees per month : NIL**

27. Disclosure requirements

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandate the formulation of certain policies for all listed companies. All policies are available on the Company's website www.nagadhunserigroup.com. The Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis Report are attached, which form part of this report.

The key policies that have been adopted by the Company are as follows :

Details of the familiarization program of the independent directors are available on the website of the Company <http://www.nagadhunserigroup.com/downloads/programme-independent-directors.pdf>.

Policy for determining material subsidiaries of the Company is available on the website of the Company <http://www.nagadhunserigroup.com/downloads/naga-policy-for-determining-material-subsidiary.pdf>.

Policy on dealing with related party transactions is available on the website of the Company <http://www.nagadhunserigroup.com/downloads/naga-related-party-transaction-policy.pdf>.

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. There has been no change to the whistle blower policy adopted by the Company during the year 2017 and the said policy is available on the website of the Company <http://www.nagadhunserigroup.com/downloads/naga-vigil-mechanism.pdf>.

The Company has formulated the Corporate Social Responsibility Policy and the same is available on the website of the Company <http://www.nagadhunserigroup.com/downloads/CSR-Policy.pdf>

The Company has formulated a policy related to disclosure of material events affecting the Company i.e. Policy on Materiality and the same is available on the website of the Company <http://www.nagadhunserigroup.com/downloads/determination-of-materiality-of-an-event-or-information-for-disclosure-to-stock-exchanges-policy.pdf>

The policy which deals with the retention and archival of corporate records of the Company is also available on the website of the Company <http://www.nagadhunserigroup.com/downloads/archival-policy.pdf>

The Company has formulated the policy on preservation of documents and the same is available in the website of the Company <http://www.nagadhunserigroup.com/downloads/policy-on%20peservation-of-documents.pdf>

28. State of Company's affairs

The Company's main business is investments in shares and securities. The Management regularly monitor the changing market conditions and trends. Further, any slowdown of the economic growth or volatility in global financial market could adversely affect the Company's business.

DIRECTORS' REPORT *(Contd.)*

29. Material changes and commitments, if any, affecting the financial position of the Company

There are no such material changes and commitments which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

30. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

No significant and material orders were passed by any regulator or court or tribunals impacting the going concern status and affecting the company's operation in future.

31. Particulars of Conservation of Energy and Technology absorption

The particulars in respect of conservation of energy and technology absorption are not applicable to the Company.

Foreign Exchange Earnings and outgo.

During the year under review there was no foreign exchange earnings and the outflow was ₹ 8 lakhs.

32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has set up Internal Complaint Committee (ICC) under Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 along with its relevant Rules.

The Committee met once during the year on 3rd February, 2017.

No complaints have been received by the Company during the F.Y. 2016-17.

33. Transfer of shares to Investor Education Protection Fund

The Company had issued notices to respective shareholders regarding proposed transfer of equity shares to Investor Education and Protection Fund (IEPF) (in respect of which dividend has been unclaimed / unpaid for seven consecutive years or more) pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The details of the shareholders who have not claimed dividend for the last 7 consecutive years are available on the Company's website at www.nagadhunserigroup.com. The Company has also published notice in newspapers in this regard.

The members who have not encashed the dividend warrant(s) for the year(s) 2009-2010 onwards, are requested to submit their claim to the Company.

Please note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

The shares transferred to the IEPF can be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

DIRECTORS' REPORT *(Contd.)*

34. Green Initiatives

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 99th AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of this Annual Report including the Notice of the 99th AGM are sent by permitted mode.

The Company is providing e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting is provided in note 10 annexed to the Notice.

35. Acknowledgement

The Board of Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the banks and other authorities. The Board of Directors also thank the employees of the Company for their valuable service and support during the year. The Board of Directors also gratefully acknowledge with thanks the cooperation and support received from the shareholders of the Company.

For & on behalf of the Board of Directors

Place : Kolkata

C. K. DHANUKA

Dated, The 30th day of May, 2017

Chairman

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

ANNEXURE - I

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS :

(i) CIN	L01132WB1918PLC003029
(ii) Registration Date	26-08-1918
(iii) Name of the Company	NAGA DHUNSERI GROUP LIMITED
(iv) Category / Sub-Category of the Company	Company Limited by Shares / Non Government Company
(v) Address of the Registered Office and Contact details	Dhunseri House, 4A, Woodburn Park, Kolkata - 700 020 Phone : (033) 2280 1950 (5 Lines) Fax : (033) 2287 8995 E-mail : mail@nagadhunserigroup.com Website: www.nagadhunserigroup.com
(vi) Whether listed Company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Phone : (033) 2243 5029 / 2248 2248 Fax : (033) 2248 4787 E-mail : mdpldc@yahoo.com Website : www.mdpl.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Investment in shares and securities	649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Dhunseri Investments Ltd. Dhunseri House 4A, Woodburn Park Kolkata - 700 020	L15491WB1997PLC082808	Associate	21.59%	2(6)

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	398134	—	398134	39.8134	398134	—	398134	39.8134	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt. (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	337692	—	337692	33.7692	337692	—	337692	33.7692	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub-Total (A) (1)	735826	—	735826	73.5826	735826	—	735826	73.5826	—
(2) Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Bank / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	735826	—	735826	73.5826	735826	—	735826	73.5826	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	1742	1742	0.1742	—	1742	1742	0.1742	—
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Other (specify)	—	—	—	—	—	—	—	—	—
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds/Pension Funds									
Qualified Foreign Investor									
Sub-total (B) (1)	—	1742	1742	0.1742	—	1742	1742	0.1742	—

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	16701	4586	21287	2.1287	17350	4586	21936	2.1936	3.0488
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	77964	118217	196181	19.6181	82037	112736	194773	19.4773	(0.7177)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	33324	—	33324	3.3324	33324	—	33324	3.3324	—
c) Others (specify)									
Non Resident Indians	3304	8291	11595	1.1595	3404	7900	11304	1.1304	(2.5097)
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Custodian of Enemy Property	—	—	—	—	—	—	—	—	—
Foreign Nationals	45	—	45	0.0045	436	—	436	0.0436	868.8889
Clearing Members	—	—	—	—	659	—	659	0.0659	100.0000
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies D R	—	—	—	—	—	—	—	—	—
Foreign Portfolio Investors	—	—	—	—	—	—	—	—	—
NBFCs registered with RBI	—	—	—	—	—	—	—	—	—
Employee Trusts	—	—	—	—	—	—	—	—	—
Domestic Corporate Unclaimed Shares Amount	—	—	—	—	—	—	—	—	—
Sub-total (B) (2)	131338	131094	262432	26.2432	137210	125222	262432	26.2432	—
Total Public Shareholding									
(B) = (B) (1) + (B) (2)	131338	132836	264174	26.4174	137210	126964	264174	26.4174	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand total (A) + (B) + (C)	867164	132836	1000000	100.0000	873036	126964	1000000	100.0000	—

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****ii) Shareholding of Promoters**

Shareholders' Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1. Mint Investments Ltd.	332210	33.22	0.0000	332210	33.22	0.0000	0.0000
2. Sri C. K. Dhanuka C/o. Sew Bhagwan & Sons	161130	16.11	0.0000	161130	16.11	0.0000	0.0000
3. Smt. Aruna Dhanuka	78700	7.87	0.0000	78700	7.87	0.0000	0.0000
4. Sri C. K. Dhanuka	48400	4.84	0.0000	48400	4.84	0.0000	0.0000
5. Sri C. K. Dhanuka C/o. Shree Shaligram Trust	43206	4.32	0.0000	43206	4.32	0.0000	0.0000
6. Sri C. K. Dhanuka C/o. Krishna Kalindi Trust	30300	3.03	0.0000	30300	3.03	0.0000	0.0000
7. Sri C. K. Dhanuka C/o. Ram Janki Trust	30300	3.03	0.0000	30300	3.03	0.0000	0.0000
8. Madhuting Tea Pvt. Ltd.	5482	0.548	0.0000	5482	0.548	0.0000	0.0000
9. Sri C. K. Dhanuka C/o. Shankarlal Chandrakumar HUF	3200	0.32	0.0000	3200	0.32	0.0000	0.0000
10. Smt. Tarulika Khaitan	1612	0.16	0.0000	1612	0.16	0.0000	0.0000
11. Sri Mrigank Dhanuka	1286	0.128	0.0000	1286	0.128	0.0000	0.0000
Total	735826	73.58	0.0000	735826	73.58	0.0000	0.0000

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016) / end of the year (31.03.2017)		Increase / Decrease in shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1.	CHANDRA KUMAR DHANUKA C/o. Krishna Kalindi Trust 1/4/2016 31/3/2017	30300 30300	3.0300 3.0300	No change	30300	3.0300
2.	CHANDRA KUMAR DHANUKA C/o. Ram Janki Trust 1/4/2016 31/3/2017	30300 30300	3.0300 3.0300	No change	30300	3.0300
3.	CHANDRA KUMAR DHANUKA C/o. Shree Shaligram Trust 1/4/2016 31/3/2017	43206 43206	4.3206 4.3206	No change	43206	4.3206
4.	MADHUTING TEA PRIVATE LIMITED 1/4/2016 31/3/2017	5482 5482	0.5482 0.5482	No change	5482	0.5482
5.	MINT INVESTMENTS LIMITED 1/4/2016 31/3/2017	332210 332210	33.2210 33.2210	No change	332210	33.2210
6.	CHANDRA KUMAR DHANUKA C/o. Sew Bhawan & Sons 1/4/2016 31/3/2017	161130 161130	16.1130 16.1130	No change	161130	16.1130
7.	CHANDRA KUMAR DHANUKA KARTA OF SHANKARLAL CHANDRA KUMAR (HUF) 1/4/2016 31/3/2017	3200 3200	0.3200 0.3200	No change	3200	0.3200
8.	CHANDRA KUMAR DHANUKA 1/4/2016 31/3/2017	48400 48400	4.8400 4.8400	No change	48400	4.8400
9.	MRIGANK DHANUKA 1/4/2016 31/3/2017	1286 1286	0.1286 0.1286	No change	1286	0.1286
10.	ARUNA DHANUKA 1/4/2016 31/3/2017	78700 78700	7.8700 7.8700	No change	78700	7.8700
11.	TARULIKA KHAITAN 1/4/2016 31/3/2017	1612 1612	0.1612 0.1612	No change	1612	0.1612

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****iv) Shareholding Pattern of top ten Shareholders****(Other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016) / end of the year (31.03.2017)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	LILLY EXPORTERS PRIVATE LTD				
	1/4/2016	4014	0.4014		
	31/3/2017	4014	0.4014	4014	0.4014
2	CONTEMPORARY INDUSTRIES LIMITED				
	1/4/2016	7522	0.7522		
	31/3/2017	7522	0.7522	7522	0.7522
3	NARAIN PRASAD DALMIA *				
	1/4/2016	3707	0.3707		
	31/3/2017	3707	0.3707	3707	0.3707
4	DILIP KUMAR SURANA #				
	1/4/2016	4800	0.4800		
	24/06/2016 - Transfer	-4800	0.4800	0	0.0000
	31/3/2017	0	0.0000	0	0.0000
5	V ALAGAPPAN				
	1/4/2016	5562	0.5562		
	06/01/2017 - Transfer	1	0.0001	5563	0.5563
	31/3/2017	5563	0.5563	5563	0.5563
6	Govardhan Dass Kejriwal				
	1/4/2016	7096	0.7096		
	31/3/2017	7096	0.7096	7096	0.7096
7	YASHWANT KUMAR DAGA				
	1/4/2016	4032	0.4032		
	31/3/2017	4032	0.4032	4032	0.4032
8	VAYJAYANTI PUGALIA				
	1/4/2016	33324	3.3324		
	31/3/2017	33324	3.3324	33324	3.3324
9	SITA GHOSH				
	1/4/2016	5374	0.5374		
	31/3/2017	5374	0.5374	5374	0.5374
10	NAND KISHORI JHAJHARIA (DECD)				
	1/4/2016	4838	0.4838		
	31/3/2017	4838	0.4838	4838	0.4838
11	TARAJAN TEA CO (P) LTD				
	1/4/2016	3760	0.3760		
	31/3/2017	3760	0.3760	3760	0.3760

* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Shareholding at the beginning of the year (01.04.2016) / end of the year (31.03.2017)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	CHANDRA KUMAR DHANUKA				
	1/4/2016	48400	4.8400		
	31/3/2017	48400	4.8400	48400	4.8400
2	MRIGANK DHANUKA				
	1/4/2016	1286	0.1286		
	31/3/2017	1286	0.1286	1286	0.1286
3	GOBIND RAM GOENKA				
	1/4/2016	690	0.0690		
	31/3/2017	690	0.0690	690	0.0690
4	ARUNA DHANUKA				
	1/4/2016	78700	7.8700		
	31/3/2017	78700	7.8700	78700	7.8700
5	INDRA KISHORE KEJRIWAL				
	1/4/2016	644	0.0644		
	31/3/2017	644	0.0644	644	0.0644
6	RAJEEV RUNGTA				
	1/4/2016	—	—		
	31/3/2017	—	—	—	—
7	HARI PRASAD BHUWANIA (CEO)				
	1/4/2016	752	0.0752		
	02/09/2016 - Transfer	-100	0.0100	652	0.0652
	09/09/2016 - Transfer	-31	0.0031	621	0.0621
	16/09/2016 - Transfer	-621	0.0621	0	0.0000
	31/3/2017	0	0.0000	0	0.0000
8	AYUSH BERIWALA				
	1/4/2016	—	—		
	31/3/2017	—	—	—	—
9	SHILPA AGARWAL				
	1/4/2016	—	—		
	31/3/2017	—	—	—	—

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding / accrued but not due for payment**

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Director and / or Manager**

Sl. No.	Particulars of Remuneration	Smt. Aruna Dhanuka* Managing Director ₹	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961#	28,06,000	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,58,977	
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	—	
2.	Stock Option	—	
3.	Sweat Equity	—	
4.	Commission - as % of profit others (specify)	13,58,628	
5.	Others, please specify	—	
	Total (A)	45,23,605	
	Ceiling as per the Act.		67,93,138

* Resigned as MD w.e.f. 9.02.2017

Includes Companies Contribution to PF

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****B. Remuneration to Other Directors**

₹

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Indra Kishore Kejriwal	Rajeev Rungta	Gobind Ram Goenka	
	a) Fee for attending Board & Committee meetings	20,500	16,500	16,500	
	b) Commission	20,000	20,000	20,000	
	c) Others, please specify	—	—	—	
	Total (1)	40,500	36,500	36,500	1,13,500
2.	Other Non-Executive Directors	Mr. C. K. Dhanuka	Mr. Mrigank Dhanuka		
	a) Fee for attending Board & Committee meetings	9,000	5,000		
	b) Commission	20,000	20,000		
	c) Others, please specify	—	—		
	Total (2)	29,000	25,000		54,000
	Total (B) = (1+2)				1,67,500
	Total Managerial Remuneration Overall Ceiling as per the Act.				13,58,628

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		CEO	Company Secretary		CFO		
		Mr. Hari Prasad Bhuwania wef 10.02.17	Mr. A. K. Sarkar upto 28.02.17	Ms. Shilpa Agarwal wef 01.03.17	Mr. H. P. Bhuwania upto 30.09.2016	Mr. Ayush Beriwala wef 03.11.16	
1.	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	83,929	6,17,116	25,473	14,00,764	4,71,397	25,98,679
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—	30,000	1,375	1,05,919	28,500	1,65,794
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961						
2.	Stock Option	—	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—	—
4.	Commission - as % of profit - others, specify	—	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—	—
	Total	83,929	6,47,116	26,848	15,06,683	4,99,897	27,64,473

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN (Contd.)****VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

ANNEXURE - II

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

The Company carries out CSR activities through Dhanuka Dhunseri Foundation (DDF).

DDF was established in 1972 and focuses on four major philanthropic areas :

- Promoting education by building schools and colleges and providing assistance for their maintenance.
- Empowering the girl child through education and other initiatives.
- Improving healthcare by distributing free medicines and setting up dispensaries and providing assistance to charitable hospitals.
- Focusing on community development through donations.

The CSR amount of ₹ 4.75 lakhs has been paid to DDF engaged in building a new girls hostel in Kolkata to accommodate about 400 girls with a built-up area of 70,000 sq. ft. The building plans were earlier sanctioned by Kolkata Municipal Corporation and the project was completed during 2016-17. The hostel was inaugurated by the honorable Chief Minister on 23rd March, 2017.

2. **The composition of the CSR committee :** The Company has a CSR committee of directors comprising of Mr. Rajeev Rungta, Chairman of the Committee, Mr. G. R. Goenka and Mr. C. K. Dhanuka as members.

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR :** ₹2.36 Crore.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :** ₹ 4.72 lakhs.

5. **Details of CSR spent during the financial year :**

- a. Total amount to be spent for the financial year : ₹ 4.75 lakhs
- b. Amount unspent : Nil
- c. Manner in which the amount spent during the financial year : Attached

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :** Nil / NA.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

H. P. Bhuwania

Chief Executive Officer

Rajeev Rungta

Chairman – CSR Committee

Chandra Kumar Dhanuka

Chairman

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2)Specify the State and District where projects or programs was taken	Amount Outlay (budget) project or program-wise ₹	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads ₹	Cumulative Expenditure upto the reporting period ₹	Amount Spent : Direct or through implementing agency
1.	Empowering girl child through education	Construction of Girls Hostel	Diamond Harbour Road, Behala (Kolkata)	4.75 Lakhs	4.75 Lakhs	4.75 Lakhs	Through Dhanuka Dhunseri Foundation (DDF)

CORPORATE GOVERNANCE REPORT

Corporate Governance

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

1. Company's philosophy

The Company believes in good Corporate Governance and emphasizes on transparency, accountability and integrity in all its dealings without compromising on any of its obligations. It seeks to focus on regulatory compliances, fair play, justice and aims at enhancement of long-term shareholder value.

The Company endeavor to improve on these aspects on an ongoing basis.

2. Board of Directors (BOARD)

In terms of the Corporate Governance requirement, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

2.1 Composition

The Board of Directors comprises of three Non- Executive Independent Directors and three Non-Executive / Non-Independent Promoter Directors including the Chairman.

Half of the Board comprises of Non-Executive Independent Directors.

2.2 The composition of the Board, dates of Board meetings, attendance of directors at Board Meetings & at the last Annual General Meeting, the number of Directorships and Committee Memberships held by directors in other Companies are given below :

No. of Board Meetings held during the year	4
Dates on which held	30-05-2016, 09-08-2016, 03-11-2016 and 09-02-2017

Sl. No.	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Last AGM attended	No. of other Directorship in Public Companies	No. of Committee positions held in other public companies #	
							Chairman	Member
1.	Mr. C. K. Dhanuka	00005684	Non- Executive Chairman, Promoter	3	Yes	8	1	6
2.	Mrs. A. Dhanuka*	00005677	Non- Executive Director, Promoter	4	No	4	—	1
3.	Mr. M. Dhanuka	00005666	Non- Executive Director, Promoter	2	No	7	—	—
4.	Mr. I. K. Kejriwal	00012320	Independent	4	Yes	6	—	1
5.	Mr. Rajeev Rungta	00122221	Independent	3	Yes	4	—	—
6.	Mr. G. R. Goenka	00133700	Independent	3	No	2	—	2

*Resigned from the post of Managing Director w.e.f. February 09, 2017

#Other directorship does not include directorship of private limited company, foreign company, Section 8 Company and Alternate Directorship.

Only Audit Committee and Stakeholders Relationship Committee have been considered.

The Promoter Directors are related to each other. Mrs. Aruna Dhanuka is the spouse of Mr. C. K. Dhanuka and Mr. Mrigank Dhanuka is their son. The Independent Directors are not related amongst themselves.

2.3. Remuneration of Directors, sitting fees, salary, perquisites and commission

The remuneration of Non-Executive Directors including Independent Directors comprise of sitting fees for attending Board and Committee Meetings and payment of Commission @ 1% of the net profit subject to a limit of ₹ 1,00,000/- per annum for all the Non-Executive Directors taken together. The details of remuneration paid / payable to the Directors during the year are as under :

Sl. No.	Name	Remuneration ₹	Board Meeting Sitting Fees ₹	Committee Meeting Sitting Fees ₹	Commission on Profit* ₹	Total ₹
1.	Mr. C. K. Dhanuka	—	7,500	1,500	20,000	29,000
2.	Mr. I. K. Kejriwal	—	10,000	10,500	20,000	40,500
3.	Mr. Mrigank Dhanuka	—	5,000	—	20,000	25,000
4.	Mrs. Aruna Dhanuka**	31,64,977	—	—	13,58,628	45,23,605
5.	Mr. Rajeev Rungta	—	7,500	9,000	20,000	36,500
6.	Mr. G. R. Goenka	—	7,500	9,000	20,000	36,500
Total		31,64,977	37,500	30,000	14,58,628	46,91,105

*Commission is payable for the year ended 31st March, 2017 on the approval of the Accounts at the ensuing Annual General Meeting.

**Mrs. Aruna Dhanuka was not entitled to sitting fee.

Managing Director's Remuneration

Name	Fixed Component			Performance linked Payment	Total Remuneration
	Salary	Allowances & Perquisites	Contribution to Provident Fund and other Funds	Performance linked Commission	
	₹	₹	₹	₹	₹
Smt. Aruna Dhanuka*	25,05,357	3,58,977	3,00,643	13,58,628	45,23,605

*Smt. Aruna Dhanuka has been appointed as Managing Director of the Company w.e.f. 1st July, 2014 for a period of 5 years and she resigned from the post of Managing Director w.e.f. 9th February, 2017.

Notes :

- Currently, the Company does not have any stock option scheme.
- Mr. C. K. Dhanuka, Mrs. Aruna Dhanuka and Mr. Mrigank Dhanuka are related to each other.

2.4 Shares / Convertible Instruments held by the Directors as on 31st March, 2017

Name of the Director	No. of Equity Shares of the Company	Convertible Instruments
Mr. C. K. Dhanuka	48,400	Nil
Mr. I. K. Kejriwal	644	Nil
Mr. Mrigank Dhanuka	1286	Nil
Smt. Aruna Dhanuka	78,700	Nil
Mr. Rajeev Rungta	Nil	Nil
Mr. G. R. Goenka	690	Nil

2.5. Code of Conduct for Directors and Senior Management

A code of conduct for the board members and senior management personnel was formulated and implemented by the Company and is available on the Company's website www.nagadhunserigroup.com

The Code has been circulated to the members of the board and the senior management personnel and they have all affirmed their compliance with the code.

A declaration to this effect is appearing along with the report

3. Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, senior employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Ms. Shilpa Agarwal, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the Code for trading in Company's securities. During the year under review there has been due compliance with the said code.

4. Audit Committee

As on 31st March, 2017 the Audit Committee comprised of three Non-Executive Independent Directors. Mr. Rajeev Rungta is the Chairman and Mr. G. R. Goenka and Mr. I. K. Kejriwal are the members. All the members of the Committee have accounting or related financial management expertise. The Company Secretary acts as Secretary to the Committee.

The Committee met four times during the year and the time gap between two meetings was not more than 120 days. Details of Committee Meetings held during the year 2016-2017 are as under :

Name of the Member	Date of the Meeting			
	30.05.2016	09.08.2016	03.11.2016	09.02.2017
Mr. Rajeev Rungta	Yes	Yes	Yes	No
Mr. I. K. Kejriwal	Yes	Yes	Yes	Yes
Mr. G. R. Goenka	Yes	No	Yes	Yes

Powers of Audit Committee

- To investigate any activity within its terms of reference. The terms of reference of Audit Committee is in accordance with Regulation 18 of SEBI (LODR) Regulation 2015 and Section 177 of Companies Act, 2013.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

A brief description of the role of the Audit Committee is as follows :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up thereon;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information :

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related-party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weaknesses, and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations :
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

5. **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee comprises of three Independent Directors viz Mr. I. K. Kejriwal, Mr. Rajeev Rungta and Mr. G. R. Goenka.

Mr. I. K. Kejriwal is the Chairman of the Committee.

The Committee met twice on 3rd November, 2016 and 9th February, 2017 during the year under report.

The details of the meetings and attendance are as follows :

Name of the Member	Date of the Meeting	
	03.11.2016	09.02.2017
Mr. I. K. Kejriwal	Yes	Yes
Mr. Rajeev Rungta	Yes	No
Mr. G. R. Goenka	Yes	Yes

The terms of reference of the Nomination & Remuneration Committee are in accordance with Regulation 19 of SEBI (LODR) Regulation 2015 and Section 178 of the Companies Act, 2013 which inter-alia include the following :

- It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every director's performance.
- It shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- Devising a policy on Board diversity

While formulating the above policy the Committee shall inter-alia ensure the following :

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

The role of Nomination and Remuneration Committee inter-alia, includes the following :

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal

- v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

5.1. **Evaluation Policy**

The Nomination and Remuneration Committee approved an evaluation policy which provides for the evaluation of the Board, the Committees of the Board and individual directors including the Chairman of the Board. The policy provides for the evaluation to be carried out on an annual basis. The evaluation process is to focus on the functioning of the Board and its Committees, their composition, experience and competencies, attendance and other related issues with a view to initiate such action plan to improve their overall performance.

5.2 **Familiarisation Program for Independent Directors**

The Chief Executive Officer, the Chief Financial Officer and the Company Secretary are jointly authorized for ensuring appropriate induction and training program for the directors including independent directors of the Company as and when requested by them for understanding any specific project, activity or process of the Company. The management provides such information and training either at the meeting of the Board of Directors or otherwise. The details of the Familiarisation Program has been uploaded on the Company's website at : <http://www.nagadhunserigroup.com/downloads/programme-independent-directors.pdf>

5.3 **Separate Meeting of Independent Director**

The Independent Directors of the Company have held a separate meeting on 3rd November, 2016. The meeting was held for reviewing the performance of the non-independent directors and the Board of the company including the performance of the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the company management and the board.

All the independent directors participated in the said meeting.

5.4 **Remuneration Policy**

The Committee had formulated the remuneration policy which was adopted by the Board.

The Remuneration Policy covers inter-alia formulation of the criteria for determining qualifications, experience and positive attributes of Directors, Key Managerial Personnel and other employees. The remuneration generally comprises of fixed element including bonus payouts and is subject to review at regular intervals.

The Company follows a policy relating to remuneration of Directors, Key Managerial Personnel and other employees in a positive manner so as to attract, retain and motivate employees at all levels to run the business of the Company efficiently.

With the above perception, the Remuneration Policy is based on review of performance on a periodical basis.

The Non-Executive Directors are paid ₹ 2,500/- each as sitting fee for attending Board Meetings and ₹ 1,500/- each as sitting fees for attending the Audit Committee meetings, Nomination & Remuneration Committee meetings, Independent Directors meetings and Corporate Social Responsibility Committee meetings. Commission is also payable @ 1% of the profit subject to limit of ₹ 1,00,000/- to all Non-Executive Directors taken together.

No sitting fee is paid to directors for attending any other committee meetings of the Company.

The details of remuneration of Directors of the Company are given under para 2.3 above.

6. **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of three directors namely Mr. Rajeev Rungta, Mr. Mrigank Dhanuka and Mrs. Aruna Dhanuka.

Mr. Rajeev Rungta is the Chairman of the Committee.

The Company Secretary acts as Secretary to the Committee.

No. of Stakeholders Relationship Committee Meetings held during the year	13
Dates on which meetins were held	7th April, 2016, 12th May, 2016, 19th May, 2016, 1st July, 2016, 28th July, 2016, 4th August, 2016, 8th September, 2016, 27th October, 2016, 24th November, 2016, 15th December, 2016, 5th January, 2017, 16th February, 2017 and 27th March, 2017

Sr. No.	Date of Meeting	Name of the Member		
		Mr. Rajeev Rungta	Mrs. Aruna Dhanuka	Mr. Mrigank Dhanuka
1.	7th April, 2016	Yes	Yes	Yes
2.	12th May, 2016	Yes	Yes	Yes
3.	19th May, 2016	Yes	Yes	Yes
4.	1st July, 2016	Yes	Yes	Yes
5.	28th July, 2016	Yes	Yes	Yes
6.	4th August, 2016	Yes	Yes	Yes
7.	8th September, 2016	Yes	Yes	No
8.	27th October, 2016	Yes	Yes	Yes
9.	24th November, 2016	Yes	Yes	Yes
10.	15th December, 2016	Yes	Yes	Yes
11.	5th January, 2017	Yes	Yes	No
12.	16th February, 2017	Yes	Yes	No
13.	27th March, 2017	Yes	Yes	Yes

The terms of reference of the Stakeholders Relationship Committee is in accordance with Regulation 20 of the SEBI (LODR) Regulation 2015 and Section 178 of the Companies Act, 2013.

The terms of reference of the Stakeholders Relationship Committee inter-alia include the following :

- Review the process and mechanism for redressal of investor grievance and to suggest measures for improving the same.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest
- Dividend warrants, non-receipt of annual report and any other grievance / complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- To approve all transfers (including transmission, transposition, remat) request received.

- To review action taken on shareholders' grievances and to advise if any further action to be taken.
- To ensure that correspondence with the shareholders are promptly dealt with by the Company and no cases were pending as on 31st March, 2017.

The Company has opened an email ID mail@nagadhunserigroup.com for Grievance Redressal purpose where complaint can be lodged by the Shareholders.

The role of the committee is to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

During the year, three complaints were received by the Company and the same was resolved. No complaint was pending as on 31.03.2017.

7. **Risk Management Committee :**

Risk Management Committee was constituted by the Board, comprising of the following Directors :

1. Mr. C. K. Dhanuka, Chairman
2. Mrs. Aruna Dhanuka, Member
3. Mr. Rajeev Rungta, Member

No meeting of the Risk Management Committee was held during the year.

8. **Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee comprises of the following Directors

1. Shri Rajeev Rungta, Chairman (Non-Executive Independent Director)
2. Shri G. R. Goenka, Member (Non-Executive Independent Director)
3. Shri C. K. Dhanuka, Member (Non-Executive Non-Independent Director)

The terms of reference of the CSR Committee, inter-alia includes the following :

- i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii) Recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time

The CSR Committee met once during the year under review on 09.08.2016. Two Directors namely Shri Rajeev Rungta and Shri C. K. Dhanuka were present in the Committee Meeting.

9. **General Body Meetings**

9.1 The last three Annual General Meetings of the Company were held as under :

Year	Date	Time	Venue	Special Resolution
2015-2016	09.08.2016	3.30 P.M.	Kala Kunj, Sangit Kala Mandir Trust, 48, Shakespeare Sarani Kolkata - 700 017	No
2014-2015	21.09.2015	3.00 P.M.	—do—	No
2013-2014	04.09.2014	3.00 P.M.	—do—	Yes*

NOTES :

- i. Other than the above, there were no other General Meetings during the last three years.
- ii. *Pursuant to Section 197 of the Companies Act, 1956 a special resolution was passed by the shareholders of the Company at the AGM held on 4th September, 2014 for confirmation of payment of Commission to Non-Executive Directors of the Company of an amount equal to 1% of the Net Profit of the Company for each of financial year subject to limit of ₹ 1,00,000/- for all Non-Executive Directors taken together for a period of 5 years commencing from 01.04.2014 to 31.03.2019.

9.2 Postal ballot and postal ballot process :

No resolution was put through Postal Ballot during the year under review.

9.3. Information about Directors seeking appointment / re-appointment, etc.

The details of the Directors of the Company seeking appointment / re-appointment are given in the Annexure to the Notice, under the head 'Information pursuant to Regulations 36(3) & 26(4) of SEBI (LODR) Regulations, 2015'.

10. Disclosures

- a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or their relatives, or the management, or subsidiaries etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties are disclosed in Note 26 under 'Notes annexed to and forming part of the financial statements' in the Annual Report.

The policy on related party transactions has been uploaded in the Company's website :

<http://www.nagadhunserigroup.com/downloads/naga-related-party-transaction-policy.pdf>

- b) During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c) The Company has adopted a vigil mechanism / whistle blower policy and no personnel is being denied access to the Audit Committee.

The policy has been uploaded on the Company's website : <http://www.nagadhunserigroup.com/downloads/naga-vigil-mechanism.pdf>

- d) The Company has adopted all the mandatory requirements as recommended by SEBI (LODR) Regulations, 2015 with stock exchanges and is in the process of examining the implementation of some of the non-mandatory requirements.
- e) There are no pecuniary relationships or transactions with Non-Executive Independent Directors other than those disclosed in this report.
- f) The company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's website : <http://www.nagadhunserigroup.com/downloads/naga-policy-for-determining-material-subsiadiary.pdf>

11. Subsidiary Company

There is no subsidiary company within the meaning of Section 2(87) of the Companies Act, 2013.

12. CEO and CFO Certification

As per Part B of Schedule II of SEBI (LODR) Regulations, 2015, the CEO and the CFO of the Company certifies to the Board regarding the review of the financial statement, compliance with the accounting standard, maintenance of the internal control systems for financial reporting and accounting policies etc.

13. Means of Communication

The quarterly and annual results of the Company are generally published in Business Standard as well as in Arthik Lipi. These results are also posted in the Company's website www.nagadhunserigroup.com after its submission to the Stock Exchanges. The Annual Audited Financial Statements along with Directors and Auditors Report thereon and Notice etc. are sent to individual shareholders as well as uploaded on Company's website www.nagadhunserigroup.com.

14. Management Discussion and Analysis Report**Industry Structure and Development**

The Company's main business being Investments in Shares and Securities, the business strategy is largely dependent on the economic environment of the Country and the policy of the Government and Reserve Bank of India. However the Management will continue to review the business strategy from time to time depending on the changes in the policy of Government and Reserve Bank of India. During the year under review market conditions were positive which have been reflected in the profitability of the Company.

Opportunities and Threats

The positive attitude of the Government and RBI indicate that new opportunities may open up for sustained growth of Investment Companies. However, the Management is not complacent about the future growth of the Company and constantly watches various developments particularly bearing in mind that the Company is a small sized NBFC and there are plenty of obstacles which may hinder its growth.

Segment wise performance

The Company being a non-banking financial company operates mainly under a single segment viz investments in shares and other securities.

Outlook & Risk and Concern

The Indian economy is a growing economy and the GDP is expected to rise year by year. International as well as domestic institutions are optimistic about the growth potential of India's economy. However, the Management has to regularly monitor the changing market conditions and the trends. Further, any slowdown of the economic growth or volatility in global as well as domestic financial market could adversely affect the Company's business.

Internal Control System & their adequacy

The Company has an effective system of internal control, commensurate with the size of the Company and ensures operational efficiency, accuracy in financial reporting and compliance of applicable laws and regulations. The system is reviewed from time to time by the management as well as by the Internal and the Statutory Auditors of the Company.

Discussion on financial performance with respect to operational performance :

All disclosures relating to financial and commercial transactions where directors may have a potential interest are provided to the Board and included in the financial statement. The interested directors neither participate in the discussion nor vote on such matters.

Material developments in Human Resources / Industrial Relations front including number of people employed :

There is no significant change regarding material development in human resources / industrial relations front as the Company is Non-Banking Financial Company and operates with 10 employees.

Cautionary Statement

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

15. Shareholders' information**a) Annual General Meeting**

Tuesday, 8th August, 2017 at 03.30 P.M. at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017.

b) Book Closure

The Register of Members and Share Transfer Register will remain closed from Wednesday, 2nd August, 2017 till Tuesday, 8th August, 2017 (both days inclusive) on account of the 99th Annual General Meeting and dividend payment.

c) E-voting

The e-voting period commences on Thursday, 3rd August, 2017 (9.00 A.M. IST) and ends on Monday, 7th August, 2017 (5.00 P.M. IST). During this period, members of the Company holding shares as on the cut-off date i.e. Tuesday, 1st August, 2017, either in physical form or in dematerialized form, may cast their vote electronically.

Members may send the duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer Mr. Atul Kumar Labh, at the Registered Office of the Company, not later than Monday, 7th August, 2017.

The e-voting module shall be disabled by NSDL for voting thereafter.

Once the e-voting on a resolution is cast by the Member, the member shall not be allowed to change it subsequently. The facility for physical voting shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting or through Ballot Form shall be eligible to vote at the AGM.

d) Dividend payment

The dividend, if declared at the ensuing AGM shall be paid /credited on or after 16th August, 2017

e) Registered office : 'Dhunseri House', 4A, Woodburn Park,
Kolkata - 700 020

CIN : L01132WB1918PLC003029

Phone : 2280-1950 (5 lines)

Fax : 91 33 2287-8995 / 8350

Email : mail@nagadhunserigroup.com

Website : www.nagadhunserigroup.com

f) Listing on Stock Exchanges :

The Company's shares are listed with the Calcutta Stock Exchange and National Stock Exchange (NSE) w.e.f. 29th August, 2016. The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2017-18.

g) i) Exchange Scrip Code : CSE- Scrip Code : 10024005
: NSE- Symbol : NDGL**ii) Demat ISIN number for NSDL and CDSL** : INE 756C01015

h) **Stock market price data for the year 2016-17 :**

There was no trading on the Calcutta Stock Exchange during the financial year under review.

Period :	NSE		Nifty	
	High	Low	High	Low
2016-2017				
April	NA	NA	NA	NA
May	NA	NA	NA	NA
June	NA	NA	NA	NA
July	NA	NA	NA	NA
August	811	731.95	8819.20	8518.15
September	695.40	280.75	8960.35	8555.20
October	321.00	270.00	8806.95	8506.15
November	450.50	305.05	8669.60	7916.40
December	445	348	8256.25	7893.80
January	437	383	8672.70	8133.80
February	424.90	381.05	8982.15	8537.50
March	474.70	361.00	9218.40	8860.10

i) **Registrars and Share Transfer Agents :** Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road, 5th Floor,

Kolkata - 700 001

Phone : 2243-5029, 2243-5809, 2248-2248

Fax : 91 33 2248-4787

Email : mdpldc@yahoo.com

j) **Share Transfer System**

The Company's Registrars and Share Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd. after scrutiny and completion of all required formalities, process the share transfers and thereafter return the scrips in the normal course within 15 days of its receipt, if the documents are found valid and complete in all respects.

Further, M/s. Maheshwari Datamatics Pvt. Ltd. also being the Company's Demat Registrars, the requests for dematerialisation of shares are processed and confirmation given by them to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

k. **Shareholding Pattern and distribution of shares as on 31st March, 2017**

Category	Number of Shares	% of holding
Promoter & Promoter Group	735826	73.58
Public Shareholding		
Financial Institutions / Banks	1742	0.18
Non-Institutions		
Bodies Corporate	21936	2.19
Individual	228097	22.81
Non-Residential Individual	11304	1.13
Foreign Nationals	436	0.04
Clearing Members	659	0.07
	1000000	100.00

Distribution of Shares as on 31st March, 2017

Range	Shareholders' Number	Percentage of Shareholders	No. of Shares	Percentage of Shares
1 to 500	939	89.85	90429	9.04
501 to 1000	52	4.98	38588	3.86
1001 to 2000	27	2.58	37522	3.75
2001 to 3000	2	0.19	4908	0.49
3001 to 4000	8	0.77	27062	2.71
4001 to 5000	3	0.29	12884	1.29
5001 to 10000	6	0.57	37291	3.73
10001 and above	8	0.77	751316	75.13
Total	1045	100.00	1000000	100.00

l) **Dematerialisation of shares and liquidity**

As on 31st March, 2017, 87.30 % of the company's share capital representing 873036 shares were held by 482 shareholders in dematerialised form and the balance 12.70% of the company's share capital representing 126964 shares were held by 563 shareholders in physical form.

m) **Address for investor correspondence**

Shareholders can correspond at the registered office of the Company and/or at the Company's Registrar and Share Transfer Agents.

Shareholders holding shares in dematerialized form should address all correspondence to their respective depository participants.

n) **Financial Calendar 2017-18 (Tentative)****Board Meetings :**

Adoption of Quarterly / Annual Report	Adoption on or before
Unaudited Results for 1st quarter ending 30th June, 2017	14th August, 2017
Unaudited Results for 2nd quarter ending 30th September, 2017	14th November, 2017
Unaudited Results for 3rd quarter ending 31st December, 2017	14th February, 2017
Audited Results for Year Ending 31st March, 2018	30th May, 2018
Annual General Meeting for the year ending 31st March, 2018	August / September, 2018

16. **Grievance Redressal Division / Compliance Officer :**

Ms. Shilpa Agarwal, Company Secretary and Compliance Officer

Naga Dhunseri Group Ltd.

"Dhunseri House", 4A, Woodburn Park, Kolkata - 700 020

Phone : (033) 2280-1950 (5 lines)

Fax : (033) 2287-8995 / 8350

E-mail : mail@nagadhunserigroup.com

17. **Corporate Governance Compliance Certificate**

As required by Schedule V of SEBI (LODR) Regulations, 2015, a Compliance Certificate from **CS Atul Kumar Labh of M/s. A. K. Labh & Co., Company Secretaries** confirming compliance with the conditions of Corporate Governance, is attached to the Directors' Report forming part of the Annual Report.

For & on behalf of the Board of Directors

C. K. Dhanuka

Chairman

DIN : 00005684

Place : Kolkata

Dated : The 30th day of May, 2017

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I confirm that the Company has in respect of the financial year ended 31st March, 2017 received from the members of the Board and the senior management personnel, a declaration of compliance with the Company's Code of Conduct.

Place : Kolkata

H. P. Bhuwania

Dated : The 30th day of May, 2017

Chief Executive Officer

CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF

NAGA DHUNSERI GROUP LIMITED

We have examined the compliance of conditions of Corporate Governance by Naga Dhunseri Group Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the year ended 31.03.2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

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

For A. K. LABH & CO.
Company Secretaries

CS A. K. LABH
Practicing Company Secretary
FCS - 4848 / CP No. 3238

Place : Kolkata

Dated : The 30th day of May, 2017

SECRETARIAL AUDIT REPORT

For the financial year ended 31-03-2017

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

To

The Members,

Naga Dhunseri Group Limited

“Dhunseri House”,

4A, Woodburn Park,

Kolkata - 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Naga Dhunseri Group Limited having its Registered Office at “Dhunseri House”, 4A, Woodburn Park, Kolkata - 700 020, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS-I and SS-2) as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

SECRETARIAL AUDIT REPORT (Contd.)

- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Reserve Bank of India Act, 1932 (pertaining to NBFC matters)
- to the extent of their applicability to the Company during the financial year ended 31.03.2017 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above. During the period under review, provisions of the regulations/guidelines/standards were not applicable to the Company :
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
 - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
 - (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

I further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that :

- (a) The shares of the Company have been enlisted with National Stock Exchange of India Limited during the year under report.

Place : Kolkata

Dated : The 30th day of May, 2017

ASIT KUMAR LABH
Practicing Company Secretary
ACS - 32891 / CP No. - 14664

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Naga Dhunseri Group Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Standalone 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 standalone financial statements to give a true and fair view of the financial position, financial performance and cash flow 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 Judgements 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 standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. 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 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 basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2017, its profit and its cash flow for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid 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 the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director In terms of Section 164(2) of the Act.
 - f. Our report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, has been stated in Annexure B and
 - 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 our opinion and to the best of our knowledge and belief and according to the Information and explanations given to us :
 - i) The Company has no pending litigation as on 31st March, 2017.
 - ii) The Company has made neither any long term contract not any derivalive contract.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in its financial statements as to its holding as well as dealing in specified Bank notes during the period from 8th November to 30th December, 2016 based on auditing procedure, we report that disclosure are in accordance with Books of Accounts maintained by the Company as provided to us by the management Refer Note no. 35.

21, Old Court House Street,
Kolkata - 700 001

Dated : The 30th day of May, 2017

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816

ANNEXURE - A TO THE AUDITORS' REPORT

As referred to in paragraph I of our Report on "Other Legal and Regulatory Requirements", we state that :

- i. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its property, plant and equipments.
- (b) These property, plant and equipments have been physically verified by the management according to a programme designed to cover all the items over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The Company is an Investment Company. The physical verification of its inventory of shares & securities has been conducted at reasonable intervals.
- (b) The procedures of physical verification followed up by the Company is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) No discrepancies has been noticed on such physical verification as compared to Book Record.
- iii. (a) The Company has granted unsecured loan to a Company. The Company has not granted loans to Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act.
- (b) The terms and conditions of the grant of such loan is not prejudicial to the interest of the Company.
- (c) The loan is repayable on demand.
- (d) No amount of the loan is overdue.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of Companies Act with respect to loans and investments made.
- v. 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 Section 73 to Section 76 of the Act and the Rules framed thereunder.
- vi. The Company is an Investment Company and therefore maintenance of the cost records prescribed by the Central Government under clause (d) of Sub-section (1) of Sec. 148 of the Act is not applicable to the Company.
- vii. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, in our opinion, the Company is regular in depositing with the appropriate authority undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues applicable to it.
- There is no arrears outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanation given and on the basis of records examined by us, there are no dues of Sales Tax or Service Tax or duty of Customs or value added tax, which have not been deposited on account of any dispute.

ANNEXURE - A TO THE AUDITORS' REPORT (Contd.)

- viii. According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution or raised any money through issue of Debentures.
- ix. According to information and explanations given to us, in our opinion the term loans taken have been applied for the purpose for which they were obtained. During the year Company has not raised money by way of initial Public Offer or further Public Offer.
- x. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the Information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the Information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

21, Old Court House Street,
Kolkata-700 001

Dated : The 30th day of May, 2017

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816

ANNEXURE - B TO THE AUDITORS' REPORT**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 Naga Dhunseri Group Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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 ('ICAI'). 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 Company's internal financial controls system of financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal financial control over financial reporting is a process designed to the reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes 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 authorisations 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 inherent 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 31st March, 2017, 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.

21, Old Court House Street,
Kolkata-700 001

Dated : The 30th day of May, 2017

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816

BALANCE SHEET
as at 31st March, 2017

	Note No.	As at 31st March, 2017	(₹ in lakhs) As at 31st March, 2016
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	2	100.00	100.00
(b) Reserves and Surplus	3	7,602.31	6,540.35
2. Non-Current Liabilities			
(a) Long-Term Provisions	4	185.95	3.25
3. Current Liabilities			
(a) Trade Payables			
Total Outstanding dues of micro enterprises and small enterprises		—	—
Total Outstanding dues of creditors other than micro enterprises and small enterprises	5	20.97	—
(b) Short-Term Provisions	6	247.28	220.20
(c) Other Current Liabilities	7	31.56	38.65
TOTAL OF EQUITY AND LIABILITIES		8,188.07	6,902.45
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment			
Tangible Assets	8	52.50	66.67
(b) Non-Current Investments	9	5,707.15	4,818.74
(c) Deferred Tax Assets (Net)	10	5.58	8.34
(d) Long-Term Loans and Advances	11	666.49	459.79
2. Current Assets			
(a) Current Investments	12	257.05	14.00
(b) Inventories	13	1,061.17	1,300.47
(c) Trade Receivables	14	0.01	—
(d) Cash and Cash Equivalents	15	107.54	35.38
(e) Short-Term Loans and Advances	16	324.37	192.86
(f) Other Current Assets	17	6.21	6.20
TOTAL OF ASSETS		8,188.07	6,902.45

Significant Accounting Policies 1

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

As per our Report of even date attached

For S. S. KOTHARI & CO.,

(Chartered Accountants)

Firm Registration No. 302034E

R. K. ROY CHAUDHURY

Partner

Membership No. 008816

Place : Kolkata

Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman

DIN : 00005684

RAJEEV RUNGTA Director

DIN : 00122221

AYUSH BERIWALA Chief Financial Officer

SHILPA AGARWAL Company Secretary

STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2017

		Note No.	For the year ended 31st March, 2017	(₹ in lakhs) For the year ended 31st March, 2016
I	Revenue from Operations	18	4,380.04	1,784.03
II	Other Income	19	30.90	30.24
III	Total Revenue (I + II)		4,410.94	1,814.27
	Expenses :			
	Purchase of Stock-in-Trade	20	2,609.27	1,719.85
	Changes in Inventories of Stock-in-Trade	21	239.30	(334.01)
	Employee Benefit Expenses	22	90.65	68.28
	Finance Costs	23	0.77	5.64
	Depreciation and Amortisation Expense	8	17.56	25.55
	Other Expenses	24	141.32	105.12
IV	Total Expenses		3,098.87	1,590.43
V	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		1,312.07	223.84
VI	Exceptional Items :			
	Provision for Standard Assets		0.35	—
VII	Profit before Extraordinary Items and Tax (V - VI)		1,311.72	223.84
VIII	Extraordinary Items		—	—
IX	Profit before Tax (VII + VIII)		1,311.72	223.84
X	Tax Expenses :			
	(1) Current Tax		247.00	—
	(2) Deferred Tax	10	2.76	(1.30)
	(3) Earlier Year Tax Adjustments		—	(1.31)
XI	Profit (Loss) for the year after Tax		1,061.96	226.45
XII	Earnings per equity share :			
	(1) Basic & Diluted		106.20	22.65

Significant Accounting Policies

1

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

As per our Report of even date attached

For S. S. KOTHARI & CO.,

(Chartered Accountants)

Firm Registration No. 302034E

R. K. ROY CHAUDHURY

Partner

Membership No. 008816

Place : Kolkata

Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman

DIN : 00005684

RAJEEV RUNGTA Director

DIN : 00122221

AYUSH BERIWALA Chief Financial Officer

SHILPA AGARWAL Company Secretary

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

(₹ in lakhs)

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	1,311.72	223.84
Adjustments for :		
Dividend Received	(211.70)	(249.56)
Depreciation and Amortisation	17.56	25.55
Contingent Provision on Standard Assets	0.35	—
Interest Received on Loan	(0.27)	—
Interest Paid on Commercial Vehicle Loan	0.77	5.62
Profit / (+) Loss on Sale of Investments	(1,102.95)	(406.62)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	15.48	(401.17)
Adjustment for Changes in Working Capital :		
Adjustment for (Increased) / Decrease in Operating Assets :		
Inventories	239.30	(334.01)
Trade Receivable	(0.01)	—
Short Term Loans & Advances	(3.54)	(0.23)
Long Term Loans & Advances	(173.17)	(3.94)
Other Current Assets	(0.01)	0.82
Adjustment for (increase) / decrease in Operating Liabilities	78.05	(738.53)
Trade Payable	20.97	—
Other Current Liabilities	15.99	(7.94)
Long Term Provisions	(2.66)	1.77
Short Term Provisions	(4.83)	(2.34)
CASH GENERATED FROM OPERATIONS	107.52	(747.04)
Direct Taxes (Paid) / Received	(24.97)	(13.08)
Interest (Paid) / Received	(0.77)	(5.62)
Net Cash Flow from/(used in) Operating Activities (A)	81.78	(765.74)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Advance for Flat	(36.53)	(54.96)
Purchase of Current Investments	(2,222.75)	(1,818.00)
Proceeds from Sale of Current Investments	1,990.65	1,831.87
Purchase of Non Current Investments	(2,684.37)	(1,602.62)
Proceeds from Sale of Non-Current Investments	2,887.97	2,171.40
Dividend Received	211.70	249.56
Purchase of Fixed Assets	(3.39)	—
Net Cash Flow from/(used in) Investing Activities (B)	143.28	777.25

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan Repaid	(24.52)	(55.09)
Loan Given to Body Corporate	(100.00)	—
Interest Received on Loan	0.27	—
Dividend Paid	(23.56)	(24.49)
Dividend Distribution Tax Paid	(5.09)	(5.09)
Net Cash Flow Used in Financing Activities (C)	(152.90)	(84.67)
Net Increase / (–) Decrease in Cash & Cash Equivalents (A + B + C)	72.16	(73.16)
Opening Balance of Cash & Cash Equivalents	35.38	108.54
Closing Balance of Cash & Cash Equivalents	107.54	35.38
Cash & Cash Equivalents Comprise :		
Cash-in-hand	5.02	5.02
Cheque-in-hand	—	1.77
Balance with Scheduled Banks on Unclaimed Dividend Accounts*	12.09	10.65
Balance with Scheduled Banks on Current Accounts	90.43	17.94
	107.54	35.38

* The Company can utilise these balances only to settlement of the respective unclaimed dividend.

1. This is the Cash Flow Statement referred to in our Report of even date.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the AS-3 on Cash Flow Statement (revised) issued by The Institute of Chartered Accountants of India.
3. Previous year's figures have been re-grouped/re-arranged wherever necessary.

AUDITORS' REPORT

We have audited the attached Cash Flow Statement of Naga Dhunseri Group Limited, derived from the Audited Financial Statements and the books and records maintained by the Company for the year ended 31st March, 2017 and found the same in agreement herewith.

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816
Place : Kolkata
Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors
C. K. DHANUKA Chairman
DIN : 00005684
RAJEEV RUNGTA Director
DIN : 00122221
AYUSH BERIWALA Chief Financial Officer
SHILPA AGARWAL Company Secretary

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

COMPANY OVERVIEW

Naga Dhunseri Group Limited having its Registered Office at “Dhunseri House”, 4A Woodburn Park, Kolkata - 700020 carries on the business of Investing and Trading in Shares and Securities and is registered as a Non-Banking Financial Company duly approved by the Reserve Bank of India and having Registration No. 05.01813

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act. 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Section 211 (3C) of the Companies Act. 1956 [Companies (Accounting Standards) Rules 2006, as amended) and other relevant provisions of the Companies Act. 2013.

The Company follows the prudential norms issued by the Reserve Bank of India (as amended) for Asset Classification, Income recognition and provision for bad and doubtful debts in respect of Loans granted/ investments made by it.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act. 2013.

1.2 USE OF ESTIMATES

The Financial Statements are prepared in conformity with the Generally Accepted Accounting Principles (GAAP) in India. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property Plant and Equipments are stated at cost less accumulated depreciation. Cost includes expenditure incurred in the acquisition and construction / installation and other related expenses. Depreciation on Property Plant and Equipments has been provided on Written Down Value Method as per the useful life and rate prescribed in Schedule II to the Companies Act. 2013. Leasehold land is amortised over effective period of Lease.

1.4 CASH FLOW STATEMENT

Cash Flow are reported using the indirect method, as prescribed in Accounting Standard - 3 whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the company are segregated.

1.5 INVESTMENTS

Long Term Investments are stated at cost. Diminution in value thereof as determined which are permanent in nature are adjusted therefrom and charged to revenue. Current Investments are valued at cost or net realizable value, whichever is lower.

1.6 VALUATION OF INVENTORY

Stock of Shares and Securities are valued at cost or net realizable value, whichever is lower. The cost is computed on FIFO basis.

1.7 LOANS AND ADVANCES

Loans and Advances are stated after making adequate provision for doubtful advances, if any.

1.8 EMPLOYEE BENEFITS

- a) Employees received benefit from a provident fund which is a Defined Benefit Plan both Employees and the Company makes monthly contribution to Provident Fund Plan.
- b) Short term benefits are Charged off at the undiscounted amount in the year in which the related service is rendered. Liabilities in respect of Defined Benefits plans namely retirement gratuities and encashment of unavailed leave are unfunded and calculated by an independent actuary at the year-end and provided for. Actuarial gains/losses are recognised in the statement.

1.9 REVENUE RECOGNITION

- I) Profit / (Loss) on sale of investments is taken to Statement of Profit and Loss.
- II) Dividend income is accounted for as and when right to receive dividend is established.
- III) Interest income is recognized on accrual basis.

1.10 TAXES ON INCOME

- i) Current Tax is determined in accordance with the provision of Income Tax Act, 1961.
- ii) Deferred Tax has been recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets.
- iii) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of section 115JAA of the Income Tax Act, 1961 based on the convincing evidence that the Company will pay normal Income-tax within statutory time frame and is reviewed at each Balance Sheet date.

1.11 LEASES

Assets acquired on Finance Lease/ Hire Charges are capitalised at the fair value of the lease assets.

1.12 IMPAIRMENT OF ASSETS

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

1.13 PROVISIONING AGAINST NON PERFORMING ASSETS

The provision against non performing assets, wherever applicable, has been made as per the prudential norms of Reserve Bank of India.

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

2

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last Account	14.61	14.61
	<u>14.61</u>	<u>14.61</u>
NBFC Reserve		
As per last Account	1,306.02	1,260.73
Add : Transferred from Statement of Profit & Loss	212.39	45.29
	<u>1,518.41</u>	<u>1,306.02</u>
General Reserve		
As per last Account	5,100.00	5,000.00
Add : Transferred from Statement of Profit & Loss	400.00	100.00
	<u>5,500.00</u>	<u>5,100.00</u>
Statement of Profit and Loss		
Opening Balance	119.72	68.65
Add : Net Profit after tax transferred from Statement of Profit and Loss	1,061.96	226.45
Profit Available for Appropriation	<u>1,181.68</u>	<u>295.10</u>
Appropriations :		
Proposed Dividend (Previous Year ₹ 2.50 per Share)	—	25.00
Dividend Distribution Tax	—	5.09
Transferred to NBFC Reserve Fund	212.39	45.29
Transferred to General Reserve	400.00	100.00
Balance in Statement of Profit and Loss	<u>569.29</u>	<u>119.72</u>
Total	<u>7,602.31</u>	<u>6,540.35</u>
4. LONG TERM PROVISIONS		
Provision for Leave Pay	0.60	3.25
Provision for Standard Assets	0.35	—
Provision for Taxation	185.00	—
	<u>185.95</u>	<u>3.25</u>
5. TRADE PAYABLES		
Total Outstanding dues of micro enterprises and small enterprises	—	—
Total Outstanding dues of creditors other than micro enterprises and small enterprises	20.97	—
	<u>20.97</u>	<u>—</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
6. SHORT TERM PROVISIONS		
Provision for Leave Pay	0.28	5.11
Provision for Income Tax	247.00	185.00
Provision for Proposed Dividend	—	25.00
Provision for Dividend Distribution Tax	—	5.09
	<u>247.28</u>	<u>220.20</u>
7. OTHER CURRENT LIABILITIES		
Unclaimed Dividend	12.09	10.65
(There is no amount due and outstanding to be credited to Investor Education and Protection Fund)		
Directors Commission Payable	1.00	1.00
Interest Accrued but not due on Auto Loan	—	0.11
Auto Loan - Current maturity of long term debts	—	24.52
Statutory Liabilities (TDS Payable)	0.10	—
Other Liabilities	18.37	2.37
	<u>31.56</u>	<u>38.65</u>

8. PROPERTY, PLANT & EQUIPMENTS

Particulars	ORIGINAL COST			DEPRECIATION/AMORTISATION				NET BOOK VALUE	
	As at 01.04.16	Additions during the year	Deductions/ Retirement during the year	As at 31.03.17	As at 01.04.16	Depreciation during the year	Deductions/ Retirement during the year	As at 31.03.17	As at 31.03.16
a) Tangible Assets									
Furniture & Fittings	1.75	—	—	1.75	1.57	0.05	—	1.62	0.18
Computer	0.59	3.39	—	3.98	0.38	0.92	—	1.30	0.21
Motor Vehicles	261.50	—	—	261.50	213.81	16.35	—	230.16	47.69
Sub Total : a :	263.84	3.39	—	267.23	215.76	17.32	—	233.08	48.08
b) Assets under Lease									
Leasehold Land	20.04	—	—	20.04	1.45	0.24	—	1.69	18.59
Sub Total : b :	20.04	—	—	20.04	1.45	0.24	—	1.69	18.59
Grand Total :									
a+b :	283.88	3.39	—	287.27	217.21	17.56	—	234.77	66.67
Previous Year	283.88	—	—	283.88	191.65	25.55	—	217.21	66.67

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)**9. NON CURRENT INVESTMENTS****A. Investment in Equity Shares**

(₹ in lakhs)

	Face Value	Numbers	As at 31.03.2017		As at 31.03.2016	
			Book	Value	Book	Value
				Numbers		Numbers
Bajaj Finserv Ltd.	5	18,500	231.11	23,100	273.13	273.13
Britannia Industries Ltd.	2	—	—	7,300	149.21	149.21
Bank of Baroda Ltd.	2	1,08,000	165.61	—	—	—
Bayer Cropscience Ltd.	10	5,922	220.92	3,000	106.65	106.65
Bhansali Eng. Polymers Ltd.	1	2,30,537	76.75	—	—	—
Caplin Point Laboratories Ltd.	2	57,625	148.49	—	—	—
Divi's Laboratories Ltd.	2	—	—	13,860	149.69	149.69
DLF Ltd.	10	2,85,700	388.62	—	—	—
Easun Reyrolle Ltd.	2	1,58,093	44.73	—	—	—
Gujarat State Fertilizers & Chemicals Ltd.	2	5	—	—	—	—
Infosys Ltd. (Bonus)	5	—	—	1,400	—	—
Kaveri Seed Co. Ltd.	2	18,450	100.42	—	—	—
Kotak Mahindra Bank Ltd.	2	21,960	150.47	18,260	125.78	125.78
Motherson Sumi Systems Ltd.	5	70,000	67.25	1,59,475	111.74	111.74
MRF Ltd.	5	168	100.32	—	—	—
Phoenix Lamp Ltd.	2	50,000	79.19	—	—	—
PVR Ltd.	10	3,500	41.04	25,800	218.36	218.36
Schneider Electric Infrastructure Ltd.	2	1,13,571	188.99	85,675	151.56	151.56
Suven Life Science Ltd.	1	—	—	50,000	135.06	135.06
Shree Cement Ltd.	10	450	64.24	—	—	—
State Bank of India Ltd.	10	9,300	19.94	—	—	—
State Bank of Travancore Ltd.	2	5,300	25.18	—	—	—
State Bank of Bikaner & Jaipur Ltd.	1	4,250	24.88	—	—	—
Suprajit Engineering Ltd.	10	56,999	120.96	—	—	—
Torrent Pharmaceuticals Ltd. (Bonus)	5	8,000	—	40,000	—	—
Torrent Power Ltd.	10	—	—	1,75,834	276.76	276.76
Uniply Industries Ltd.	10	45,430	133.38	—	—	—
United Spirits Ltd.	10	21,710	533.42	10,460	280.08	280.08
Ultratech Cement Ltd.	10	—	—	13,066	359.38	359.38
		12,93,470	2,925.91	6,27,230	2,337.40	2,337.40
Investments in Equity Shares						
(Unquoted, Fully Paid Up)						
Mira Estates (P) Ltd.	10	11,00,000	110.00	11,00,000	110.00	110.00
		11,00,000	110.00	11,00,000	110.00	110.00
Investments in Associate						
(Quoted, Fully Paid Up)						
Dhunseri Investments Ltd.	10	13,16,476	448.76	13,16,476	448.76	448.76
		13,16,476	448.76	13,16,476	448.76	448.76
Investments in Group						
(Quoted, Fully Paid Up)						
Dhunseri Petrochem Ltd.	10	30,78,759	1,495.94	30,78,759	1,495.94	1,495.94
Dhunseri Tea & Industries Ltd.	10	6,15,751	348.62	6,15,751	348.62	348.62
		36,94,510	1,844.56	36,94,510	1,844.56	1,844.56
Investments in Group						
(Unquoted, Fully Paid Up)						
Madhuting Tea (P) Ltd.	10	1,30,000	78.02	1,30,000	78.02	78.02
Dhunseri Overseas Pvt. Ltd.	10	29,99,000	299.90	—	—	—
		31,29,000	377.92	1,30,000	78.02	78.02
Aggregate of Book Value						
Quoted Investments			5,219.23		4,630.72	4,630.72
Unquoted Investments			487.92		188.02	188.02
			5,707.15		4,818.74	4,818.74
Aggregate of Market Value						
Quoted Investments			10,430.12		9,135.19	9,135.19
Unquoted Investments			487.92		188.02	188.02

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	As at 31.03.2017	Charge / (Release) During the Year	As at 31.03.2016
10. DEFERRED TAX			
Deferred Tax Assets / (Liabilities)			
On Written Down Value of Assets	5.28	(0.48)	5.76
On Provision for Earned Leave	0.30	(2.28)	2.58
	<u>5.58</u>	<u>(2.76)</u>	<u>8.34</u>

11. LONG-TERM LOANS & ADVANCES

(Unsecured and Considered good by the Management)

Advances to Employees	1.18	0.89
Security Deposits	21.07	20.99
Advances for Purchase of Flat	463.94	427.41
Income Tax Refund Receivable	—	3.00
Income Tax Advances	180.30	7.50
	<u>666.49</u>	<u>459.79</u>

	No. of Units	As at 31.03.2017 Book Value	No. of Units	As at 31.03.2016 Book Value
12. CURRENT INVESTMENTS				
ICICI Prudential Liquid Regular Plan Growth	1,07,061.169	257.05	6,260.00	14.00
		<u>257.05</u>		<u>14.00</u>
Aggregate of Repurchase Value of Units		<u>257.11</u>		<u>14.01</u>

13. INVENTORIES

(At Cost or Market Price whichever is lower)

Equity Shares (Quoted, fully paid up)	Face Value	Numbers	As at 31.03.2017	Numbers	As at 31.03.2016
Apcotex Industries Ltd.	5	52,900	113.15	80,274	171.71
Axis Bank Ltd.	2	—	—	45,720	203.07
Dalmia Bharat Ltd.	2	—	—	11,000	80.01
Force Motors Ltd.	10	6,065	168.83	6,065	168.83
IDFC Bank Ltd.	10	—	—	2,75,900	132.98
Natco Pharma Ltd.	10	41,900	172.92	41,900	172.92
Oil Country Tubular Ltd.	10	1,68,008	76.95	—	—
Reliance Infrastructure Ltd.	10	—	—	25,600	102.64
SRF Ltd.	10	13,810	196.04	6,960	89.89
Suzlon Energy Ltd.	2	8,07,300	121.01	7,17,300	101.86
Take Solution Ltd.	1	1,68,200	212.27	53,900	76.56
		<u>12,58,183</u>	<u>1,061.17</u>	<u>12,64,619</u>	<u>1,300.47</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

		(₹ in lakhs)	
		As at 31.03.2017	As at 31.03.2016
14. TRADE RECEIVABLES			
(Unsecured and Considered good by the Management)			
Sundry Debtors		0.01	—
		<u>0.01</u>	<u>—</u>
15. CASH & CASH EQUIVALENTS			
Balances with Scheduled Banks :			
In Current Accounts		90.43	17.94
In Un-paid Dividend Accounts		12.09	10.65
Cash in Hand		5.02	5.02
Cheque in Hand		—	1.77
		<u>107.54</u>	<u>35.38</u>
16. SHORT TERM LOANS & ADVANCES			
(Unsecured and considered good by the Management)			
Loan to Body Corporate		100.00	—
Advances to Employees		1.55	1.18
Income Tax Advances		208.00	180.30
TDS Receivable		7.52	7.25
Prepaid Expenses		7.30	4.13
		<u>324.37</u>	<u>192.86</u>
17. OTHER CURRENT ASSETS			
Interest Receivable		0.09	0.08
Rent on Commercial Vehicles Receivable		6.12	6.12
		<u>6.21</u>	<u>6.20</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
18. REVENUE FROM OPERATIONS		
Income from Operations		
Sale of Shares & Securities	2,991.98	1,054.45
Rent on Commercial Vehicles	73.41	73.41
Dividend Income	211.70	249.56
Profit on Sale of Investments (Net)	1,102.95	406.62
Share Difference	—	(0.01)
Total Operating Income	<u>4,380.04</u>	<u>1,784.03</u>
19. OTHER INCOME		
Rent Received		
(TDS ₹ 2.98 Lakhs, Previous Year ₹ 2.98 Lakhs)	29.98	29.98
Interest Received on Loan (TDS ₹ 0.03 Lakhs)	0.27	—
Interest Received on Security Deposits	0.10	0.09
(TDS ₹ 0.01 Lakhs, Previous Year 0.01 Lakhs)		
Interest on Income Tax Refund	0.53	0.14
Liability Written Back	0.02	—
Miscellaneous Receipts	—	0.03
	<u>30.90</u>	<u>30.24</u>
20. PURCHASES OF STOCK-IN-TRADE		
Purchase of Shares & Securities	2,609.27	1,719.85
	<u>2,609.27</u>	<u>1,719.85</u>
21. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock of Shares and Securities	1,300.47	966.46
Closing Stock of Shares and Securities	(1,061.17)	(1,300.47)
Increase / Decrease-in-Stocks	<u>239.30</u>	<u>(334.01)</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.) (₹ in lakhs)

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
22. EMPLOYEE BENEFIT EXPENSES			
Salary, Allowances and Ex-gratia		34.08	26.18
Bonus		1.72	1.59
Leave Pay		0.82	1.68
Staff Welfare Expenses		6.22	6.58
Co's. Cont. to PF & Other Administrative Charges		5.58	6.00
Remuneration to Mg. Director		28.64	26.25
Managing Director's Commission		13.59	—
		<u>90.65</u>	<u>68.28</u>
23. FINANCE COST			
Interest paid for Auto Loan		0.77	5.62
Interest - Others		—	0.02
		<u>0.77</u>	<u>5.64</u>
24. OTHER EXPENSES			
Security Transaction Tax on Trading		5.59	2.69
Security Transaction Tax on Investment		5.27	3.58
Directors' Commission		1.00	1.00
Audit Fees			
As Audit Fees	0.40		0.40
For Certification	0.30		0.30
For Service Tax	<u>0.11</u>	0.81	<u>0.11</u> 0.81
Donation for CSR activities		4.75	8.00
Demat Charges		1.76	0.80
Directors' Fees		0.68	0.79
Electric Charges		1.38	2.10
Hire Charges		0.44	0.43
Insurance Charges		2.44	1.90
Truck Maintenance		22.42	7.50
Motor Car Running Expenses		3.03	3.28
Profession Charges		5.97	2.59
Rates & Taxes		3.21	2.61
Licence Fees		3.14	2.28
Rent Paid		33.08	33.08
Service Tax Paid		0.25	0.27
Travelling & Conveyance		22.10	18.87
Miscellaneous Expenses		24.00	12.54
		<u>141.32</u>	<u>105.12</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)**25. INFORMATION OF STOCK OF SHARES & SECURITIES :**

(₹ in lakhs)

	31st March, 2017		31st March, 2016	
	Quantity	Value	Quantity	Value
Opening Stock	12,64,679	1,300.47	4,45,161	966.46
Purchase	15,38,975	2,609.27	18,70,212	1,719.85
Sales	15,45,471	2,991.98	10,50,694	1,054.45
Closing Stock	12,58,183	1,061.17	12,64,679	1,300.47

26. Related party disclosure under Accounting Standard 18 for the Year Ended 31st March, 2017

Name and nature of relationship of the Related Parties :

Related Parties	Relationship
M/s. Dhunseri Petrochem Ltd.	Group Company
M/s. Mint Investments Ltd.	Group Company
M/s. Trimplex Investments Ltd.	Group Company
M/s. Madhuting Tea Pvt. Ltd.	Group Company
M/s. Jatayu Estate Pvt. Ltd.	Group Company
M/s. Dhunseri Tea & Industries Ltd.	Group Company
M/s. Dhunseri Overseas Pvt. Ltd.	Group Company
M/s. Dhunseri Investments Ltd.	Associate Company
M/s. Sewbhagwan & Sons	Firm over which directors are able to exercise significant influence)
Mr. Chandra Kumar Dhanuka (Director)	Relative of Key Management Personnel
Mrs. Aruna Dhanuka (Managing Director) Upto 09.02.2017	Key Management Personnel
Mr. Mrigank Dhanuka (Director)	Relative of Key Management Personnel
Mr. A. K. Sarkar (Company Secretary) Upto 28.02.2017	Key Management Personnel
Ms. Shilpa Agarwal (Company Secretary) w.e.f. 01.03.2017	Key Management Personnel
Mr. H. P. Bhuwania	
- Chief Financial Officer Upto 30.09.2016	Key Management Personnel
- Chief Executive Officer w.e.f. 10.02.2017	Key Management Personnel
Mr. Ayush Beriwal (Chief Financial Officer) w.e.f. 03.11.2016	Key Management Personnel

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Information about Related Party Transactions :** (₹ in lakhs)

Nature of Transactions	2016-17	2015-16
A. Group Company		
Dhunseri Tea & Industries Ltd.		
Rent Received	29.77	29.77
Reimbursement of Staff Insurance Charges (Paid)	—	1.26
Trimplex Investments Limited		
Hire Charges (Paid)	0.44	0.43
Licence Fees (Paid)	2.30	2.28
Electric Charges (Paid)	0.78	1.03
Interest on Loan Received	0.27	—
Loan Given	100.00	—
Dhunseri Overseas Pvt. Ltd.		
Investment in Equity Shares	299.90	—
B. Key Management Personnel		
Mr. Chandra Kumar Dhanuka (Director)		
Director's Sitting Fees	0.09	0.12
Director' Commission - Paid as Non-Executive Director	0.20	0.20
Mr. Mrigank Dhanuka (Director)		
Director's Sitting Fees	0.05	0.08
Director' Commission - Paid as Non-Executive Director	0.20	0.20
Mrs. Aruna Dhanuka (Managing Director upto 09.02.2017)		
Remuneration Paid	45.24	29.40
Mr. H. P. Bhuwania (Chief Financial Officer upto 30.09.2016)		
Remuneration Paid	15.07	6.01
Mr. H. P. Bhuwania (Chief Executive Officer w.e.f. 10.02.2017)		
Remuneration Paid	0.84	—
Mr. Ayush Beriwala (Chief Financial Officer w.e.f. 03.11.2016)		
Remuneration Paid	5.00	—
Mr. A. K. Sarkar (Company Secretary) upto 28.02.2017		
Remuneration Paid	6.47	4.16
Ms. Shilpa Agarwal (Company Secretary) w.e.f. 01.03.2017		
Remuneration Paid	0.27	—

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

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

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

i) not later than one year

ii) later than one year and not later than five years

iii) later than five years

- b) The total of future minimum sublease payments expected to be received under non cancellable subleases at the balance sheet date

- c) Lease payments recognised in the statement of profit and loss account for the period, with separate amounts for minimum lease payments and contingent rents.

- d) Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the year

	2016-2017	2015-2016
i) not later than one year	33.90	33.08
ii) later than one year and not later than five years	141.52	138.96
iii) later than five years	4,852.82	4,889.29
b) The total of future minimum sublease payments expected to be received under non cancellable subleases at the balance sheet date	4,512.08	4,542.06
c) Lease payments recognised in the statement of profit and loss account for the period, with separate amounts for minimum lease payments and contingent rents.	33.08	33.08
d) Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the year	29.98	29.98

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

29. Expenditure in Foreign Currency

Particulars	2016-2017	2015-2016
Foreign Travel	8.00	2.16

30. Employee Benefits Obligation :**A. Defined Contribution Plans**

Contribution for Defined Contribution Plan has been recognised as expenses in the Profit & Loss Account amounting to ₹ 5.58 lakhs (previous year ₹ 6.00 lakhs) and included in Schedule 22 under Contribution to Provident and other fund in the Profit & Loss Account.

B. Defined Benefit Plans**Gratuity :**

The Company operates Gratuity plan (administered through trust fund and managed by Birla Sun Life Insurance Company Limited) wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on retirement or termination of service. Liability with regard to the aforesaid Gratuity plan is determined by actuarial valuation based upon which Contributions are made to Birla Sun Life Insurance Company Limited through the fund under group gratuity scheme.

Leave Benefit :

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

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Disclosure regarding Gratuity and Leave Encashment.

I. GRATUITY - Funded

(₹ in lakhs)

	As at 31-03-2017	As at 31-03-2016
a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2017		
Current Service Cost	0.53	2.03
Interest Cost	1.56	1.52
Expected return on Plan Assets	(1.76)	(1.67)
Net actuarial (gain) / loss recognised during the year	(3.93)	(0.61)
	(3.60)	1.27
b) Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2017		
Present Value of Defined Benefit obligation	6.22	20.17
Fair Value of Plan Assets	11.70	22.05
	(5.48)	(1.88)
c) Actual return of Plan Assets		
Expected return on Plan Assets	1.76	1.67
Actuarial gain / (loss) on Plan Assets	0.73	(0.66)
	2.49	1.01
d) Change in Defined Benefit obligation during the year ended 31st March, 2017		
Present Value of Defined Benefit obligation as at 31-03-2016	20.17	19.55
Current Service Cost	0.53	2.03
Interest Cost	1.56	1.52
Benefits paid	(12.84)	(1.66)
Actuarial gain / (loss) on obligation	(3.20)	(1.27)
	6.22	20.17
e) Changes in fair value of Assets during the year ended 31st March, 2017		
Fair Value of Plan Assets	22.05	20.80
Expected return on Plan Assets	1.76	1.67
Contribution made	—	2.00
Benefits paid	(12.84)	(1.66)
Actuarial (gain) / loss on Plan Assets	0.73	(0.66)
	11.70	22.05

II. LEAVE ENCASHMENT - Unfunded

	As at 31-03-2017	As at 31-03-2016
a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2017		
Current Service Cost	0.31	2.22
Interest Cost	0.65	0.55
Net actuarial (gain) / loss recognised during the year	3.45	(1.09)
	4.41	1.68

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

b) Present value in Defined Benefit obligation as at 31st March, 2017	As at 31-03-2017	As at 31-03-2016
Present Value of Defined Benefit obligation as at 31-03-2016	8.36	7.03
Current Service Cost	0.31	2.22
Interest Cost	0.65	0.55
Benefits paid	(11.90)	(0.35)
Actuarial (gain) / loss on obligation	3.45	(1.09)
	0.87	8.36

Actuarial Assumption

	Gratuity	Leave Encashment
Mortality Table	IALM 06-08	IALM 06-08
Discount rate	7.25%	7.25%
Inflation rate	5.00%	5.00%
Expected return on plan assets	8.00%	NA

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

The above information is certified by the actuary.

31. On the basis of assessment of its assets made by the Company value in use / carrying value, do not fall short of its expected realisable value. Therefore no provision is required to be made for impairment of its assets as required under AS 28.
32. Dividend Income Includes
- 1) ₹ 196.94/- Lakhs (previous year ₹ 241.49/- Lakhs) from Investment in Shares
 - 2) ₹ 14.76/- Lakhs (previous year ₹ 8.08/- Lakhs) from Stock in Trade
33. Profit / (Loss) on sale of Investments includes :
- 1) Non Current Investments ₹ 1,092.00/- Lakhs (Previous year Profit ₹ 395.27/- Lakhs)
 - 2) Current Investments ₹ 10.95/- Lakhs (Previous year Profit ₹ 11.35/- Lakhs)
34. Earning per Share :

Particulars	As at 31-03-2017	As at 31-03-2016
Profit (Loss) after taxation as per Profit & Loss Account	1,061.96	226.45
Total Number of Equity Shares	10,00,000	10,00,000
Basic / diluted earning per share in rupees (Face value ₹ 10/- per share)	106.20	22.65

35. **Information Pursuant to the provision of clause X of part I of Division I of Schedule III of the Companies Act, 2013**

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	5.00	0.02	5.02
(+) Permitted Receipts*	—	2.96	2.96
(—) Permitted Payments	—	(0.88)	(0.88)
(—) Amount Deposited in Banks	(5.00)	—	(5.00)
Closing Cash in Hand as on 30.12.2016	—	2.10	2.10

* Bank Withdrawals

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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

(₹ in lakhs)

Liabilities Side

1. Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :

	<u>Amount Outstanding</u>	<u>Amount Overdue</u>
a) Debentures : Secured	NIL	NIL
Unsecured	NIL	NIL
(Other than falling within the meaning of public deposits)		
b) Deferred Credits	NIL	NIL
c) Term Loans	NIL	NIL
d) Inter-Corporate Loans & Borrowings	NIL	NIL
e) Commercial Paper	NIL	NIL
f) Other Loans - Auto Loan	NIL	NIL

Assets Side

2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :

a) Secured	NIL
b) Unsecured (Excluding payment of Advance Taxes ₹ 395.82 lakhs)	595.04

3. Break-up of Leased Assets and Stock on hire and other assets counting towards Assets Finance Companies activities

(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial Lease	NIL
(b) Operating Lease	24.47
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

4. Break-up of Investmentkh

Current Investments

1. Quoted

i) Shares :	a) Equity (Inventories)	1,061.17
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others (please specify)		NIL

2. Unquoted

i) Shares :	a) Equity	NIL
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		257.05
iv) Government Securities		NIL
v) Others (please specify)		NIL

Long Term Investments

1. Quoted

i) Shares :	a) Equity	5,219.23
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others		NIL

2. Unquoted

i) Shares :	a) Equity	487.92
	b) Preference	NIL
ii) Debentures and Bonds		NIL
iii) Units of Mutual Funds		NIL
iv) Government Securities		NIL
v) Others – Warrants		NIL

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

Category

Amount net of provision

	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	NIL	NIL	NIL
b) Companies in the same group	NIL	100.90	100.90
c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	518.61	518.61
Total	NIL	619.51	619.51

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	Breakup or Fair Value or NAV Market Value/	(Net of Provisions) Book Value
6. Investor group-wise classification of all Investments (current and long term) in Shares and Securities (both quoted and unquoted Category)		
1. Related Parties		
a) Subsidiaries	NIL	NIL
b) Companies in the same group	6,867.02	2,671.24
c) Other related parties	NIL	NIL
2. Other than related parties	5,773.78	4,354.13
Total	12,640.80	7,025.37

7. Other Information

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

37. Estimated amount of contracts remaining to be executed on capital account ₹ 388.67 lakhs (previous year ₹ 423.62 lakhs).

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

Signatories to Notes 1 to 38

As per our Report attached to the Balance Sheet.

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816
Place : Kolkata
Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors
C. K. DHANUKA Chairman
DIN : 00005684
RAJEEV RUNGTA Director
DIN : 00122221
AYUSH BERIWALA Chief Financial Officer
SHILPA AGARWAL Company Secretary

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Naga Dhunseri Group Limited ("hereinafter referred to as the Company") and its associate Dhunseri Investments Limited (referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Board of Director of the Company and associates responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 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. The Board of Directors of the Company and its associates is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

INDEPENDENT AUDITORS' REPORT (Contd.)

5. An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the consolidated 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 Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of associate, whose financial statements reflect total assets of ₹ 2,36,394.70 lakhs as at March 31, 2017, total revenue of ₹ 2,37,212.36 lakhs, net profit of ₹ 36,258.74 Lakhs and net cash flows amounting to ₹ 10,647.84 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (II) of Section 143 of the Act insofar as it relates to the aforesaid associate, is based solely on the reports of such auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law maintained by the Company, its associate included in the Group, including, relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and the reports of the other auditors.

INDEPENDENT AUDITORS' REPORT (Contd.)

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Company, its associates included in the Group including relevant records relating to the preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e. On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company, none of the directors of the Investor Company and its associate company is disqualified as on March 31, 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 its associate company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts as at March 31, 2017 to the consolidated financial statements in respect of such items as it relates to the Group. There are no long term contracts outstanding as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in its financial statements as to its holding as well as dealing in specified Bank notes during the period from 8th November to 30th December, 2016 based on auditing procedure, we report that disclosure are in accordance with Books of Accounts maintained by the Company as provided to us by the management. Refer Note no. 32.

For S. S. KOTHARI & CO.,

Chartered Accountants

Firm Registration No. 302034E

R. K. ROY CHAUDHURY

Partner

Membership No. 008816

21, Old Court House Street,
Kolkata-700 001

Dated : The 30th day of May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT**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 Naga Dhunseri Group Ltd. ("the Company") as of 31st March, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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 ('ICAI'). 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, 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 Company's internal financial controls system over financial reporting.

ANNEXURE - A TO THE AUDITORS' REPORT (Contd.)**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 purposes 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 authorisations 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 inherent 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 31st March, 2017, 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.

21, Old Court House Street,
Kolkata-700 001
Dated : The 30th day of May, 2017

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816

CONSOLIDATED BALANCE SHEET
as at 31st March, 2017

	Note	As at	(₹ in lakhs) As at
	No.	31st March, 2017	31st March, 2016
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	2	100.00	100.00
(b) Reserves and Surplus	3	23,096.28	8,705.72
2. Non-Current Liabilities			
(a) Long-Term Provisions	4	185.95	3.25
3. Current Liabilities			
(a) Trade Payables			
Total Outstanding dues of micro enterprises and small enterprises		—	—
Total Outstanding dues of creditors other than micro enterprises and small enterprises	5	20.97	—
(b) Short-Term Provisions	6	247.28	220.20
(c) Other Current Liabilities	7	31.56	38.65
		<u>23,682.04</u>	<u>9,067.82</u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	8	52.50	66.67
(b) Non-Current Investments	9	21,201.12	6,984.11
(c) Deferred Tax Assets (Net)	10	5.58	8.34
(d) Long-Term Loans and Advances	11	666.49	459.79
2. Current Assets			
(a) Current Investments	12	257.05	14.00
(b) Inventories	13	1,061.17	1,300.47
(c) Trade Receivables	14	0.01	—
(d) Cash and Bank Balances	15	107.54	35.38
(e) Short-Term Loans and Advances	16	324.37	192.86
(f) Other Current Assets	17	6.21	6.20
		<u>23,682.04</u>	<u>9,067.82</u>

Significant Accounting Policies 1

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

As per our Report of even date attached

For S. S. KOTHARI & CO.,

(Chartered Accountants)

Firm Registration No. 302034E

R. K. ROY CHAUDHURY

Partner

Membership No. 008816

Place : Kolkata

Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman

DIN : 00005684

RAJEEV RUNGTA Director

DIN : 00122221

AYUSH BERIWALA Chief Financial Officer

SHILPA AGARWAL Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2017

	Note No.	For the year ended 31st March, 2017	(₹ in lakhs) For the year ended 31st March, 2016
I Revenue from Operations	18	4,380.04	1,784.03
II Other Income	19	30.90	30.24
III Total Revenue (I + II)		4,410.94	1,814.27
IV Expenses :			
Purchase of Stock-in-Trade	20	2,609.27	1,719.85
Changes in Inventories of Stock-in-Trade	21	239.30	(334.01)
Employee Benefit Expenses	22	90.65	68.28
Finance Costs	23	0.77	5.64
Depreciation and Amortisation Expense	8	17.56	25.55
Other Expenses	24	141.32	105.12
Total Expenses		3,098.87	1,590.43
V Profit before Exceptional and Extraordinary Items and Tax (III - IV)		1,312.07	223.84
VI Exceptional Items :			
Provision for Standard Assets		0.35	—
VII Profit before Extraordinary Items and Tax (V - VI)		1,311.72	223.84
VIII Extraordinary Items		—	—
IX Profit before Tax (VII + VIII)		1,311.72	223.84
X Tax Expenses :			
(1) Current Tax		247.00	—
(2) Deferred Tax	10	2.76	(1.30)
(3) Earlier Year Tax Adjustments		—	(1.31)
XI Profit (Loss) for the year after Tax (IX-X)		1,061.96	226.45
XII Share of Profit / (Loss) of Associate		7,561.49	(2,030.33)
XIII Net Profit / (Loss) after Share of Profit/(Loss) of Associate (IX-XII)		8,623.45	(1,803.88)
XIV Earning per equity share :			
(1) Basic & Diluted (in ₹)		862.35	(180.39)

Significant Accounting Policies 1

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

As per our Report of even date attached

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

Firm Registration No. 302034E

R. K. ROY CHAUDHURY
Partner

Membership No. 008816

Place : Kolkata

Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors

C. K. DHANUKA Chairman

DIN : 00005684

RAJEEV RUNGTA Director

DIN : 00122221

AYUSH BERIWALA Chief Financial Officer

SHILPA AGARWAL Company Secretary

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

(₹ in lakhs)

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	1,311.72	223.84
Adjustments for :		
Dividend Received	(211.70)	(249.56)
Depreciation	17.56	25.55
Contingent Provision on Standard Assets	0.35	—
Interest Received on Loan	(0.27)	—
Interest Paid on Commercial Vehicle Loan	0.77	5.62
Profit / (+) Loss on Sale of Investments	(1,102.95)	(406.62)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	15.48	(401.17)
Adjustment for (increase) / decrease in Operating Assets		
Inventories	239.30	(334.01)
Trade Receivable	(0.01)	—
Short Term Loans & Advances	(3.54)	(0.23)
Long Term Loans & Advances	(173.17)	(3.94)
Other Current Assets	(0.01)	0.82
Adjustment for increase / (decrease) in Operating Liabilities	78.05	(738.53)
Trade Payable	20.97	—
Other Current Liabilities	15.99	(7.94)
Long Term Provision	(2.66)	1.77
Short Term Provision	(4.83)	(2.34)
CASH FROM OPERATING ACTIVITIES	107.52	(747.04)
Direct Tax (Paid) / Received	(24.97)	(13.08)
Interest Paid	(0.77)	(5.62)
Net Cash Flow from Operating Activities (A)	81.78	(765.74)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Advance for Flat	(36.53)	(54.96)
Purchase of Current Investments	(2,222.75)	(1,818.00)
Proceeds from Sale of Current Investments	1,990.65	1,831.87
Purchase of Non Current Investments	(2,684.37)	(1,602.62)
Proceeds from Sale of Non-Current Investments	2,887.97	2,171.40
Dividend Received	211.70	249.56
Purchase of Fixed Assets	(3.39)	—
Net Cash Flow from Investing Activities (B)	143.28	777.25
(A + B)	225.06	11.51

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)
(₹ in lakhs)

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
B. F.	225.06	11.51
C. CASH FLOW FROM FINANCING ACTIVITIES		
Auto Loan Refunded	(24.52)	(55.09)
Loan Given to Body Corporate	(100.00)	—
Interest Received on Loan	0.27	—
Dividend Paid	(23.56)	(24.49)
Dividend Distribution Tax Paid	(5.09)	(5.09)
Net Cash Flow in Financial Activities (C)	(152.90)	(84.67)
Net Increase / (–) Decrease in Cash & Cash Equivalents (A + B + C)	72.16	(73.16)
Opening Balance of Cash & Cash Equivalents	35.38	108.54
Closing Balance of Cash & Cash Equivalents	107.54	35.38
Cash & Cash Equivalents Comprise :		
Balance with Scheduled Banks on Current Account	90.43	17.94
Cash-in-hand	5.02	5.02
Cheque-in-hand	—	1.77
Balance with Scheduled Banks on Dividend Accounts	12.09	10.65
	107.54	35.38

Notes :

1. The above Cash Flow Statement has been prepared under the “Indirect Method” set out in Accounting Standard - 3 Cash Flow Statement issued by “The Institute of Chartered Accountant of India.”
2. Previous year’s figures have been re-arranged wherever considered necessary.
3. Consolidation of Associate has no impact on the Cash Flow Statement.

As per Our Report of even date attached

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816
Place : Kolkata
Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors
C. K. DHANUKA *Chairman*
DIN : 00005684
RAJEEV RUNGTA *Director*
DIN : 00122221
AYUSH BERIWALA *Chief Financial Officer*
SHILPA AGARWAL *Company Secretary*

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**I) Investment in Associate and Significant Accounting Policies Forming Part of the Consolidated Financial Statements For the Year Ended 31st March, 2017****A. INVESTMENT IN ASSOCIATE**

The Consolidated Financial Statements of the Company pertain to Naga Dhunseri Group Limited (The Investor) and its Associate.

The Investment in Associate is shown below :

Name of the Companies	Category	Country of Incorporation	Proportion of Ownership Interest	
			31.03.2017	31.03.2016
Dhunseri Investments Limited	Associate	India	21.59%	21.59%

B. Significant Accounting Policies forming part of the Financial Statements**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013. The Company follows the prudential norms issued by the Reserve Bank of India (as amended) for Asset Classification, Income recognition and provision for bad and doubtful debts in respect of Loans granted / investments made by it.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2. USE OF ESTIMATES

The Financial Statements are prepared in conformity with the Generally Accepted Accounting Principles (GAAP) in India. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. PROPERTY, PLANT AND EQUIPMENT

Property Plant and Equipments are stated at cost less accumulated depreciation. Cost includes expenditure incurred in the acquisition and construction / installation and other related expenses. Depreciation on Property Plant and Equipments has been provided on Written Down Value Method as per the useful life and rate prescribed in Schedule II to the Companies Act, 2013. Leasehold land is amortised over effective period of Lease.

4. CASH FLOW STATEMENT

Cash Flow are reported using the indirect method, as prescribed in Accounting Standard - 3 whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the company are segregated.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. INVESTMENTS

Long Term Investments are stated at cost. Diminution in value thereof as determined which are permanent in nature are adjusted therefrom and charged to revenue. Current Investments are valued at cost or net realizable value, whichever is lower.

6. VALUATION OF INVENTORY

Stock of Shares and Securities are valued at cost or net realizable value, whichever is lower. The cost is computed on FIFO basis.

7. LOANS AND ADVANCES

Loans and Advances are stated after making adequate provision for doubtful advances, if any.

8. EMPLOYEE BENEFITS

- a) Employees received benefit from a provident fund which is a Defined Benefit Plan both Employees and the Company makes monthly contribution to Provident Fund Plan.
- b) Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered. Liabilities in respect of Defined Benefits plans namely retirement gratuities and encashment of unavailed leave are unfunded and calculated by an independent actuary at the year-end and provided for. Actuarial gains / losses are recognised in the statement.

9. REVENUE RECOGNITION

- i) Profit / (Loss) on sale of investments is taken to Statement of Profit and Loss.
- ii) Dividend income is accounted for as and when right to receive dividend is established.
- iii) Interest income is recognized on accrual basis.
- iv) Lease rent is recognised on accrual basis.

10. TAXES ON INCOME

- i) Current Tax is determined in accordance with the provision of Income Tax Act, 1961.
- ii) Deferred Tax has been recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets.
- iii) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of section 115JAA of the Income Tax Act, 1961 based on the convincing evidence that the Company will pay normal Income-tax within statutory time frame and is reviewed at each Balance Sheet date.

11. LEASES

Assets acquired on Finance Lease/ Hire Charges are capitalised at the fair value of the lease assets.

12. IMPAIRMENT OF ASSETS

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

13. PROVISIONING AGAINST NON PERFORMING ASSETS

The provision against non performing assets, wherever applicable, has been made as per the prudential norms of Reserve Bank of India.

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
2. SHARE CAPITAL		
a) Authorised		
25,00,000 (Previous year 25,00,000) Equity Shares of ₹ 10/- each.	<u>250.00</u>	<u>250.00</u>
Issued, Subscribed & Paid-up		
10,00,000 (Previous year 10,00,000) Equity Shares of ₹ 10/- each fully paid up.	<u>100.00</u>	<u>100.00</u>
	<u>100.00</u>	<u>100.00</u>
b) During the period of five years immediately preceeding the date of the Balance Sheet the Company has not issued any shares for consideration other than cash.		
c) Term / Rights attached to Equity Shares		
The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share held and dividend proposed by the Board of Directors subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be eligible to receive remaining assets of the Company after distribution of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.		
d) Reconciliation of the number of shares		
Number of shares at the beginning of the year	10,00,000	10,00,000
Add : Shares issued during the year	<u>—</u>	<u>—</u>
Number of shares at the closing of the year	<u>10,00,000</u>	<u>10,00,000</u>
e) The Board of Directors in its meeting on May 30, 2017 has proposed a final dividend of ₹ 2.50/- per equity share for the financial year ended March 31, 2017 subject to the approval of the shareholders at the ensuing Annual General Meeting and if approved would result in a cash outflow of ₹ 30.09 Lakhs.		

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
3. RESERVES & SURPLUS		
Capital Reserve		
Balance as at beginning of the year	14.61	14.61
Add : On Account of Investment in Associate	2,650.15	—
Balance as at the end of the year	2,664.76	14.61
NBFC Reserve Fund		
Balance as at beginning of the year	1,621.09	1,260.73
Add : Addition during the year	212.39	45.29
Add : On Account of Investment in Associate	55.44	315.07
Balance as at the end of the year	1,888.92	1,621.09
General Reserve		
Balance as at beginning of the year	6,681.20	5,000.00
Add : Addition during the year	400.00	100.00
Add : On Account of Investment in Associate	(96.87)	1,581.20
Balance as at the end of the year	6,984.33	6,681.20
Revaluation Reserve		
Balance as at beginning of the year	2,176.33	—
Add : On Account of Investment in Associate	3,158.39	2,176.33
Balance as at the end of the year	5,334.72	2,176.33
Statement of Profit and Loss	(1,787.51)	191.75
Add : Net Profit after tax transferred from Statement of Profit and Loss	8,623.45	(1,803.88)
Less : Proposed Dividend		
Previous Year ₹ 2.50 per Share)	—	25.00
Dividend Distribution Tax	—	5.09
Transferred to NBFC Reserve Fund	212.39	45.29
Transferred to General Reserve	400.00	100.00
Balance in Statement of Profit and Loss	6,223.55	(1,787.51)
Total	23,096.28	8,705.72
4. LONG TERM PROVISIONS		
Provision for leave encashment	0.60	3.25
Provision for Standard Assets	0.35	—
Provision for Taxation	185.00	—
	185.95	3.25
5. TRADE PAYABLES		
Total Outstanding dues of micro enterprises and small enterprises	—	—
Total Outstanding dues of creditors other than micro enterprises and small enter	20.97	—
	20.97	—

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
6. SHORT TERM PROVISIONS		
Provision for Leave Encashment	0.28	5.11
Provision for Income Tax	247.00	185.00
Proposed Dividend	—	25.00
Tax on Proposed Dividend	—	5.09
	<u>247.28</u>	<u>220.20</u>
7. OTHER CURRENT LIABILITIES		
Unclaimed Dividend	12.09	10.65
(There is no amount due and outstanding to be credited to Investor Education and Protection Fund)		
Directors' Commission Payable	1.00	1.00
Interest Accrued but not due on Auto Loan	—	0.11
Auto Loan - Current maturity of long term debts	—	24.52
Statutory Liabilities (TDS Payable)	0.10	—
Other Liabilities	18.37	2.37
	<u>31.56</u>	<u>38.65</u>
8. PROPERTY, PLANT & EQUIPMENTS		

Particulars	ORIGINAL COST			DEPRECIATION/AMORTISATION				NET BOOK VALUE		
	As at 01.04.16	Additions during the year	Deductions/ Retirement during the year	As at 31.03.17	As at 01.04.16	Depreciation during the year	Deductions/ Retirement during the year	As at 31.03.17	As at 31.03.17	As at 31.03.16
a) Tangible Assets										
Furniture & Fittings	1.75	—	—	1.75	1.57	0.05	—	1.62	0.13	0.18
Computer	0.59	3.39	—	3.98	0.38	0.92	—	1.30	2.68	0.21
Motor Vehicles	261.50	—	—	261.50	213.81	16.35	—	230.16	31.34	47.69
Sub Total : a :	263.84	3.39	—	267.23	215.76	17.32	—	233.08	34.15	48.08
b) Assets under Lease										
Leasehold Land	20.04	—	—	20.04	1.45	0.24	—	1.69	18.35	18.59
Sub Total : b :	20.04	—	—	20.04	1.45	0.24	—	1.69	18.35	18.59
Grand Total :										
a+b :	283.88	3.39	—	287.27	217.21	17.65	—	234.77	52.50	66.67
Previous Year	283.88	—	—	283.88	191.65	25.55	—	217.21	66.67	

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2017	(₹ in lakhs) As at 31.03.2016
9. NON CURRENT INVESTMENTS		
A) Investment in Equity Shares (Associate)		
Trade - Quoted, Fully Paid up		
i) Dhunseri Investments Ltd.		
Book Value of Investment	448.76	448.76
Add : Adjustment for Accumulated Share of Profit / (Loss)	7,932.48	1,197.38
Add : Adjustment for Current Year's Share of Profit / (Loss)	7,561.49	967.99
Total (A)	15,942.73	2,614.13
B) Investment in Equity Shares (Others)		
Trade - Quoted, Fully Paid up	4,770.47	4,181.96
Other than Trade - Unquoted, Fully Paid up	487.92	188.02
Total (B)	5,258.39	4,369.98
Total (A + B)	21,201.12	6,984.11
Market Value of Investments		
Quoted	10,430.12	9,135.19
Unquoted (Book Value)	487.92	188.02
10. DEFERRED TAX ASSETS (NET)		
On Written Down Value	5.28	(0.48) 5.76
Others	0.30	(2.28) 2.58
	5.58	(2.76) 8.34
11. LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances to Employees	1.18	0.89
Security Deposits	21.07	20.99
Advance for Purchase of Flat	463.94	427.41
Income Tax Refund Receivable	—	3.00
Income Tax Advances	180.30	7.50
	666.49	459.79
12. CURRENT INVESTMENTS		
Investments in Mutual Funds (Unquoted)	257.05	14.00
	257.05	14.00
13. INVENTORIES		
Stock of Shares & Securities	1,061.17	1,300.47
	1,061.17	1,300.47

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	As at 31.03.2017	As at 31.03.2016
14. TRADE RECEIVABLES		
(Unsecured and Considered good by the Management)		
Sundry Debtors	0.01	—
	<u>0.01</u>	<u>—</u>
15. CASH AND BANK BALANCES		
Balance with Scheduled Banks :		
On Current Account	90.43	17.94
On Unpaid Dividend Account	12.09	10.65
Cash in Hand	5.02	5.02
Cheque in Hand	—	1.77
	<u>107.54</u>	<u>35.38</u>
16. SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered good by the Management)		
Loan to Body Corporate	100.00	—
Advance to Employees	1.55	1.18
Income Tax Advances	208.00	180.30
TDS Receivable	7.52	7.25
Prepaid Expenses	7.30	4.13
	<u>324.37</u>	<u>192.86</u>
17. OTHER CURRENT ASSETS		
Interest Receivable	0.09	0.08
Rent on Commercial Vehicles Receivable	6.12	6.12
	<u>6.21</u>	<u>6.20</u>

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
18. REVENUE FROM OPERATIONS		
Sales of Shares & Securities	2,991.98	1,054.45
Rent on Commercial Vehicles	73.41	73.41
Dividend Received	211.70	249.56
Profit (Loss) on sale of Investment (Net)	1,102.95	406.62
Share difference	—	(0.01)
Total Operating Income	<u>4,380.04</u>	<u>1,784.03</u>
19. OTHER INCOME		
Rent Received (Tax deducted at source ₹ 2.98 Lakhs, Previous Year ₹ 2.98 Lakhs)	29.98	29.98
Interest Received on Loan (TDS ₹ 0.03 Lakhs)	0.27	—
Interest Received on Security Deposit (Tax Deducted at Source ₹ 0.01 Lakhs, Previous Year ₹ 0.01 Lakhs)	0.10	0.09
Interest on Income Tax Refund	0.53	0.14
Liability Written Back	0.02	—
Miscellaneous Receipts	—	0.03
	<u>30.90</u>	<u>30.24</u>
20. PURCHASE OF STOCK-IN-TRADE		
Purchase of Shares & Securities	2,609.27	1,719.85
	<u>2,609.27</u>	<u>1,719.85</u>
21. CHANGES IN INVENTORIES OF STOCK IN TRADE		
Opening Stock of Shares & Securities	1,300.47	966.46
Closing Stock of Shares & Securities	(1,061.17)	(1,300.47)
	<u>239.30</u>	<u>(334.01)</u>
22. EMPLOYEE BENEFIT EXPENSES		
Salary	34.08	26.18
Bonus	1.72	1.59
Leave Payment	0.82	1.68
Staff Welfare Expenses	6.22	6.58
Contribution to Provident & Other Fund	5.58	6.00
Managing Director's Remuneration	28.64	26.25
Managing Director's Commission	13.59	—
	<u>90.65</u>	<u>68.28</u>

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
23. FINANCE COSTS		
Interest paid for Auto Loan	0.77	5.62
Interest - Others	—	0.02
	<u>0.77</u>	<u>5.64</u>
24. OTHER EXPENSES		
Security transaction tax on Trading	5.59	2.69
Security transaction tax on Investment	5.27	3.58
Directors' Commission	1.00	1.00
Audit Fees	0.81	0.81
Donation for CSR activities	4.75	8.00
Demat Charges	1.76	0.80
Directors' Fees	0.68	0.79
Electric Charges	1.38	2.10
Hire Charges	0.44	0.43
Insurance Charges	2.44	1.90
Truck Maintenance	22.42	7.50
Motor Car Running Expenses	3.03	3.28
Profession Charges	5.97	2.59
Rates & Taxes	3.21	2.61
Licence Fees	3.14	2.28
Rent Paid	33.08	33.08
Service Tax Paid	0.25	0.27
Travelling & Conveyance	22.10	18.87
Miscellaneous Expenses	24.00	12.53
	<u>141.32</u>	<u>105.12</u>

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**25. INFORMATION OF STOCK OF SHARES & SECURITIES :**

(₹ in lakhs)

	31st March, 2017		31st March, 2016	
	Quantity	Value	Quantity	Value
Opening Stock	12,64,679	1,300.47	4,45,161	966.46
Purchase	15,38,975	2,609.27	18,70,212	1,719.85
Sales	15,45,471	2,991.97	10,50,694	1,054.45
Closing Stock	12,58,183	1,061.17	12,64,679	1,300.47

26. Related party disclosures in accordance with the Accounting Standard (AS-18) issued by The Institute of Chartered Accountants of India for the Year Ended 31st March, 2017

Name and nature of relationship of the Related Parties :

Related Parties	Relationship
M/s. Dhunseri Petrochem Ltd.	Group Company
M/s. Mint Investments Ltd.	Group Company
M/s. Trimplex Investments Ltd.	Group Company
M/s. Madhuting Tea Pvt. Ltd.	Group Company
M/s. Jatayu Estate Pvt. Ltd.	Group Company
M/s. Dhunseri Tea & Industries Ltd.	Group Company
M/s. Dhunseri Overseas Pvt. Ltd.	Group Company
M/s. Dhunseri Investments Ltd.	Associate Company
M/s. Sewbhagwan & Sons	Firm over which directors are able to exercise significant influence)
Mr. Chandra Kumar Dhanuka (Director)	Relative of Key Management Person
Mrs. Aruna Dhanuka (Managing Director) Upto 09.02.2017	Key Management Person
Mr. Mrigank Dhanuka (Director)	Relative of Key Management Person
Mr. A. K. Sarkar (Company Secretary) Upto 28.02.2017	Key Management Person
Ms. Shilpa Agarwal (Company Secretary) w.e.f. 01.03.2017	Key Management Person
Mr. H. P. Bhuwania	
- Chief Financial Officer Upto 30.09.2016	Key Management Person
- Chief Executive Officer w.e.f. 10.02.2017	Key Management Person
Mr. Ayush Beriwalla (Chief Financial Officer) w.e.f. 03.11.2016	Key Management Person

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Information about transactions with Related Parties :		(₹ in lakhs)	
Nature of Transactions	2016-17	2015-16	
A. Group Company			
Dhunseri Tea & Industries Ltd.			
Rent Received	29.77	29.77	
Reimbursement of Staff Insurance Charges (Paid)	—	1.26	
Trimplex Investments Limited			
Hire Charges (Paid)	0.44	0.43	
Licence Fees (Paid)	2.30	2.28	
Electric Charges (Paid)	0.78	1.03	
Interest on Loan Received	0.27	—	
Loan Given	100.00	—	
Dhunseri Overseas Pvt. Ltd.			
Investment in Equity Shares	299.90	—	
B. Key Management Personnel			
Mrs. Aruna Dhanuka (Managing Director upto 09.02.2017)			
Remuneration Paid	45.24	29.40	
Mr. Chandra Kumar Dhanuka			
Sitting Fees - Paid	0.09	0.12	
Director' Commission - Paid as Non-Executive Director	0.20	0.20	
Mr. Mrigank Dhanuka			
Sitting Fees - Paid	0.05	0.08	
Director' Commission - Paid as Non-Executive Director	0.20	0.20	
Mr. H. P. Bhuwania (Chief Financial Officer upto 30.09.2016)			
Remuneration Paid	15.07	6.01	
Mr. H. P. Bhuwania (Chief Executive Officer w.e.f. 10.02.2017)			
Remuneration Paid	0.84	—	
Mr. Ayush Beriwal (Chief Financial Officer w.e.f. 03.11.2016)			
Remuneration Paid	5.00	—	
Mr. A. K. Sarkar (Company Secretary) upto 28.02.2017			
Remuneration Paid	6.47	4.16	
Ms. Shilpa Agarwal (Company Secretary) w.e.f. 01.03.2017			
Remuneration Paid	0.27	—	

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

27. Disclosure as per Accounting Standard 19 in respect of Leasehold Assets. (₹ in lakhs)

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

	2016-2017	2015-2016
i) not later than one year	33.90	33.08
ii) later than one year and not later than five years	141.52	138.96
iii) later than five years	4,852.82	4,889.29
b) The total of future minimum sublease payments expected to be received under non cancellable subleases at the balance sheet date	4,512.08	4,542.06
c) Lease payments recognised in the statement of profit and loss account for the period, with separate amounts for minimum lease payments and contingent rents.	33.08	33.08
d) Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the year	29.98	29.98

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

29. Employee Benefits Obligation :

A. Defined Contribution Plans

Contribution for Defined Contribution Plan has been recognised as expenses in the Profit & Loss Account amounting to ₹ 5.58 lakhs (previous year ₹ 6.00 lakhs) and included in Schedule 22 under Contribution to Provident and other fund in the Profit & Loss Account.

B. Defined Benefit Plans

Gratuity :

The Company operates Gratuity plan (administered through fund trust and managed by Birla Sun Life Insurance Company Limited) wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on retirement or termination of service. Liability with regard to the aforesaid Gratuity plan is determined by actuarial valuation based upon which Contributions are made to Birla Sun Life Insurance Company Limited and the gratuity fund under group gratuity scheme.

Leave Benefit :

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

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Disclosure regarding Gratuity and Leave Encashment.

I. GRATUITY - Funded

(₹ in lakhs)

	As at 31-03-2017	As at 31-03-2016
a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2017		
Current Service Cost	0.53	2.03
Interest Cost	1.56	1.52
Expected return on Plan Assets	(1.76)	(1.67)
Net actuarial (gain) / loss recognised during the year	(3.93)	(0.61)
	(3.60)	1.27
b) Net (Asset) / Liability recognised in the Balance Sheet as at 31st March, 2017		
Present Value of Defined Benefit obligation	6.22	20.17
Fair Value of Plan Assets	11.70	22.05
	(5.48)	(1.88)
c) Actual return of Plan Assets		
Expected return on Plan Assets	1.76	1.67
Actuarial gain / (loss) on Plan Assets	0.73	(0.66)
	2.49	1.01
d) Change in Defined Benefit obligation during the year ended 31st March, 2017		
Present Value of Defined Benefit obligation as at 31-03-2016	20.17	19.55
Current Service Cost	0.53	2.03
Interest Cost	1.56	1.52
Benefits paid	(12.84)	(1.66)
Actuarial (gain) / loss on obligation	(3.20)	(1.27)
	6.22	20.17
e) Changes in fair value of Assets during the year ended 31st March, 2017		
Fair Value of Plan Assets	22.05	20.80
Expected return on Plan Assets	1.76	1.67
Contribution made	—	1.90
Benefits paid	(12.84)	(1.66)
Actuarial (gain) / loss on Plan Assets	0.73	(0.66)
	11.70	22.05

II. LEAVE ENCASHMENT - Unfunded

	As at 31-03-2017	As at 31-03-2016
a) Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2017		
Current Service Cost	0.31	2.22
Interest Cost	0.65	0.55
Net actuarial (gain) / loss recognised during the year	3.45	(1.09)
	4.41	1.68

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

b) Present value in Defined Benefit obligation as at 31st March, 2017	As at 31-03-2017	As at 31-03-2016
Present Value of Defined Benefit obligation as at 31-03-2016	8.36	7.03
Current Service Cost	0.31	2.22
Interest Cost	0.65	0.55
Benefits paid	(11.90)	(0.35)
Actuarial (gain) / loss on obligation	3.45	(1.09)
	0.87	8.36

Actuarial Assumption

	Gratuity	Leave Encashment
Mortality Table	IALM 06-08	IALM 06-08
Discount rate	7.25%	7.25%
Inflation rate	5.00%	5.00%
Expected return on plan assets	8.00%	NA

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

The above information is certified by the actuary.

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

31. Earning per Share :

Particulars	As at 31-03-2017	As at 31-03-2016
Profit (Loss) after Tax as per Profit & Loss Account	8,623.45	(1,803.88)
Total Number of Equity Shares	10,00,000	10,00,000
Basic / diluted earning per share (in ₹) (Face value ₹ 10/- per share)	862.35	(180.39)

32. **Information Pursuant to the provision of clause X of part I of Division I of Schedule III of the Companies Act, 2013**

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	5.00	0.02	5.02
(+) Permitted Receipts*	—	2.96	2.96
(—) Permitted Payments	—	(0.88)	(0.88)
(—) Amount Deposited in Banks	(5.00)	—	(5.00)
Closing Cash in Hand as on 30.12.2016	—	2.10	2.10

* Bank Withdrawals

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lakhs)

33. Estimated amount of contracts remaining to be executed on capital account ₹ 388.67 lakhs (previous year ₹ 423.62 lakhs).
34. Summary Statement for its Associate of the Salient Features of their respective Financial Statements :

Name of the Entity	Year Ending	Share in Profit / (Loss)	
		As % of Consolidated Profit / (Loss)	Amount
Investor Entity			
Naga Dhunseri Group Limited	31.03.2017	12.31%	1,061.96
	31.03.2016	(12.55%)	226.45
Associate			
Dhunseri Investments Limited	31.03.2017	87.69%	7,561.49
	31.03.2016	112.55%	(2,030.33)
Total	31.03.2017	100.00%	8,623.45
Total	31.03.2016	100.00%	(1,803.88)

35. Disclosure for Investment in Associate - Accounting Standard 23

Capital Reserve of ₹ 3,484.29 Lakhs (Previous Year ₹ 3,484.29 Lakhs) in Dhunseri Investments Limited has arisen on account of investment upto balance sheet date.

36. The reporting dates of the Financial Statements of Investing Company and its Associate are not different.
37. Previous Year figures have been re-grouped and re-arranged wherever considered necessary.

Signatories to Notes 1 to 37

As per our Report attached to the Balance Sheet.

For S. S. KOTHARI & CO.,
Chartered Accountants
Firm Registration No. 302034E
R. K. ROY CHAUDHURY
Partner
Membership No. 008816
Place : Kolkata
Dated : The 30th day of May, 2017

For and on behalf of the Board of Directors
C. K. DHANUKA *Chairman*
DIN : 00005684
RAJEEV RUNGTA *Director*
DIN : 00122221
AYUSH BERIWALA *Chief Financial Officer*
SHILPA AGARWAL *Company Secretary*

FORM NO. AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A" : Subsidiaries**NIL****Part "B" : Associates and Joint Ventures**

Name of Associates / Joint Ventures	Dhunseri Investments Limited
	Associate
1. Latest audited Balance Sheet Date	31-03-2017
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	13,16,476 Equity Shares of ₹ 10/- each
Amount of Investment in Associates / Joint Venture	₹ 15,942.73 Lakhs
Extend of Holding %	21.59%
3. Description of how there is significant influence	Voting Rights
4. Reason why the associate / joint venture is not consolidated	Consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 27,555.13 Lakhs (based on audited balance sheet as at 31.03.2017 of the associate company)
6. Profit / Loss for the year	
i. Considered in Consolidation	₹ 7,561.49 Lakhs
ii. Not Considered in Consolidation	Nil

Note : The Company does not have any Joint Venture Company.

For and on behalf of the Board of Directors

C. K. DHANUKA *Chairman*

DIN : 00005684

RAJEEV RUNGTA *Director*

DIN : 00122221

AYUSH BERIWALA *Chief Financial Officer*SHILPA AGARWAL *Company Secretary*

Place : Kolkata

Dated: The 30th day of May, 2017

ROUTE MAP OF THE MEETING VENUE

