

98<sup>th</sup>  
**ANNUAL REPORT**  
**2013-2014**



THE INDUSTRIAL & PRUDENTIAL  
INVESTMENT COMPANY LIMITED

## Company Information

**Directors** : A. V. SETALVAD (DIN: 00056124)  
A. R. BROACHA (DIN: 00056291)  
GAURAV SWARUP (DIN: 00374298)  
VIKRAM SWARUP (DIN: 00163543)  
ANISH K. MODI (DIN: 00031232)

**Bankers** : DEUTSCHE BANK  
BANK OF INDIA  
ICICI BANK LIMITED  
HDFC BANK LTD.

**Auditors** : V.S. SOMANI & CO.  
Chartered Accountants

**Registered Office** : 125, MAKER CHAMBERS III,  
NARIMAN POINT,  
MUMBAI - 400 021.  
TEL.: 22854243  
Email: indpru@vsnl.net  
Website: <http://industrialprudential.com>  
CIN: L65990MH1913PLC000374

**Registrars & Transfer Agents** : LINK INTIME INDIA PVT. LTD.  
C-13, PANNALAL SILK MILLS COMPOUND,  
L.B.S. MARG, BANDUP (WEST),  
MUMBAI-400 078.  
TEL.: 25946970  
Email-Id: rnt.helpdesk@linkintime.co.in  
CIN: U67190MH1999PTC118368

## Notice to the Shareholders

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NOTICE is hereby given that the Ninety-Eighth Annual General Meeting of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** will be held at Bajaj Bhavan, Ground Floor, (Kamalnayan Bajaj Hall), 220, Nariman Point, Mumbai-400 021, on Wednesday, September 24, 2014 at 3.00 p.m. to transact the following items of business:

1. To receive, consider, and adopt the audited Balance Sheet and Profit and Loss Account of the Company for the year ended March 31, 2014, the Board's Report and the Auditors' Report.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Vikram Swarup (DIN: 00163543), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. V. S. Somani Co., Chartered Accountants, (Reg. No. 117589W) the retiring Statutory Auditors who are eligible for re-appointment, to hold office from the conclusion of this Annual General Meeting, until the conclusion of third Annual General Meeting to be held after this Meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending March 31, 2015.

### SPECIAL BUSINESS

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

**"RESOLVED that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made; notifications, circulars and orders issued from time to time thereunder (collectively referred to as "the said Act"), read with Schedule IV to the said Act, Mr. A. K. Modi (DIN: 00031232), Director of the Company who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from September 24, 2014."

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

**"RESOLVED that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made; notifications, circulars and orders issued from time to time thereunder (collectively referred to as "the said Act"), read with Schedule IV to the said Act, Mr. A. R. Broacha (DIN: 00056291), a Director of the Company subject to retirement by rotation, be and is hereby confirmed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from September 24, 2014."

7. To consider and if thought fitt to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED in** supersession of the resolution passed at the annual general meeting held on August 12, 2009, that pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made; notifications, circulars and orders issued from time to time thereunder (collectively referred to as "the said Act"), profit related commission not exceeding the limit prescribed under the said Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing April 1, 2014."

### NOTES:

- (a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules made; notification, circulars and orders issued from time to time thereunder (collectively referred to as "the said Act") in respect of business under Items Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, of persons seeking appointment/re-appointment as Directors under Item No. 3 and Items Nos. 5 & 6 of the Notice, are also annexed.

Notice to the Shareholders — contd.

- (b) **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 17, 2014 to Wednesday, September 24, 2014 (both days inclusive).
- (d) If, dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on Wednesday, October 1, 2014 as under:
- (i) all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on September 16, 2014;
  - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 16, 2014.
- (e) Pursuant to Section 124 of the said Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid Dividend Account of the Company shall be transferred to the Fund established by the Government of India under Section 125 of the said Act. All shares in respect of which such unpaid or unclaimed dividend has been transferred shall also be transferred by the Company in the name of Investor Education and Protection Fund.
- (f) Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2007 onwards, are requested to make their claims to the Company accordingly, without any delay.
- (g) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, PAN etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime (India) Private Limited (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
- (h) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or Link Intime for assistance in this regard.
- (i) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- (j) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- (k) Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- (l) In compliance with the provisions of section 108 of the Act, and Clause 35B of the Listing Agreement with Bombay Stock Exchange, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

**Notice to the Shareholders — contd.**

**The instructions for members for voting electronically are as under:**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut-off date</b> in the <b>Dividend Bank details field</b> .

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN and choose name of the Company to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

**Notice to the Shareholders — contd.**

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 18, 2014 at 10.00 a.m. and ends on September 20, 2014 at 5.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

*Registered Office:*

125, Maker Chambers III,  
Nariman Point, Mumbai 400 021.

Mumbai, May 28, 2014.

**Notice to the Shareholders — contd.**

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**Explanatory Statement  
(Pursuant to Section 102 of the said Act)**

As required by Section 102 of the said Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under Items No. 4 to 7 of the Notice:

**Item 4**

The explanatory statement for this item is provided though strictly not required as per Section 102 of the said Act.

In accordance with Section 139 of the said Act the Company being a listed company, is required to appoint at the annual general meeting the existing retiring statutory auditors (individual) for a period of three years. The appointment is to be ratified at by members at every annual general meeting thereafter.

In view of the above, Messrs. V S Somani & Co., Chartered Accountants, the existing statutory auditors (being a sole proprietary firm) retires at the annual general meeting and is required to be appointed for a period of three years so as to hold office up to the conclusion of the third Annual General Meeting to be held after this meeting. In accordance with provisions of Section 139 of the said Act, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the said Act from Messrs. V S Somani & Co.

Based on the recommendation of the Audit Committee, the Board of Directors recommend to the members to approve the appointment of the existing statutory auditors Messrs. V S Somani & Co., Chartered Accountants and fix their remuneration as mentioned in Item No 4 of the Notice.

None of the Directors or relatives of directors is concerned or interested in the Resolution at Item No. 4 of the Notice.

Documents referred to above are open for inspection by members at the Registered Office of the Company during normal business hours on any working day except Saturday.

**Item 5**

Under Section 262 of the Companies Act, 1956 and Article 115 of the Articles of Association of the Company, Mr. A. K. Modi, was appointed on September 11, 2013, as an Independent Director to fill a casual vacancy caused by the demise of Mr. V. C. Vaidya, one of the independent directors. In accordance with Section 262 of the Companies Act, 1956 corresponding to Section 161 of the said Act, Mr. Modi, holds office only till the date up to which Mr. V. C. Vaidya in whose place he was appointed would have held office, namely till the date of this Annual General Meeting.

Pursuant to the provisions of Section 149 of the said Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. In accordance with Section 152 of the said Act, independent directors are to be appointed at annual general meeting.

Mr. Modi is an independent director in compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange.

The Nomination and Remuneration Committee has recommended the appointment of Mr. A. K. Modi as Independent Director from September 24, 2014 up to September 23, 2019.

Mr. A. K. Modi has given a declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the said Act. In the opinion of the Board of Directors, he fulfils the conditions specified in the said Act for appointment as an Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the said Act, the appointment of Mr. Modi as an Independent Director is now being placed before the Members for their approval as set out in Item No 5 of the Notice.

The terms and conditions of appointment of Mr. A. K. Modi, shall be open for inspection by members at the Registered Office of the Company during normal business hours on any working day except Saturday.

Brief Profile of Mr. A. K. Modi –

Mr. Modi is masters in economic. He has specialized in Advanced Corporate Finance, Mergers and acquisitions

**Notice to the Shareholders — contd.**

Options and Futures and Fixed Income Instruments and Derivatives. From 1991-94 he was also key member of the Foreign Investment Policy formulation group set up by the Reserve Bank of India. Mr. Modi has experience in finance for over two decades.

**Item 6**

Members at the annual general meeting held on September 11, 2013, re-appointed Mr. A. R. Broacha, a director liable to retire by rotation. He is due to retire by rotation at the next annual general meeting. Mr. Broacha is an independent director in compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange.

As stated under Item 5, pursuant to the provisions of Section 149 of the said Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. In accordance with Section 152 of the said Act, independent directors are to be appointed at annual general meeting.

The Nomination and Remuneration Committee has recommended the confirmation of Mr. Broacha as an Independent Director from September 24, 2014 up to September 23, 2019.

Mr. Broacha has given a declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the said Act. In the opinion of the Board of Directors, he fulfils the conditions specified in the said Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the said Act, the confirmation of Mr. Broacha as an Independent Director is now being placed before the Members for their approval as set out in Item 6 of the notice.

The terms and conditions of confirmation of Mr. Braocha as an Independent Director, shall be open for inspection by members at the Registered Office of the Company during normal business hours on any working day except Saturday.

Brief Profile of Mr. A. R. Broacha –

Mr. Broacha is a senior solicitor and advocate. He has vast and rich experience in corporate practice.

**Item 7**

At the Annual General Meeting of the Company held on August 12, 2009, the Members had approved of the payment of commission to non-executive Directors of the Company not exceeding three per cent per annum of the net profits of the Company for a period of five years commencing from April 1, 2009. It is proposed to continue with the payment of Commission to non-executive Directors of the Company in accordance with the said Act. As a listed company, under the said Act, the Company would be required to appoint key managerial personnel. Accordingly the limit of payment of commission would be in accordance with the said Act. Accordingly, it is proposed that in terms of Sections 149(9), 197 and 198 of the said Act, the non-executive Directors (including independent directors) be paid, for each of the five consecutive financial years commencing April 1, 2014, profit related commission in accordance with the limits set out in the said Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the existing Directors of the Company are concerned or interested in the Resolution at Item No. 7 of the Notice to the extent of the remuneration that may be received by each of them.

The Board of Directors recommends the Resolution at Item No.7 for approval by the Members.

By Order of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

*Registered Office:*

125, Maker Chambers III,  
Nariman Point, Mumbai 400 021.

Mumbai, May 28, 2014.



Notice to the Shareholders — contd.

ANNEXURE

Details of Directors seeking appointment/re-appointment at the annual general meeting

Sr. No.	Particulars	Mr. Vikram Swarup	Mr. A. K. Modi	Mr. A. R. Broacha
1.	Date of Birth	16 <sup>th</sup> September, 1948	21 <sup>st</sup> March 1966	18 <sup>th</sup> February 1934
2.	Date of Appointment	25 <sup>th</sup> March, 1997	11 <sup>th</sup> September 2013	5 <sup>th</sup> March 1971
3.	Qualifications	Business Executive	Master in Finance (London) Master in Economics (Delhi)	Advocate and Solicitor
4.	Expertise in specific functional areas	Specialised in Engineering field	Specialised in corporate finance	Vast experience in the corporate legal field.
5.	Directorships held in other companies (excluding foreign companies)	<ol style="list-style-type: none"> <li>1. Birla Corp. Ltd.</li> <li>2. Melvin Powell Vanaspati &amp; Engg. Industries Ltd.</li> <li>3. Okhla Chemicals Ltd.</li> <li>4. Paharpur Cooling Towers Ltd. (Managing Director)</li> <li>5. Paharpur Industries Ltd.</li> <li>6. Paharpur Pragnya Realty Pvt. Ltd.</li> <li>7. Paharpur Pragnya Tech Park Pvt. Ltd.</li> <li>8. Red Ceramics Ltd.</li> <li>9. Doypack Systems Pvt. Ltd.</li> <li>10. Garima Pvt. Ltd.</li> <li>11. Selecto Pac Pvt Ltd.</li> <li>12. TyssenKrupp Industries India Pvt. Ltd.</li> <li>13. Paharpur Mauritius Ltd. (Mauritius)</li> <li>14. Paharpur Inc. USA</li> </ol>	<ol style="list-style-type: none"> <li>1. Tarang Advisory Pvt. Ltd.</li> <li>2. Shri Nirmal Commercial Ltd.</li> <li>3. Infrastructure Logistic System Ltd.</li> <li>4. International Asset Reconstruction Co. Pvt. Ltd.</li> <li>5. Red Ceramics Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. KSB Pumps Limited</li> <li>2. New Holding And Trading Company Limited</li> </ol>
6.	Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Chairman in 5 Committees Member of 2 committees	None	Member of 2 committees
7.	Number of Shares held in the Company	9116	Nil	2150

**Board's Report**

Your Directors beg to submit their report and audited Balance Sheet and Statement of Profit and Loss Account of the Company for the year ended 31st March 2014.

**1. ACCOUNTS:**

	<b>2013-2014</b>	<b>Rs. in Lacs</b> <u>2012-2013</u>
Income .....	<b>266.20</b>	845.00
Expenditure:		
(a) Expenses	<b>50.31</b>	60.22
(b) Provision for Diminution in Long Term Investments	<b>17.17</b>	—
(c) Exceptional Expenses	<b>—</b>	5.96
Profit before Taxation	<b>198.72</b>	<u>778.82</u>
<b>Provision for Taxation:</b>		
Current Tax		
— For the year	<b>5.10</b>	4.95
— Minimum alternate Tax credit	<b>(5.10)</b>	(4.95)
— Relating to earlier years	<b>—</b>	(0.95)
	<b>—</b>	<u>(0.95)</u>
Net Profit after taxation	<b>198.72</b>	779.77
Add: Balance brought forward from Balance Sheet	<b>1,215.27</b>	1,043.86
Profit for Appropriation	<b>1,413.99</b>	<u>1,823.63</u>
<b>Appropriation:</b>		
Dividend	<b>319.98</b>	319.98
Tax on Dividend	<b>54.38</b>	54.38
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	<b>40.00</b>	156.00
General Reserve	<b>20.00</b>	78.00
Balance Carried to Balance Sheet	<b>979.63</b>	1,215.27
	<b>1,413.99</b>	<u>1,823.63</u>

**2. DIVIDEND:**

Your Directors recommend a dividend of Rs. 55 per share (previous year Rs. 55 per share.)

**3. CONSOLIDATED ACCOUNTS:**

As per the requirement of SEBI, Consolidated Accounts in accordance with the Accounting Standard AS-21 have been annexed to this annual report.

**4. SUBSIDIARY'S ACCOUNTS**

Annual accounts for the year ended 31<sup>st</sup> March, 2014, of New Holding and Trading Company Limited (the Company's wholly owned subsidiary) showing profit before tax of Rs.9 Lacs (previous year Rs.29 Lacs.) is attached.

**5. DIRECTORS**

Mr. V Swarup retires by rotation and being eligible, offers himself for reappointment.

Under Section 262 of the Companies Act, 1956 and Article 115 of the Articles of Association of the

**Board's Report — contd.**

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Company, Mr. A. K. Modi, was appointed on 11<sup>th</sup> September, 2013, as an Independent Director to fill a casual vacancy caused by the demise of Mr. V. C. Vaidya, one of the independent directors. In accordance with Section 262 of the Companies Act, 1956 corresponding to Section 161 of the Companies Act, 2013, Mr. Modi, holds office only till the date up to which Mr. V. C. Vaidya in whose place he was appointed would have held office, namely till the date of this Annual General Meeting.

Mr. Modi is an independent director in compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange. He also fulfills criteria of Independent Director in accordance with section 149 of the Companies Act, 2013. Pursuant to provisions of sections 149 and 152 of the Companies Act, he is to be appointed as an independent director at the annual general meeting initially for a period of five years.

Members at the annual general meeting held on 11<sup>th</sup> September, 2009, re-appointed Mr. A. R. Broacha, a director liable to retire by rotation. He is due to retire by rotation at the next annual general meeting. Mr. Broacha is an independent director in compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange. He also fulfills criteria of Independent Director in accordance with section 149 of the Companies Act, 2013. Pursuant to provisions of sections 149 and 152 of the Companies Act, he is to be confirmed as an independent director at the annual general meeting initially for a period of five years.

**6. CORPORATE GOVERNANCE REPORT**

A Report on Corporate Governance together with a Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is annexed to this Report.

**7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report, forming part of this report, as required under Clause 49(IV)(F) of the Listing Agreement with the Stock Exchanges, is attached.

**8. FIXED DEPOSITS**

During the year under review, the Company has not accepted any deposits from the public.

**9. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year, in accordance with section 205C of the Companies Act, 1956, an amount of Rs. 1,27,824/- being unclaimed dividends up to the accounting year ended 31<sup>st</sup> March, 2007, was transferred to the Investor Education & Protection Fund established by the Central Government.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2014 and of the profit for the year under review.
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the annual accounts have been prepared on a 'going concern' basis.

**11. AUDITORS**

In accordance with Section 139 of the said Act read with rules made thereunder, the Company being a listed company, is required to appoint at the annual general meeting the existing retiring statutory auditors (individual) for a period of three years. The appointment is to be ratified by members at every annual general meeting thereafter. Messrs. V S Somani & Co., Chartered Accountants, the existing statutory auditors (being a sole proprietary firm) retires at the ensuing annual general meeting and is required to be appointed for a period of three years so as to hold office up to the conclusion of the third Annual General Meeting to be held after this meeting. In accordance with provisions of Section 139 of the said Act, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the said Act from Messrs. V S Somani & Co., Chartered Accountants. Members are

requested to approve the appointment of the existing statutory auditors Messrs. V S Somani & Co., Chartered Accountants and fix their remuneration.

**12. PARTICULARS OF EMPLOYEES**

The Company has no employees covered under section 217 (2A) of the Companies Act, 1956.

**13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

Your Company is not engaged in any manufacturing activities, and therefore, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy or technology absorption.

**14. COMPLIANCE CERTIFICATE**

A copy of Compliance Certificate under section 383A of the Companies Act, 1956, for the year ended 31<sup>st</sup> March, 2014, received from Mr. Mayur Mehta, Practising Company Certificate, is annexed and form part of this report.

For and on behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

Mumbai, May 28, 2014.

## Management Discussion and Analysis

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### GLOBAL ECONOMY

The Financial Year 2013-14 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. The Global economy continues to be saddled with challenges. The economic problems faced by the developed countries impacted the developing economies leading to rise in inflation and lower growth.

Major global economies witnessed slower growth and Eurozone was full of uncertainty. Several European economies experienced recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth.

### INDIAN ECONOMY

After achieving record growth of 9% during the period 2005-06 to 2007-08, the Indian economy for years 2012-13 and 2013-14 has recoded growth rate lower than 5%. As stated above prevailing uncertainty in global outlook, caused by the crisis in Euro area and slowdown in the global economy have affected growth of Indian economy. Domestic structural constraints, lack of reforms, inflation mainly on account of food prices protracted slowdown. Moderation in GDP growth, inflation above comfort level and fiscal deficit as well as widening Current Account Deficit (CAD) continues to plague Indian economy. The equity market has been affected by sluggishness in the economy.

### FINANCIAL PERFORMANCE

The activities of the Company comprises of investment in equity shares quoted as well as unquoted, units of mutual funds. The Board of Directors is apprised of the investments of the Company and it monitors the deployment of resources on regular basis.

The profit before tax in the current year under review is much lower compared to the previous year. This is mainly on account of lower dividend received in the current year from KSB Pumps Limited, the Company's main investment, of Rs.72 lacs approximately compared to Rs.607 lacs approximately in the previous year. KSB Pumps Limited declared an additional dividend in March'13 to avoid a possible increase in Dividend Distribution Tax.

Dividends for Mutual Funds are also lower in view of the problems faced by the Debt Market in mid 2013.

### OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company is exposed to risks that are particular to its business and the environment, within which it operates. The volatility in equity markets is a concern. Since the elections, the establishment of a stable government, the equity markets have looked up. Foreign investors have put in Rs. 95588 crores approximately (Equity and Debt) in 2014. This is a substantial support and is a cause for worry, unless the investment is for longer periods.

### DISCLAIMER

The information and opinion expressed in this section of the Annual Report may contain certain statements, which the Management believes are true to the best of its knowledge at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

For and on behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

Mumbai, May 28, 2014.

**A. MANDATORY REQUIREMENTS**

**1. A Brief Statement on Company's Philosophy on Code of Governance**

The Company aims to achieve good corporate governance practice and to ensure compliance with the relevant laws and regulations. The Company is conducting its business efficiently, professionally and in the manner which is fair and transparent. It always strives to meet its obligations to all stakeholders in a balanced and accountable manner.

**2. Board of Directors**

(i) Composition

The Board of Directors comprises of five directors.

(ii) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):

<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at the last AGM on 11.09.2013</b>
Mr. A V Setalvad	Chairman NED	6	Yes
Mr. A R Broacha	NED I	6	Yes
Mr. G Swarup	NED	2	—
Mr. V Swarup	NED	—	—
Mr. A K Modi With effect from 11.09.2013 to fill casual vacancy caused by death of Mr. V C Vaidya	NED I	2	—
Mr. V C Vaidya Up to 26.05.2013	NED I	—	—

NED — Non-Executive Director

NED I — Non-Executive Director – Independent

Note: The Company's audited accounts for the year ended 31.03.2013 were approved and adopted by the members at the annual general meeting held on 11.09.2013.. The clause 49 of the Listing Agreement has become applicable to the Company from the date the accounts were adopted by the members at the annual general meeting. The Company has disclosed to the Stock Exchange in the "Quarterly Compliance Report on Corporate Governance" on compliance in regard to composition of Board of Directors.

## Report on Corporate Governance

- (iii) Number of other Companies or Committees the Director of the Company is a Director/Member/Chairman:

Name of the Director	No. of Directorships in other Boards @	No. of Memberships in other Board Committees #	No. of Chairmanships in other Board Committees #
Mr. A V Setalvad	2	None	None
Mr. A R Broacha	2	1	None
Mr. G Swarup	18	6	2
Mr. V Swarup	15	2	5
Mr. A K Modi	5	None	None

@ Directorships in Foreign Companies and Private Limited Companies are included in the above table.

# Memberships in Committees other than Audit Committee/ Shareholder Grievance Committee/ Remuneration Committee/ Management Committee/Share Transfer Committee of public limited companies and all Committees of private limited/foreign companies are excluded in the above table.

- (iv) Details of Board Meetings held during the year under review:

Sr. No.	Date
1.	24.05.2013
2.	26.07.2013
3.	05.08.2013
4.	11.09.2013
5.	12.11.2013
6.	11.02.2014

The Company is managed by the Board of Directors and committee of directors. The size and operations of the Company do not warrant appointment of Key Managerial Personnel.

### 3. Audit Committee

The Audit Committee was constituted on 12<sup>th</sup> November, 2013

- (i) Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the applicable Companies Act.

Report on Corporate Governance

(ii) Composition, Name of Members and Chairperson

Name of the Member	No. of Meetings attended
Mr. A R Broacha	1
Mr. A K Modi	1
Mr. A V Setalvad	1

(iii) During the year under review one meeting of Audit Committee was held on 11.02.2014.

4. Nomination and Remuneration Committee

(i) Terms of Reference

The Committee has a power to perform the role and functions laid down in the clause 49 of the Listing Agreement.

(ii) Composition, name of members and Chairperson

Members of the Committee are:

- (a) Mr. G Swarup, Chairman
- (b) Mr. A R Broacha
- (c) Mr. A K Modi

(iii) Attendance during the year

The above committee was constituted on 12.11.2013 and no meeting was held during the financial year ended 31.03.2014.

(iv) Remuneration policy

The Board of Directors decide the remuneration of non-executive directors which consists of a sitting fee as well as commission based on the net profits of the Company. As approved by the members, commission amount is limited up to 3% of the net profits of the Company.

(v) Details of remuneration to all the directors

All the Directors are non-executive. The Directors are paid sitting fees as well as commission based on the net profits of the Company within the limit approved by the members.

Payments made/payable for the period from 01.04.2013 to 31.03.2014 is as under:

Rs.'000s

Name of the Directors	Sitting Fees	Commission
Mr. A V Setalvad	32	120
Mr. A R Broacha	32	120
Mr. G Swarup	4	120
Mr. V Swarup	—	120
Mr. Anish Modi	4	120



## Report on Corporate Governance

### 5. Shareholders' Committee

(i) Composition:

Members of the Committee are:

(a) Mr. A R Broacha, Chairman (NED-I)

(b) Mr. A V Setalvad

The above committee was constituted on 12.11.2013. No meeting was held during the financial year ended 31.03.2014.

(ii) Compliance Officer:

Mr. S V Narkar is a compliance officer.

(iii) Complaints

Six complaints were received during the year under review. All the complaints have been resolved to the satisfaction of the shareholders. There were no pending transfers as on 31.03.2014.

### 6. Subsidiary Company

The Company has one subsidiary New Holding and Trading Company Limited. All the directors of the subsidiary company are also the directors of the Company.

### 7. General Body meetings

(i) Location and time where last three Annual General Meetings were held:-

Financial Year	Date	Time	Venue
31.03.2011	25.08.2011	3.00 pm	Bajaj Bhavan, Nariman Point, Mumbai
31.03.2012	02.08.2012	3.00 pm	Indian Merchants Chamber, Churchgate Mumbai
31.03.2013	11.09.2013	3.00 pm	Bajaj Bhavan, Nariman Point, Mumbai

(ii) Special Resolution passed in the previous three Annual General

Meetings:

Financial Year	Special Resolution Passed
31.03.2011	None
31.03.2012	None
31.03.2013	None

(iii) Postal Ballot:

No resolution was required to be passed by means of a postal ballot during the last year.

### 8. Disclosures

(i) The particulars of transactions between the Company and its related parties in accordance with the Accounting Standard 18 are set out in Note no 17 to the Accounts. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.

**Report on Corporate Governance**

- (ii) There were no material pecuniary relationships or transactions of the directors other than payment of sitting fees, commission and investments, if any, in shares/securities of the Company.
- (iii) There were no material pecuniary transactions of the Company with its promoters, directors or their relatives other than investments, if any, in shares/securities of the Company that may have potential conflict with the interest of the Company at large.
- (iv) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last three years ending 31.03.2014.
- (v) The Corporate Governance Code became applicable to the Company from 11.09.2013 and the Company has taken necessary steps to comply to the extent possible with the mandatory requirements mentioned in Annexure IC of clause 49 of the Listing Agreement in respect of the Corporate Governance Code. The Board of Directors have initiated the process of compliance with recent changes in law.
- (vi) With regard to compliance with the non-mandatory requirements the same have been disclosed separately.
- (vii) The financial statements of the Company are prepared in accordance with the relevant Accounting Standards.
- (viii) The principal business of the company is dealing in investments and securities which are subject to market risks. The Board of Directors/Committee of Directors take policy decision on deployment of funds of the Company in securities market based on investment climate and economic conditions in the country and movement in the stock markets. The investment portfolio is periodically reviewed by the Board of Directors/Committee of Directors and cautious approach is a key note of the policy to mitigate the risks.

**9. Means of Communication**

(i) Quarterly Results	Published in the newspapers every quarter
(ii) Newspapers wherein results normally published	(i) Free Press Journal (ii) Navshakti (Marathi)
(iii) Website, where results are displayed	www.industrialprudential.com
(iv) Whether website also displays official news releases	Yes
(v) The presentations made to Institutional Investors or to the Analysts	No presentation has been made to Institutional Investors or to the Analysts

**10. General Shareholder Information**

AGM: Date, Time and Venue	On Wednesday, 24 <sup>th</sup> September, 2014, at 3.00 pm at Bajaj Bhavan, Ground floor, (Kamalnayan Bajaj Hall) 220 Nariman Point, Mumbai
Financial Year	The financial year under review covers the period 1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2014.
Date of Book Closure	From Wednesday, 17 <sup>th</sup> September, 2014 to Wednesday, 24 <sup>th</sup> September, 2014 (both days inclusive)
Dividend Payment date	1 <sup>st</sup> October, 2014 onwards
Listing on Stock Exchanges	1. BSE Limited (BSE) 2. The Company has paid the listing fees for the period 1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014

**Report on Corporate Governance**

Stock Code and ISIN	1. BSE : 501298 2. ISIN : INE 620D01011
Market Price Data: High, Low during each month in last Financial year	Please see Annexure 'A'
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	The performance of the Company's share relative to the BSE sensitive index is given in Annexure 'B'
Registrar and Transfer Agent	Link Intime India Pvt. Ltd.
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent and approved by committee of directors at regular intervals.
Distribution of Shareholding and Share holding pattern as on 31.03.2014	Please see Annexure 'C'
Dematerialisation of shares and liquidity	5,19,499 shares were dematerialised as on 31.03.2014, representing 89.29% of the total share capital.
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	Not issued
Plant Locations	The Company's main business is dealing in investments and securities
Address for correspondence	Shareholders should address correspondence to: Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078 Phone 022-25946970 E-mail: rnt.helpdesk@linkintime.co.in

**B. NON-MANDATORY REQUIREMENTS**

**a. Board**

A non-executive Chairman has been provided with the office at the company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.

**b. Tenure of Independent Director**

Under review

**c. Nomination and Remuneration Committee**

Already constituted

**d. Shareholders' Rights regarding half yearly results**

Under review

**e. Audit Qualifications**

The financial statements of the Company are unqualified.

**f. Training of Board Members, and**

**g. Mechanism for evaluation non-executive Board Members**

The members of the Board are professionals having extensive experience in their fields and contribute

**Report on Corporate Governance**

substantially towards decision making process. Therefore, these non-mandatory requirements are not considered necessary.

**h. Whistle Blower Policy**

The Board of Directors do not feel the need to have this policy.

**DISCLOSURE UNDER CLAUSE 32 AND DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

**A. DISCLOSURE UNDER CLAUSE 32**

Sr. No.	Disclosure of loans/advances/investments/outstanding during the year	As at 31st March, 2014 Rupees	Maximum amount during the year Rupees
1.	Loans and advances in the nature of loans to subsidiary	NIL	NIL
2.	Loans and advances in the nature of loans to associate	NIL	NIL
3.	Loans and advances in the nature of loans where there is (a) No repayment schedule or repayment beyond seven years (b) No interest or interest below section 372A of the Companies Act, 1956 by name and amount	NIL	NIL
4.	Loans and advances in the nature of loans to firms/ companies in which directors are interested	NIL	NIL

B. In accordance with Clause 49 sub clause – ID of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the directors of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

Mumbai, May 28, 2014.

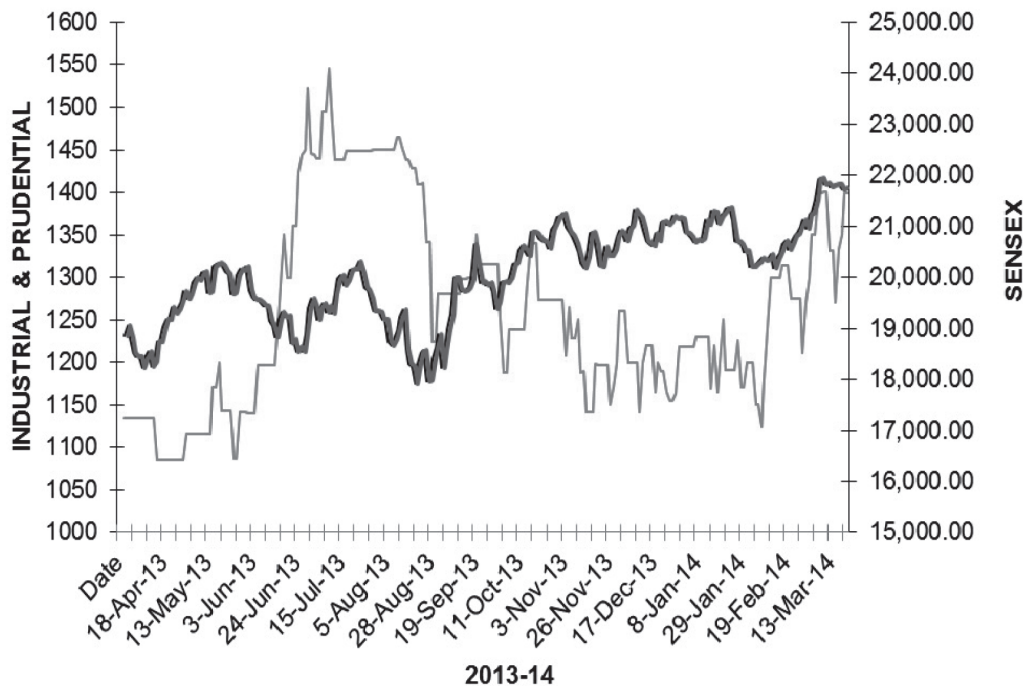
Report on Corporate Governance

ANNEXURE A

Price and volume of shares traded

Month/Year	BSE Ltd.		
	High (Rs.)	Low (Rs.)	Volume traded
<b>2013</b>			
April	1140	1081	55
May	1200	1086	354
June	1522	1087	57
July	1546	1370	69
August	1465	1224	107
September	1350	1280	522
October	1340	1130	141
November	1275	1113	194
December	1260	1142	250
<b>2014</b>			
January	1250	1165	180
February	1315	1125	98
March	1576	1210	1933

ANNEXURE B



Report on Corporate Governance

ANNEXURE C

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

Number of shares held	Members		Shares	
	Number	%	Number	%
1-500	1484	94.77	79521	13.68
501-1000	39	2.49	28019	4.82
1001-2000	20	1.28	27909	4.79
2001-3000	7	0.45	16536	2.84
3001-4000	6	0.38	21246	3.65
4001-5000	4	0.25	17746	3.05
5001-10000	3	0.19	26386	4.53
10001 and above	3	0.19	364417	62.64
<b>TOTAL</b>	<b>1566</b>	<b>100.00</b>	<b>581780</b>	<b>100.00</b>

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

Category	No. of Members	No. of Shares held	% to the Capital
Indian Promoters	8	383355	65.89
Foreign Promoters			
Mutual Funds & UTI			
Banks, Financial Institutions and Insurance Companies	1	400	0.07
Foreign Institutional Investors			
Private Corporate Bodies	43	8638	1.48
Indian Public/ Trust	1484	187213	32.19
Foreign Nationals/ NRIs	30	2174	0.37
<b>TOTAL</b>	<b>1566</b>	<b>581780</b>	<b>100.00</b>

**Corporate Governance Compliance Certificate**

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**Registration No.** : L65990MH1913PLC000374

**Nominal Capital** : Rs. 1,00,00,000

**Paid-up Capital** : Rs. 58,17,800

To:

The Members,

**M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED.**

I have examined all relevant records of The Industrial and Prudential Investment Company Limited (the Company) for the purpose of certifying compliance of the Conditions of Corporate Governance Clause 49 of the Listing Agreement with Bombay Stock Exchange for the financial year ended 31<sup>st</sup> March, 2014. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my examination of the records produced, explanations and information furnished I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement, *except with regard to non-appointment of one additional independent director as at 31<sup>st</sup> March, 2014, as required under clause 49 of the Listing Agreement.*

Based on the representation received from the Company and certified by the Registrar and Transfer Agent, no investor grievance is pending for a period exceeding one month as on 31<sup>st</sup> March, 2014, against the Company.

Signature

**MAYUR MEHTA**

*Company Secretary*

C.P.No. 9952

Membership No. A3132

Place : Mumbai

Date : May 28, 2014.

**Secretarial Compliance Certificate**

**Registration No of the Company** : L65990MH1913PLC000374  
**Nominal Capital** : Rs. 1,00,00,000  
**Paid-up Capital** : Rs. 58,17,800

To:

The Members,

**M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

I have examined the registers, records, books and papers of The Industrial & Prudential Investment Company Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authority within the time prescribed under the Act and the rules made thereunder.
3. The Company is a public limited company and its shares are listed on the Bombay Stock Exchange.
4. The Board of Director duly met 6 times on 24.05.2013, 26.07.2013, 05.08.2013, 11.09.2013, 12.11.2013 and 11.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year ended 31<sup>st</sup> March, 2014, Monday, September 2, 2013 to Wednesday, September 11, 2013 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2013 was held on September 11, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under review.
8. The Company has not advanced loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:
  - (i) Delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) Declared dividend of Rs. 55 per equity share of Rs 10 each for the financial year ended 31<sup>st</sup> March, 2013 at the annual general meeting held September 11, 2013 and deposited the amount of dividend declared in a separate bank account with Deutsche Bank, Mumbai Branch on September 13, 2013 which is within five days from the declaration of such dividend.
  - (iii) Posted warrants for dividend to all the members within a period of 30 (thirty) from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Deutsche Bank on October 12, 2013.
  - (iv) Transferred the amounts in unpaid dividend account for the year ended 31<sup>st</sup> March, 2007 which have



**Secretarial Compliance Certificate**

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remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

(v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. During the year Mr. V.C. Vaidya passed away on 26th May, 2013 and Mr. Anish Mody was appointed on 11th September, 2013 to fill the casual vacancy caused by the death of Mr. V.C. Vaidya. Save as mentioned before there was no appointment of directors, additional directors and alternate directors.
15. The Company has not appointed any Managing Director or whole time director or manager during the financial year under review.
16. The Company has not appointed sole-selling agents during the financial year.
17. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or debenture or other securities during the financial year under review.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of any preference/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The Company has not borrowed money during the financial year under review.
25. The Company's principal business is the acquisition of shares, stock, debentures and/or other securities and therefore section 372A of the Act does not apply.
26. The Company has not altered provisions of memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The Company has not altered provisions of memorandum with respect to the objects of the company during the financial year under review.
28. The Company has not altered provisions of memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered provisions of memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association.
31. There was no prosecution initiated against or Show Cause Notice received by the company, and no fines or penalties or any other punishment imposed on the company for offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification.
33. The Company is not required to make any contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Note: The Qualification, reservation or adverse remarks, if any, may be stated at the relevant place(s).

Signature

**MAYUR MEHTA**

*Company Secretary*

C.P.No. 9952

Membership No. A3132

Place : Mumbai

Date : May 28, 2014.

**Secretarial Compliance Certificate**

**ANNEXURE 'A'**

Statutory Registers maintained by Industrial & Prudential Investment Company Limited

Sr No.	Particulars of Registers	Section
1	Register of Investments as applicable to Investment Company	49
2	Register of Members	150
3	Minutes Book of the Board of Directors and its Committees	193
4	Books of Accounts	209
5	Register of Particulars of contracts in which directors are interested	301
6	Register of Directors, Managing Director, Manger and Secretary	303
7	Register of Directors' Shareholdings	307
8	Fixed Assets Register	
9	Register of Transfer	

**ANNEXURE 'B'**

Forms and Returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31<sup>st</sup> March, 2014.

Sr.	Form No./ Return	Filed under Section	Particular	Date of filing	Whether filing within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No. 20B	159	Annual return for the year ended 31.03.2013	SRN Q18542092 28.10.2013	Yes	No delay
2.	Form No.23AC/ 23ACA	220	Balance Sheet and Profit and Loss Account for the year ended on 31.03.2013	SRN Q12128427 01.10.2013	Yes	No delay
3.	Form No. 66	383A	Secretarial Compliance Certificate	SRN Q11973963 01.10.2013	Yes	No delay
4.	Form No. 1	205C	Unclaimed dividend for 7 years for 31.03.2006	SRN B85963031 04.10.2013	Yes	No delay
5.	Form No. 5 INV	Rule 3 of the IEPF rules 2012	After AGM Newly introduced rule	SRN s27147420 06.11.2013	Yes	No delay
6.	Form 32	303(2)	Cessation of office of Director on account of death	SRN B77867695 25.06.2013	Yes	No delay
7.	Form 32	(303(2)	Appointment of a director to fill casual vacancy caused by death of a Director	SRN B85752368 01.10.2013	Yes	No delay

## Independent Auditors' Report

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### TO THE MEMBERS OF THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** (‘the Company’), which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### AUDITOR’S RESPONSIBILITY

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

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

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

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March 2014;
- ii. in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2003(“the Order”),as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

**Independent Auditors' Report**

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2. As required by section 227 (3) of the Act, we report that:
- a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 as sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For V. S. SOMANI & CO.**  
*Chartered Accountants*  
Firm Registration No.: 117589W

**CA. V. S. SOMANI**  
*Proprietor*  
Membership No.: 102664

Mumbai, May 28, 2014.

## Annexure to the Auditors' Report

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The Annexure referred to in our report to the members of THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED ('the Company') for the year ended March 31, 2014. We report that:

**Matters specified in Clause (ii), (viii), (xvi) of paragraph 4 of the CARO 2003 do not apply to the Company**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year. No material discrepancies were noticed on such verification as compared with the book records.
- (c) The Company has not disposed off substantial part of fixed asset during the year.
- ii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b), (c), (d), (f) and (g) of clause 4(iii) of the Order are not applicable.
- iii. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- iv. There are no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained in pursuance of section 301. Accordingly, sub-clause (b) is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Company has an internal audit system commensurate with the size of the Company and nature of its Business.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed applicable statutory dues including Provident Fund, Investor Education and Protection Fund, Income -tax, Wealth Tax, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the records made available to us and the information and explanations given by the management, there are no dues of income tax, wealth tax, cess that have not been deposited on account of any dispute.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- ix. The Company has no dues payable to banks, financial institutions, or debenture holders. Accordingly, provision of clause 4(xi) is not applicable to the Company.
- x. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi. The Company is not a chit/ nidhi/mutual benefit fund/society.
- xii. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that in respect of Investments, wherein the Company is dealing in shares, securities and other investments, proper records have been maintained of those transactions and contracts and entries therein have generally been made on timely basis. The Company has held the investments in its own name except as permissible under section 49 of the Act.
- xiii. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xiv. During the year the Company has not raised any funds on short term basis.

**Annexure to the Auditors' Report**

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- xv. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xvi. During the year the Company has not issued any debentures.
- xvii. The Company has not raised any money by public issue during the year.
- xviii. According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

**For V. S. SOMANI & CO.**

*Chartered Accountants*

Firm Registration No.: 117589W

**CA. V. S. SOMANI**

*Proprietor*

Membership No.: 102664

Mumbai, May 28, 2014.

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## Balance Sheet as at 31st March, 2014

		Rs. in Thousand	
	NOTES	As at 31-03-2014	As at 31-03-2013
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	259,028	276,592
(c) Money received against Share Warrants		—	—
<b>Sub-Total — Shareholders Funds</b>		<u>264,849</u>	<u>282,413</u>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON - CURRENT LIABILITIES			
(a) Long - term borrowings		—	—
(b) Deferred tax Liabilities		—	—
(c) Other Long Term Liabilities		—	—
(d) Long - term Provisions		—	—
<b>Sub-Total — Non Current Liabilities</b>		<u>—</u>	<u>—</u>
(4) CURRENT LIABILITIES			
(a) Short - term borrowings		—	—
(b) Trade Payables		3,078	1,136
(c) Other Current Liabilities	4	3,376	2,641
(d) Short - term Provisions	5	38,343	37,931
<b>Sub-Total — Current Liabilities</b>		<u>44,797</u>	<u>41,708</u>
<b>TOTAL-I</b>		<u><u>309,646</u></u>	<u><u>324,121</u></u>
<b>II ASSETS</b>			
(1) NON - CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	6	93	82
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	264,430	245,134
(c) Deferred Tax assets		—	—
(d) Long Term Loans and Advances		—	—
(e) Other non-current assets		15	15
<b>Sub-Total — Non Current Assets</b>		<u>264,538</u>	<u>245,231</u>
(2) CURRENT ASSETS			
(a) Current Investments	8	35,785	28,320
(b) Inventories		—	—
(c) Trade receivables		—	1
(d) Cash and Cash equivalents	9	7,855	43,316
(e) Short Term Loan and Advances	10	1,287	886
(f) Other Current assets	11	181	6,367
<b>Sub-Total — Current Assets</b>		<u>45,108</u>	<u>78,890</u>
<b>TOTAL-II</b>		<u><u>309,646</u></u>	<u><u>324,121</u></u>

See accompanying notes to the financial statements

As per our report attached

**For V. S. SOMANI & CO.**

*Chartered Accountants*

**CA. V. S. SOMANI**

*Proprietor*

Mumbai, May 28, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

*Chairman*

**A. R. BROACHA**

*Director*

Mumbai, May 28, 2014.

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

		Rs. in Thousand	
	NOTES	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>I Revenue from operations – Interest</b>		11	11
<b>II Other Income</b>	14	26,609	84,489
<b>III Total Revenue (I + II)</b>		26,620	84,500
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		907	752
Finance Cost		—	—
Depreciation and amortisation Expenses		21	18
Other Expenses	15	5,820	5,252
<b>TOTAL EXPENSES</b>		6,748	6,022
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		19,872	78,478
<b>VI Exceptional items (Refer Note No. 20)</b>		—	596
<b>VII Profit before extraordinary items and tax (V-VI)</b>		19,872	77,882
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII - VIII)</b>		19,872	77,882
<b>X Tax Expenses</b>			
(1) Current Tax		510	495
(2) Minimum Alternate Tax credit		(510)	(495)
(3) Short/(Excess) provision of earlier year		—	(95)
(4) Deferred Tax		—	—
		—	(95)
<b>XI Profit for the year from continuing operations</b>		19,872	77,977
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after Tax) (XII-XIII)</b>		—	—
<b>XV Profit/(Loss) for the year</b>		19,872	77,977
<b>XVI Earning per equity Share</b>			
(1) Basic		34.16	134.03
(2) Diluted		34.16	134.03

See accompanying notes to the financial statements

As per our report attached

For and on behalf of the Board of Directors

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**A. V. SETALVAD**      *Chairman*

**CA. V. S. SOMANI**  
*Proprietor*

**A. R. BROACHA**      *Director*

Mumbai, May 28, 2014.

Mumbai, May 28, 2014.



Cash Flow for the year ended 31st March, 2014

	As at 31.03.2014	As at 31.03.2013
<b>Rs. in Thousand</b>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax .....	19,872	77,882
<b>Adjusted for:</b>		
Depreciation .....	21	18
Investment income .....	(25,186)	(79,527)
Carrying amount of investments (net) .....	(243)	(2,865)
Provision for Diminution in Long Term Investment.....	1,717	(82,374)
<b>Operating Profit/(Loss) before Working Capital Changes ..</b>	<b>(3,819)</b>	<b>(4,492)</b>
<b>Changes in</b>		
Trade and Other Receivable .....	6,197	(5,613)
Trade and other Payables .....	1,990	—
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES .....</b>	<b>4,368</b>	<b>(10,105)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets .....	(32)	(16)
Purchase of Investments .....	(177,784)	(147,993)
Sale of Investments .....	150,728	148,780
Dividend Received .....	22,658	79,708
Distributable Income from Mutual Fund ... ..	1,350	1,602
Cash Generated from Investing Activities. ....	(3,080)	82,081
Direct Taxes Paid .....	—	—
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES .....</b>	<b>(3,080)</b>	<b>82,081</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend Paid .....	(31,311)	(31,640)
Tax on Dividend .....	(5,438)	(5,191)
<b>NET CASH USED IN FINANCIAL ACTIVITIES .....</b>	<b>(36,749)</b>	<b>(36,831)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C) .....</b>	<b>(35,461)</b>	<b>35,145</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE .....</b>	<b>43,316</b>	<b>8,171</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE .....</b>	<b>7,855</b>	<b>43,316</b>

- NOTES:**
1. All figures in brackets are outflows.
  2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs. 3,203/- (Previous year Rs. 2,516/-).
  3. Previous year figures have been regrouped wherever necessary.

As per our report attached

For and on behalf of the Board of Directors

**For V. S. SOMANI & CO.**  
Chartered Accountants

**A. V. SETALVAD** Chairman

**CA. V. S. SOMANI**  
Proprietor

**A. R. BROACHA** Director

Mumbai, May 28, 2014.

Mumbai, May 28, 2014.

Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

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**NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared on historical cost convention and on accrual basis. The financial statements have been prepared in accordance with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and referred to in Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13.09.2013 of Ministry of Corporate Affairs.)

**(b) Fixed Assets**

Fixed assets are stated at cost less depreciation. Cost comprises the cost of acquisition and and attributable costs of bringing asset to the condition for its intended use.

**(c) Depreciation**

Depreciation is provided on the written down value method prescribed in Schedule XIV of the Companies Act, 1956.

**(d) Investments**

- (i) Investments have been categorised as Long Term or Current by the Board of Directors.
- (ii) Long Term Investments are stated at cost plus brokerage and other relevant charges. A Provision for diminution is made to recognise a decline, other than temporary, if any.
- (iii) Current Investments are valued at lower of Cost or Market value.

**(e) Revenue Recognition**

Dividend Income from Investment is recognised when right to receive the payment is established. Insurance claim are being accounted on cash basis.

**(f) Retirement Benefits**

The Company does not have any Retirement Benefits specifically laid down.

**(g) Taxes on Income:**

- (i) Current Tax  
Provision for Income Tax is determined in accordance with the provisions the Income Tax Act,1961.
- (ii) Deferred Tax  
Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

**(h) Provisions and Contingent Liabilities:**

- (i) A provision is recognised when there is present obligation as a result of past event and it is obligation probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
- (ii) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

Rs. in Thousand

**NOTE – 2 — SHARE CAPITAL**

**Authorised:**

10,00,000 Equity Shares of Rs. 10 each

**Issued, Subscribed and Paid-up:**

5,81,780 Equity Shares of Rs. 10 each

Forefited Shares

As at 31-03-2014	As at 31-03-2013
<u>10,000</u>	<u>10,000</u>
<b>5,818</b>	5,818
<b>3</b>	3
<u><b>5,821</b></u>	<u>5,821</u>

(a) Reconciliation of the number of shares

Particulars	2013-14		2012-13	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	581,780	5,818	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	581,780	5,818	581,780	5,818

(b) Terms and Rights attached to equity shareholders

The Company has only One class of Equity Shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Share holders have all other right as available to Equity Shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum and Articles of Association of the Company, as applicable.

(c) Name of the Shareholder holding more than 5% Equity Shares, (As certified by the Management on which Auditors have relied.)

Name of the Shareholder	31/03/2014		31/03/2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	248,967	42.79	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Industries Limited	51,600	8.87	51,600	8.87
3. Paharpur Corporation Limited	63,850	10.97	63,850	10.97

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

	Rs. in Thousand	
	As at 31-03-2014	As at 31-03-2013
<b>NOTE – 3 — RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet .....	65	65
<b>General Reserve</b>		
Balance as per last Balance Sheet .....	62,400	54,600
Add: Transferred from surplus .....	2,000	7,800
	64,400	62,400
<b>Special Reserve</b>		
(In terms of Section 45-IC of Reserve Bank of India Act)		
Balance as per last Balance Sheet .....	92,600	77,000
Add: Transferred from surplus .....	4,000	15,600
	96,600	92,600
<b>Surplus</b>		
Balance as per last Balance Sheet .....	121,527	104,386
Add: Profit for the year as per Profit and Loss Statement .....	19,872	77,977
	141,399	182,363
Less: Appropriations:		
Transferred to:		
Special Reserve .....	4,000	15,600
General Reserve .....	2,000	7,800
Proposed Dividend .....	31,998	31,998
Tax on Dividend .....	5,438	5,438
	43,436	60,836
	97,963	121,527
<b>TOTAL</b> .....	259,028	276,592
<b>NOTE – 4 — OTHER CURRENT LIABILITIES</b>		
	As at 31-03-2014 Rupees	As at 31-03-2013 Rupees
Unclaimed Dividend .....	3,203	2,516
Tax Deducted at source .....	86	125
Service Tax .....	87	—
<b>TOTAL</b> .....	3,376	2,641
<b>NOTE – 5 — SHORT TERM PROVISIONS</b>		
Provision for Income Tax .....	907	495
Provision for Proposed Dividend .....	31,998	31,998
Tax on Proposed Dividend .....	5,438	5,438
<b>TOTAL</b> .....	38,343	37,931

Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

NOTE – 6 — TANGIBLE FIXED ASSETS

Rs. in Thousand

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2014	Upto 01.04.2013	For the year	Deductions/ Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1 Office Premises	152	—	—	152	122	2	—	124	28	30
2 Furnitures and Fixtures	380	—	—	380	370	1	—	371	9	10
3 Office Equipments	117	—	—	117	92	3	—	95	22	25
4 Others Computers	466	32	—	498	449	15	—	464	34	17
<b>TOTAL</b>	<b>1,115</b>	<b>32</b>	<b>—</b>	<b>1,147</b>	<b>1,033</b>	<b>21</b>	<b>—</b>	<b>1,054</b>	<b>93</b>	<b>82</b>
Previous year	1,099	16	—	1,115	1,015	18	—	1,033	82	84

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 250/-) being the cost of shares in Co-operative Society.

Rs. in Thousand

NOTE – 7 — NON CURRENT INVESTMENTS

Name of the Company	Face Value Rupees	Holding Nos.	As at 31-03-2014	As at 31-03-2013
<b>I. A. LONG TERM QUOTED — (NON TRADE) (AT COST)</b>				
<b>(a) Investment in Equity Instruments (Fully Paid)</b>				
3i Infotech Limited .....	10	45,000	2,065	2,065
ACC. Limited .....	10	7,000	438	438
Alstom T. & D. India Limited .....	2	50,000	788	788
Amara Raja Batteries Limited .....	1	105,000	1,004	1,004
Ashapura Minechem Limited .....	2	50,000	1,726	1,726
BASF India Limited .....	10	7,000	279	279
BEML Limited .....	10	8,500	1,877	1,877
Bharat Electronics Limited .....	10	3,000	1,196	1,196
Bharat Forge Limited .....	2	16,000	1,383	1,383
Bharti Airtel Limited .....	5	17,500	2,274	2,274
Bosch Limited .....	10	2,000	11	11
Century Textile and Industries Limited .....	10	1,000	426	426
Cairn India Limited .....	10	4,400	1,484	1,484
Dish TV India Limited .....	1	5,000	71	71
Dr. Reddy's Laboratories Limited .....	5	4,000	2,029	2,029
Gail (India) Limited .....	10	28,500	4,322	4,322
Hindustan Unilever Limited .....	1	73,000	191	191
IDBI Bank Limited .....	10	15,000	1,170	1,170
Infosys Technologies Limited .....	5	108,000	2,111	2,111
ITC Limited .....	1	18,000	1,127	1,127
KSB Pumps Limited .....	10	7,140,000	17,401	17,401
LIC Housing Finance Limited .....	2	7,500	1,463	1,463
Monsanto India Limited .....	10	1,600	673	673
N C C Ltd. ....	2	54,000	1,458	1,458
Nestle India Limited .....	10	14,000	178	178
NTPC Limited .....	10	21,000	1,684	1,684
Orient Abrasives Limited .....	1	65,000	622	862
(25,000 Shares Sold during the Year)				

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding Nos.	As at 31-03-2014	As at 31-03-2013
<b>Name of the Company</b>				
Orient Refractories Limited .....	1	90,000	401	401
Piramal Entertainment Ltd .....	2	20,500	1,557	1,557
Piramal Glass Ltd.....	10	12,356	1,128	1,128
Ranbaxy Laboratories Limited .....	5	5,000	892	892
Reliance Industries Limited .....	10	16,000	1,455	1,455
Satyam Computer Services Limited* .....	2	25,000	—	1,869
Schneider Electric Infrastructure Limited .....	2	50,000	237	237
Selan Exploration Technology Limited .....	10	11,000	805	805
Siemens Limited.....	2	25,000	195	195
State Bank of India .....	10	3,800	2,156	2,156
Tata Consultancy Services Limited .....	1	14,000	6,671	6,671
Tata Motors Limited .....	2	20,000	388	388
Tata Motors Limited (DVR) .....	2	39,250	3,395	3,395
Tata Steel Limited .....	10	10,800	2,764	2,764
Tech Mahindra Limited* .....	10	3,000	1943	—
* (Pursuance of Scheme of Amalgamation of Satyam with Tech Mahindra Limited, 2941 Shares of Tech Mahindra Limited has been allotted during the year in lieu of Shares of Satyam Computer Services Ltd.) (59 Shares acquired during the year)				
The Federal Bank Limited .....	2	15,000	1,041	1,041
The Great Eastern Shipping Company Limited .....	10	30,400	5,057	5,057
The Indian Hotels Company Limited.....	1	79,200	1,508	1,508
The Karur Vysya Bank Limited .....	10	38,000	3,591	3,591
The Tata Power Company Limited .....	1	260,000	780	780
Timken India Limited .....	10	7,000	1,433	1433
Titan Industries Limited .....	1	282,000	3,084	3,084
Vikas WSP Limited .....	1	30,000	2,231	2,231
Zee Entertainment Enterprises Limited .....	1	20,808	799	799
Sub-Total – (a) .....			92,962	93,128
<b>(b) Preference Shares (Fully Paid-up):</b>				
Zee Entertainment Enterprises Ltd. (6%) .....	1	436,968	—	—
(Received as Bonus Shares during the year)				
Sub-Total – (b) .....			—	—
<b>(c) Debenture (Non-convertible Secured):</b>				
Dr. Reddy's Laboratories Limited .....	5	24,000	—	—
(Date of redemption After 36 months from 24.03.2011, now Redeemed during the year)				
Sub-Total – (c) .....			—	—
Total – I-A (a + b + c) .....			92,962	93,128

Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding Nos.	As at 31-03-2014	As at 31-03-2013
<b>Name of the Company</b>				
<b>I. B. Unquoted Long Term</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
<b>(i) In Subsidiary (Trade)</b>				
New Holding and Trading Company Limited ...	100	5,025	3	3
[Sub Total (i)] .....			3	3
<b>(ii) Others (Non-Trade)</b>				
Bombay Stock Exchange Limited .....	1	13,500	3,078	3,078
Niyuprene Plastics Company Limited .....	10	1,000	—	—
Siltronics (India) Limited .....	10	30	—	—
[Sub Total (ii)] .....			3,078	3,078
Total a [(i) + (ii)] .....			3,081	3,081
<b>(b) Investments In Mutual Fund (Non-Trade)</b>				
Birla Sunlife Mutual Fund:				
1. Income Plus Growth .....	10	197,594	10,000	10,000
2. Income Plus-Quarterly Dividend Payout .....	10	482,614	—	6,000
3. Birla Short Term Opportunity Fund-Growth .....	10	289,577	5,876	—
4. Dynamic Board Fund-retail Quarterly Dividend Payout .....	10	1,209,085	—	14,000
HDFC Mutual Fund:				
1. High Interest Quarterly Dividend .....	10	262,281	—	3,000
2. Income Fund Growth .....	10	258,093	7,000	—
ICICI Prudential Mutual Fund				
1. Regular Saving Fund Qtrly Dividend .....	10	963,679	—	10,000
2. Income Plan Institutional Dividend .....	10	408,844	—	5,000
3. Income Plan Growth .....	10	410,033	14,731	10,000
4. Income Plan-Div. Payout .....	10	1,504,121	—	20,000
5. Regular Saving Plan-Growth .....	10	422,608	—	5,000
6. Income-Regular Plan Qtrly Dividend .....	10	670,260	8,912	—
7. Regular Saving Fund Growth .....	10	1,189,479	15,000	—
IL & FS Milestone Fund - II .....	1000	20,000	20,000	20,000
IDFC Super Saver-Income Plan-Growth .....	10	391,751	—	10,533
IDFC Super Saver-Income Plan-Investment Plan A-Growth .....	10	917,000	25,533	—
IDFC Super Saver-Fix Term Series-62-Reg.-Plan-Growth .....	10	700,000	7,000	—
JM Mutual Fund				
1. G-Sec Fund-Regular Plan Dividend .....	10	597,292	10,000	4,000
2. Short term fund-Daily Dividend .....	10	808,089	—	8,117
3. Money Manager Super Pl. Daily Dividend .....	10	761,235	7,623	—
Master Plus-1991 Unit Trust of India .....	10	40,000	775	775
Reliance Regular Saving Fund-Debt Plan Quarterly Dividend Payout .....	10	605,058	—	7,500
Reliance Regular Saving Fund-Debt Plan-Growth .....	10	790,414	12,654	5,000
UTI Short Term-Income Fund-Div. Payout .....	10	761,800	—	10,000
UTI Bond Fund-Growth .....	10	705,749	25,000	—
Sub Total b .....			170,104	148,925
[Total — B (a + b)] .....			173,185	152,006
<b>TOTAL — I (A + B) .....</b>			<b>266,147</b>	<b>245,134</b>
Less: Provision for Diminution in the value of Investments			1,717	—
<b>TOTAL — Net .....</b>			<b>264,430</b>	<b>245,134</b>
Aggregate Cost of Quoted Investments .....			92,962	93,128
Aggregate Cost of Unquoted Investments .....			173,185	152,006
Market Value of Quoted Investments .....			3,209,543	2,214,153
Provision for diminution in the value of Investments			1,717	—

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

Rs. in Thousand

NOTE – 8 — CURRENT INVESTMENTS, OTHER INVESTMENTS (LOWER OF COST OR MARKET VALUE)	Face Value Rupees	Holding Nos.	As at 31-03-2014	As at 31-03-2013
Name of the Company				
<b>A. Current Quoted</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
Akzo Nobel India Ltd. ....	10	3,838	—	3,468
Axis Bank Limited .....	10	1,950	—	2,519
Cairn India Ltd. ....	10	6,300	—	1,717
Dr. Reddy's Laboratories Ltd. ....	5	1,415	3,628	—
Eicher Motors Limited .....	10	620	791	1,992
Hathway Cable and Datacom Ltd .....	10	14,700	—	2,535
ICICI Bank Limited .....	10	3,225	4,005	—
IDFC Limited .....	10	10,855	—	1,559
Kewal Kiran Clothing Ltd. ....	10	3,350	3,869	—
Larsen & Toubro Ltd. ....	2	3,175	3,969	—
Lupin Limited .....	2	6,300	3,505	370
Mahindra and Mahindra Financial Services Limited	2	16,075	4,051	—
Tech Mahindra Limited .....	10	2,258	2,171	1,926
Titan Industries Limited .....	1	28,500	1,910	1,910
TV 18 Broadcast Limited .....	2	120,000	—	2,516
Ultra Tech Cement Limited .....	10	1,000	—	1,869
Unichem Laboratories Limited .....	2	8,750	—	1,520
Va Tech Wabag Limited .....	2	8,850	4,608	—
Sub Total — a .....			32,507	23,901
<b>(b) Mutual Fund</b>				
Benchmark Mutual Fund - Liquid Bees (PP) .....	1000	1,919	—	1,919
Sub Total — b .....			—	1,919
<b>TOTAL A (a + b) .....</b>			<b>32,507</b>	<b>25,820</b>
<b>B. Current Unquoted Mutual Fund</b>				
JM Money Manager Super Plus Plan Daily Divi. ...	10	77,744	778	—
Reliance Pharma Fund-Div. Plan-Div. Payout .....	10	62,468	2,500	2,500
<b>TOTAL B .....</b>			3,278	—
<b>TOTAL (A + B) .....</b>			<b>35,785</b>	<b>28,320</b>
Aggregate Cost of Quoted Investments .....			32,507	25,820
Aggregate Cost of Unquoted Investments .....			3,278	2,500
Market Value of Quoted Investments .....			56,553	40,458
Provision for diminution in the value of Investments .....			731	973



Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

	Rs. in Thousand	
	As at 31-03-2014	As at 31-03-2013
<b>NOTE – 9 — CASH AND CASH EQUIVALENTS</b>		
Balance with banks in Current Account .....	4,645	40,796
Cash in hand .....	7	4
Earmarked balance with Banks in Dividend Accounts .....	3,203	2,516
<b>TOTAL .....</b>	<b>7,855</b>	<b>43,316</b>
Of the above, the balance that meet definition of Cash and Cash equivalents as per AS3 Cash Flow Statements .....	4,652	40,800
<b>NOTE – 10 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Prepaid expenses .....	—	10
Advance Income Tax .....	380	380
MAT Credit Entitlement .....	907	495
<b>TOTAL .....</b>	<b>1,287</b>	<b>885</b>
<b>NOTE – 11 — OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
Proceeds receivable on sale of Units of a Mutual Fund .....	—	6,000
Dividend Receivable .....	181	367
<b>TOTAL .....</b>	<b>181</b>	<b>6,367</b>
<b>NOTE – 12 — CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Contingent liabilities not provided for: .....	—	—
Commitments:		
Purchase of Units of Mutual Fund .....	—	6,000
Other Commitments .....	—	—
<b>TOTAL .....</b>	<b>—</b>	<b>6,000</b>
<b>NOTE – 13</b>		
The Board of Directors for the current year recommend a Dividend of Rs. 55 per share (Previous year Rs. 55 per share).		
<b>NOTE – 14 — OTHER INCOME</b>		
Dividend on Investments:		
Long Term .....	22,097	79,162
Current .....	561	546
	<b>22,658</b>	<b>79,708</b>
Income from Mutual Funds (Net) .....	1,350	1,602
Profit on Sale of Long Term Investments (Net) .....	—	314
Profit on Sale of Current Investments (Net) .....	2,358	314
Adjustments to the carrying amount of Current Investments (net) .....	243	2,865
<b>TOTAL .....</b>	<b>26,609</b>	<b>84,489</b>

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

	Rs. in Thousand	
	As at 31-03-2014	As at 31-03-2013
<b>NOTE – 15 — OTHER EXPENSES</b>		
Legal and Professional Fees .....	1,162	1,026
Rates and Taxes .....	107	413
Directors' Sitting Fees .....	72	67
Loss on Sale of Current Investments (Net) .....	—	2,097
Loss on Sale of Long Term Investments (Net) .....	1,180	—
Auditors' Remuneration:		
Audit Fees .....	60	40
Certification etc. ....	53	29
Reimbursement of Expenses .....	22	13
	135	82
Repairs and Maintenance .....	197	152
Commission to Directors .....	600	1,000
Provision for Diminution in Long Term Investments .....	1,717	—
Miscellaneous Expenses .....	650	415
<b>TOTAL .....</b>	<b>5,820</b>	<b>5,252</b>

**NOTE – 16**

The investment activity is considered as a single segment in accordance with the Accounting Standard (AS-17) "Segment Reporting."

**NOTE – 17**

**Related Party Disclosures:**

**A. Name of the related party and nature of relationship where control exists:  
(As certified by the management)**

Name of the Party	Nature of Relationship
New Holding and Trading Company Limited	Subsidiary Company

Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

**B. Related Party Transactions:**

**Rs. in Thousand**

Nature of Transactions	Subsidiary Company	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which Key Management Personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant influence	TOTAL
Directors' Sitting Fees	— (—)	64 (57)	— (—)	8 (10)	— (—)	— (—)	— (—)	72 (67)
Commission	— (—)	240 (400)	— (—)	360 (600)	— (—)	— (—)	— (—)	600 (1,000)
Dividend paid	— (—)	118 (113)	247 (247)	66 (105)	729 (729)	— (—)	20,043 (20,043)	21,203 (21,237)
Dividend Received	— (—)	— (—)	— (—)	— (—)	— (—)	7,140 (60,690)	— (—)	7,140 (60,690)
Legal and Professional Fees	— (—)	100 (111)	— (—)	— (—)	— (—)	— (—)	— (—)	100 (111)
Amount outstanding at the end of the year - Payable	— (—)	340 (511)	— (—)	360 (600)	— (—)	— (—)	— (—)	700 (1,111)

- NOTES:
- There is no provision for doubtful debts as at the end of the year in respect of related parties.
  - There are no amounts written off or written back during the year in respect of debts due from or to related parties.
  - Previous Year figures are shown within Brackets.
  - The related parties included in the various categories above, where transactions have taken place are given below:

Subsidiary Company	New Holding And Trading Company Limited
Key Management Personnel	Mr. A. V. Setalvad Mr. A. R. Broacha
Relatives of Key Management Personnel.	Mrs. J. A. Setalvad
Individuals having significant influence over the enterprise.	Mr. Gaurav Swarup Mr. Vikram Swarup Mr. Anish K. Modi
Relatives of individual having significant influence over the enterprise.	Mrs. Bindu Swarup Mrs. Gyan Swarup Mrs. Parul Swarup
Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.	KSB Pumps Limited Paharpur Cooling Towers Limited Paharpur Corporation Limited Melvin Powell Vanaspati & Engineering Industries Limited

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

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**NOTE – 18**

**Earnings per Share**

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 5,81,780.
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**NOTE – 19**

Employee benefits expenses includes Rs. 9 thousand (Previous year Rs. 7 thousand) Incurred on staff welfare.

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**NOTE – 20**

During the previous year, the Company has settled a claim for fraudulent transfer of shares of the Company.

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**NOTE – 21**

The Company has recognised the MAT Credit during the year to the extent of virtual certainty of taxable income in accordance with the prevailing tax laws.

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**NOTE – 22**

Disclosures as per the revised Schedule VI has been given to the extent those are applicable to the Company.

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**NOTE – 23**

Previous year figures have been regrouped wherever necessary to conform current year classification.

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**Signatures to Note 1 to 23**

As per our report attached

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**CA. V. S. SOMANI**  
*Proprietor*

Mumbai, May 28, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 28, 2014.

**Annexure to the Directors' Report**

**Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company — New Holding And Trading Company Limited**

	<b>Rs. in Thousand</b>
1. The Financial Year of the Company ended on .....	<b>March 31, 2014</b>
2. Shares of the Subsidiary held by The Industrial & Prudential & Investment Company Limited	
Equity —	
Number .....	<b>5025 fully paid-up</b>
Extent Holding .....	<b>100%</b>
3. The net aggregate of profits/(losses) of the Subsidiary Company so far as it concerns the members of The Industrial & Prudential Investment Company Limited —	<b>(Rs. In Thousands)</b>
(a) Not dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the year ended March 31, 2014 amount to —	
(i) for the subsidiary financial year ended as above .....	<b>896</b>
(ii) for the previous financial years of the Subsidiary since it became the Holding Company's subsidiary .....	<b>34,936</b>
(b) Dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the year ended March 31, 2014 amount to —	
(i) for the Subsidiary's financial year ended as above .....	<b>Nil</b>
(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary .....	<b>Nil</b>

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

Mumbai, May 28, 2014.

**A. R. BROACHA** *Director*

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

*as required in terms of Paragraph 9BB of*

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998

Particulars	Rs. in Thousand	
<b>Liabilities side:</b>		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not Paid: <ul style="list-style-type: none"> <li>(a) Debentures : Secured</li> <li style="padding-left: 100px;">: Unsecured (other than falling within the meaning of public deposits*)</li> <li>(b) Deferred Credits</li> <li>(c) Term Loans</li> <li>(d) Inter-corporate loans and borrowing</li> <li>(e) Commercial Paper</li> <li>(f) Public Deposits*</li> <li>(g) Other Loans (specify nature)</li> </ul> *Please see Note 1 below	<b>Amount Outstanding</b>	<b>Amount overdue</b>
	NIL	NIL
(2) Break-up of (1)(f) above (Outstanding public deptsits inclusive of interest accrued thereon but net paid): <ul style="list-style-type: none"> <li>(a) In the form of Unsecured debentures</li> <li>(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security</li> <li>(c) Other public deposits</li> </ul> *Please see Note 1 below	NIL	NIL
<b>Assets side:</b>		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below): <ul style="list-style-type: none"> <li>(a) Secured</li> <li>(B) Unsecured</li> </ul>	NIL	
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards <ul style="list-style-type: none"> <li>(i) Lease assets including lease rentals under sundry debtors:                             <ul style="list-style-type: none"> <li>(a) Financial lease</li> <li>(b) Operating lease</li> </ul> </li> <li>(ii) Stock on hire including hire charges under sundry debtors:                             <ul style="list-style-type: none"> <li>(a) Assets on hire</li> <li>(b) Repossessed Assets</li> </ul> </li> <li>(iii) Hypothecation loans counting towards EL/HP activities:                             <ul style="list-style-type: none"> <li>(a) Loans where assets have been repossessed</li> <li>(b) Loans other than (a) above</li> </ul> </li> </ul>	NIL	
(5) Break-up of investments: <p>Current investments:</p> 1. Quoted: <ul style="list-style-type: none"> <li>(i) Shares:                             <ul style="list-style-type: none"> <li>(a) Equity</li> <li>(b) Preference</li> </ul> </li> <li>(ii) Debentures and Bonds</li> <li>(iii) Units of Mutual Funds</li> <li>(iv) Government Securities</li> <li>(v) Others (please specify)</li> </ul> 2. Unquoted: <ul style="list-style-type: none"> <li>(i) Shares:                             <ul style="list-style-type: none"> <li>(a) Equity</li> <li>(b) Preference</li> </ul> </li> <li>(ii) Debentures and Bonds</li> <li>(iii) Units of Mutual Funds</li> <li>(iv) Government Securities</li> <li>(v) Others (please specify)</li> </ul>	32,507 — — — — — — — — 3,278 — —	



THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2014

Rs. in thousand

	AMOUNT
i. Paid-up Equity Capital	5,821
ii. Free Reserves	1,62,363
iii. <b>Total (i + ii)</b>	<b>1,68,184</b>
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. <b>Total (iv + v + vi)</b>	<b>—</b>
viii. <b>Owned Funds (iii – vii)</b>	<b>1,68,184</b>
ix. Investment in shares of:	
a. Subsidiaries	3
b. Companies in the same Group	—
c. Other non-banking financial companies	1,463
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. <b>Total {ix (a) + ix (b) + ix (c) + x (a) + (b)}</b>	<b>1,466</b>
xii. Amount of item xi in excess of 10% of item viii above	—
xiii. <b>Net Owned Funds (viii-xii)</b>	<b>1,68,184</b>

As per our report attached

**For V. S. SOMANI & CO.**

*Chartered Accountants*

**CA. V. S. SOMANI**

*Proprietor*

Mumbai, May 28, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD**

*Chairman*

**A. R. BROACHA**

*Director*

Mumbai, May 28, 2014.



## Independent Auditors' Report on the Consolidated Financial Statements

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To the Board of Directors of  
The Industrial & Prudential Investment Company Limited

We have audited the accompanying consolidated financial statements of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** ('the Company'), which comprise the consolidated balance Sheet as at 31<sup>st</sup> March 2014, the consolidated statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

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

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

### OPINION

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

- (a) in the case of the Consolidated Balance Sheet, of the State of affairs of the Company and its subsidiary as at 31<sup>st</sup> March 2014;
- (b) in the case of the Consolidated Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

**Independent Auditors' Report on the Consolidated Financial Statements**

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**OTHER MATTERS**

We did not audit the financial statements of the subsidiary of, New Holding and Trading Company Limited, whose financial statements reflect total assets (net) of Rs. 363 Lakhs as at 31st March 2014, the total revenues of Rs.11 Lacs and cash inflows amounting to Rs. 8 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other information of the subsidiary have been audited by other firm of Chartered Accountants, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary are based solely on their audit report.

**For V. S. SOMANI & CO.**  
*Chartered Accountants*  
Firm Registration No.: 117589W

**CA. V. S. SOMANI**  
*Proprietor*  
Membership No.: 102664

Mumbai, May 28, 2014.

Consolidated Balance Sheet as at 31st March, 2014

Rs. in Thousand

PARTICULARS	NOTES	As at 31-03-2014	As at 31-03-2013
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	295,360	312,028
(c) Money received against Share Warrants		—	—
<b>Sub-Total- Shareholders Funds</b>		<b>301,181</b>	<b>317,849</b>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON-CURRENT LIABILITIES			
(a) Long-term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	—
(c) Other Long Term Liabilities		—	—
(d) Long-term Provisions		—	—
<b>Sub-Total- Non Current Liabilities</b>		<b>—</b>	<b>—</b>
(4) CURRENT LIABILITIES			
(a) Short-term borrowings		—	—
(b) Trade Payables		3,104	1,161
(c) Other Current Liabilities	4	3,377	2,641
(d) Short-term Provisions	5	38,343	37,932
<b>Sub-Total- Current Liabilities</b>		<b>44,824</b>	<b>41,734</b>
<b>TOTAL I</b>		<b>346,005</b>	<b>359,583</b>
<b>II ASSETS</b>			
(1) NON-CURRENT ASSETS			
(a) Fixed assets		—	—
(i) Tangible assets	6	93	82
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	296,788	277,526
(c) Deferred Tax assets (net) assets		—	—
(d) Long Term loans and Advances		—	—
(e) Other non-current assets		15	15
<b>Sub-Total- Non Current Assets</b>		<b>296,896</b>	<b>277,623</b>
(2) CURRENT ASSETS			
(a) Current Investments	8	35,785	28,320
(b) Inventories		—	—
(c) Trade receivables		—	1
(d) Cash and Cash equivalents	9	11,805	46,385
(e) Short Term Loan and Advances	10	1,289	887
(f) Other Current assets	11	230	6,367
<b>Sub-Total- Current Assets</b>		<b>49,109</b>	<b>81,960</b>
<b>TOTAL II</b>		<b>346,005</b>	<b>359,583</b>
See accompanying notes to the financial statements	1		

As per our report attached

For and on behalf of the Board of Directors

**For V. S. SOMANI & CO.**

*Chartered Accountants*

**A. V. SETALVAD**

*Chairman*

**CA. V. S. SOMANI**

*Proprietor*

**A. R. BROACHA**

*Director*

Mumbai, May 28, 2014.

Mumbai, May 28, 2014.

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

		Rs. in Thousand	
	NOTES	For the year ended 31-03-2014	For the year ended 31-03-2013
<b>I Revenue from operations - Interest</b>		11	11
<b>II Other Income</b>	14	27,720	87,541
<b>III Total Revenue (I + II)</b>		27,731	87,542
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		907	752
Finance Cost		—	—
Depreciation and amortisation Expenses		21	18
Other Expenses	15	6,035	5,424
<b>TOTAL EXPENSES</b>		6,963	6,194
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		20,768	81,358
<b>VI Exceptional items (Refer Note No. 17)</b>		—	596
<b>VII Profit before extraordinary items and tax (V-VI)</b>		20,768	80,762
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII - VIII)</b>		20,768	80,762
<b>X Tax Expenses</b>			
(1) Current Tax		510	495
(2) Minimum Alternate Tax credit		(510)	(495)
(2) Short/(Excess) provision of earlier year		—	(95)
(3) Deferred Tax		—	—
		—	(95)
<b>XI Profit for the year from continuing operations</b>		20,768	80,857
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after Tax) (XII-XIII)</b>		—	—
<b>XV Profit /(Loss) for the year</b>		20,768	80,857
<b>XVI Earning per equity Share</b>			
(1) Basic		35.70	138.98
(2) Diluted		35.70	138.98

See accompanying notes to the financial statements

1

As per our report attached

For and on behalf of the Board of Directors

**For V. S. SOMANI & CO.**

*Chartered Accountants*

**A. V. SETALVAD**

*Chairman*

**CA. V. S. SOMANI**

*Proprietor*

**A. R. BROACHA**

*Director*

Mumbai, May 28, 2014.

Mumbai, May 28, 2014.

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

	As at 31.03.2014	As at 31.03.2013
<b>Rs. in Thousand</b>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax .....	20,768	80,762
<b>Adjusted for</b>		
Depreciation .....	21	18
Investment income .....	(26,297)	(82,578)
Carrying amount of investments (net) .....	(243)	(2,784)
Provision for diminution in Long Term Investments .....	1,751	—
	<u>(24,768)</u>	<u>(85,344)</u>
<b>Operating Profit/(Loss) before Working Capital Changes .. Changes in</b>	<b>(4,000)</b>	<b>(4,582)</b>
Trade & Other Receivable .....	6,146	(5,567)
Trade and Other Payables .....	1,992	(4)
<b>NET CASH USED IN OPERATING ACTIVITIES.....</b>	<b>4,138</b>	<b>(10,153)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets .....	(32)	(16)
Purchase of Investments .....	(177,784)	(160,493)
Sale of Investments .....	150,728	154,061
Dividend Received .....	23,769	82,793
Income from Mutual Fund ... ..	1,350	1,602
Cash Generated from Investing Activities. ....	(1,969)	77,947
Direct Taxes Paid .....	—	(1)
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>(1969)</b>	<b>77,946</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend Paid .....	(31,311)	(31,640)
Tax on Dividend .....	(5,438)	(5,191)
<b>NET CASH USED IN FINANCIAL ACTIVITIES .....</b>	<b>(36,749)</b>	<b>(36,831)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C) .....</b>	<b>34,580</b>	<b>30,962</b>
<b>CASH AND CASH EQUIVALENTS – OPENING BALANCE .....</b>	<b>46,385</b>	<b>15,423</b>
<b>CASH AND CASH EQUIVALENTS – CLOSING BALANCE .....</b>	<b>11,805</b>	<b>46,385</b>

- NOTES:**
1. All figures in brackets are outflows.
  2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs. 3,203/- (Previous year Rs. 2,516/-).
  3. Previous year figures have been regrouped wherever necessary.

As per our report attached

**For V. S. SOMANI & CO.**  
Chartered Accountants

**CA. V. S. SOMANI**  
Proprietor

Mumbai, May 28, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD** Chairman

**A. R. BROACHA** Director

Mumbai, May 28, 2014.

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

**NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES**

- (i) The consolidated Financial Statements are prepared in accordance with Principles of Consolidation prescribed in AS-21 Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and referred to in Section 211(3C) of the Companies Act, 1956. The Consolidated Financial Statements comprise the financial statement of the Industrial & Prudential Investment Company Limited and its wholly owned subsidiary “New Holding and Trading Company Limited”, which is incorporated in India.”
- (ii) The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (iii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or unrealised cash losses.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements.

Rs. in Thousand

**NOTE – 2 — SHARE CAPITAL**

**Authorised:**

10,00,000 Equity Shares of Rs. 10 each

**Issued, Subscribed and Paid-up:**

5,81,780 Equity Shares of Rs. 10 each  
 Forefited Shares

	<b>As at 31-03-2014</b>	As at 31-03-2013
	<u><b>10,000</b></u>	<u>10,000</u>
	<b>5,818</b>	5,818
	<b>3</b>	3
	<u><b>5,821</b></u>	<u>5,821</u>

- (a) Reconciliation of the number of shares

	2013-14		2012-13	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	<b>581,780</b>	<b>5,818</b>	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	<b>581,780</b>	<b>5,818</b>	581,780	5,818

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

(b) Terms and Rights attached to equity shareholders:

The Company has only One class of Equity Shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Share holders have all other right as available to Equity Shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum and Articles of Association of the Company, as applicable.

(c) Name of the Shareholder holding more than 5% Equity Shares (As certified by the Management on which Auditors have relied).

Name of the Shareholder	31/03/2014		31/03/2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	<b>248,967</b>	<b>42.79</b>	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Industries Limited	<b>51,600</b>	<b>8.87</b>	51,600	8.87
3. Paharpur Corporation Limited	<b>63,850</b>	<b>10.97</b>	63,850	10.97

Rs. in Thousand

**NOTE – 3 — RESERVES AND SURPLUS**

**Capital Reserve**

Balance as per last Balance Sheet .....

**65** 65

**General Reserve**

Balance as per last Balance Sheet .....

**74,440** 66,350

Add: Transferred from surplus .....

**2,090** 8,090

**76,530** 74,440

**Special Reserve**

(In terms of Section 45-IC of Reserve Bank of India Act)

Balance as per last Balance Sheet .....

**100,355** 84,175

Add: Transferred from surplus .....

**4,180** 16,180

**104,535** 100,355

**Surplus**

Balance as per last Balance Sheet .....

**137,168** 118,017

Add: Profit for the year as per Profit and Loss Statement ...

**20,768** 80,857

**157,936** 198,874

Less: Appropriations:

Transferred to:

Special Reserve .....

**4,180** 16,180

General Reserve .....

**2,090** 8,090

Proposed Dividend .....

**31,998** 31,998

Tax on Dividend .....

**5,438** 5,438

**43,706** 61,706

**114,230** 137,168

**TOTAL** .....

**295,360** 312,028

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

**NOTE – 4 — OTHER CURRENT LIABILITIES**

Rs. in Thousand

	<b>As at 31-03-2014</b>	As at 31-03-2013
Unclaimed Dividend .....	<b>3,203</b>	2,516
Tax Deducted at source .....	<b>87</b>	125
Service Tax .....	<b>87</b>	—
<b>TOTAL .....</b>	<b>3,377</b>	2,641

**NOTE – 5 — SHORT TERM PROVISIONS**

	<b>As at 31-03-2014</b>	As at 31-03-2013
Provision for Income Tax .....	<b>907</b>	496
Provision for Proposed Dividend .....	<b>31,998</b>	31,998
Tax on Proposed Dividend .....	<b>5,438</b>	5,438
<b>TOTAL .....</b>	<b>38,343</b>	37,932

**NOTE – 6 — TANGIBLE FIXED ASSETS**

Rs. in Thousand

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deductions/ Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1 Office Premises	152	—	—	152	122	2	—	124	28	30
2 Furnitures and Fixtures	380	—	—	380	370	1	—	371	9	10
3 Office Equipments	117	—	—	117	92	3	—	95	22	25
4 Others, Computers	466	32	—	498	449	15	—	464	34	17
<b>TOTAL</b>	<b>1,115</b>	<b>32</b>	<b>—</b>	<b>1,147</b>	<b>1,033</b>	<b>21</b>	<b>—</b>	<b>1,054</b>	<b>93</b>	<b>82</b>
Previous year	1,099	16	—	1,115	1,015	18	—	1,033	82	84

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 250/-) being the cost of shares in Co-operative Society.



**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

Rs. in Thousand

**NOTE – 7 — NON CURRENT INVESTMENTS**

Name of the Company	Face Value Rupees	Holding 31-03-2014 Nos.	Rs. in Thousand	
			As at 31-03-2014	As at 31-03-2013
<b>I. A. LONG TERM - QUOTED - (NON TRADE) (AT COST)</b>				
<b>(a) INVESTMENT IN EQUITY INSTRUMENTS (FULLY PAID)</b>				
3i Infotech Limited.....	10	45,000	2,065	1,979
ACC. Limited.....	10	7,000	438	438
Alstom T. & D. India Limited .....	2	50,000	788	788
Amara Raja Batteries Limited .....	2	105,000	1,004	1,004
Ashapura Minechem Limited .....	2	50,000	1,726	1,726
BASF India Limited .....	10	7,800	1,200	1,200
BEML Limited .....	10	8,500	1,877	1,877
Bharat Electronics Limited.....	10	3,000	1,196	1,196
Bharat Forge Limited .....	2	16,000	1,383	1,383
Bharti Airtel Limited .....	5	17,500	2,274	2,274
Bosch Limited .....	10	2,000	11	11
Century Textile and Industries Limited .....	10	1,000	426	426
Cairn India Limited .....	10	4,400	1,484	—
Dish TV India Limited .....	1	5,000	71	71
Dr. Reddy's Laboratories Limited .....	5	4,000	2,029	2,029
Gail (India) Limited .....	10	28,500	4,322	4,322
Glaxo Smith Kline Pharmaceuticals Limited .....	10	1,000	1,100	1,100
GTL Limited .....	10	4,000	1,036	1,036
GTL Infrastructure Limited .....	10	8,000	182	182
Hindustan Unilever Limited .....	1	73,000	191	191
ICICI Bank Limited .....	10	6	2	2
IDBI Bank Limited .....	10	15,000	1,170	1,170
Infosys Technologies Limited .....	5	112,800	5,257	5,257
ISMT Limited.....	5	43,750	738	738
ITC Limited .....	1	18,000	1,127	1,127
KSB Pumps Limited .....	10	7,400,000	28,409	28,409
LIC Housing Finance Limited .....	2	7,500	1,463	1,463
Mahanagar Telephone Nigam Limited .....	10	7,000	1,435	1,435
Monsanto India Limited .....	10	1,600	673	673
N C C Ltd. ....	2	54,000	1,458	1,458
Nestle India Limited .....	10	14,000	178	178
NTPC Limited .....	10	21,000	1,684	1,684
Orient Abrasives Limited .....	1	65,000	622	862
Orient Refractories Limited .....	1	90,000	401	401
Piramal Glass Ltd.....	10	12,356	1,128	1,128
Piramal Entertainment Ltd .....	2	20,500	1,557	1,557
Ranbaxy Laboratories Limited .....	5	5,000	892	892
Reliance Industries Limited .....	10	16,000	1,455	1,455
Satyam Computers Limited .....	2	25,000	—	1,869
Schneider Electric Infrastructure Limited .....	10	50,000	237	237
Selan Exploration Technology Limited .....	10	11,000	805	805

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2014 Nos.	As at 31-03-2014	As at 31-03-2013
Name of the Company				
Siemens Limited .....	2	25,000	195	195
State Bank of India .....	10	7,100	3,947	3,947
Tata Consultancy Services Limited .....	1	14,000	6,671	6,671
Tata Motors Limited .....	2	20,000	388	388
Tata Motors Limited (DVR) .....	2	39,250	3,395	3,395
Tata Power Company Limited .....	1	260,000	780	780
Tata Steel Limited .....	10	17,686	3,743	3,743
The Federal Bank Limited .....	2	15,000	1,041	1,041
The Great Eastern Shipping Company Limited .....	10	30,400	5,057	5,057
The Indian Hotels Company Limited .....	1	79,200	1,508	1,508
The Karur Vysya Bank Limited .....	10	38,000	3,591	3,591
Tec Mahindra Limited .....	10	3,000	1,943	—
Titan Industries Limited .....	1	282,000	3,085	3,085
Timken India Limited .....	10	7,000	1,433	1,433
Vikas WSP Limited .....	1	30,000	2,231	2,231
Zee Entertainment Enterprises Limited .....	1	20,808	799	799
Sub-Total — (a) .....			115,301	115,467
<b>(b) Preference Shares (Fully Paid-up):</b>				
Zee Entertainment Enterprises Limited (6%) .....	1	436,968	—	—
(Received as Bonus Shares during the year)				
Sub-Total — (b) .....			—	—
<b>(c) Debenture (Non-convertible Secured):</b>				
Dr. Reddy's Laboratories Limited .....	5	24,000	—	—
(Date of redemption After 36 months from 24.03.2011, now Redeemed during the year)				
Sub-Total — (b) .....			—	30,300
Sub-Total — A (a + b + c) ..			115,301	115,467
<b>B. Unquoted Long Term</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
<b>Others (Non-Trade)</b>				
Bombay Stock Exchange Limited .....	1	13,500	3,078	3,078
Niyuprene Plastics Company Limited .....	10	1,000	—	—
Siltronics (India) Limited .....	10	30	—	—
Sub-Total (a) .....			3,078	3,078

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2014 Nos.	As at 31-03-2014	As at 31-03-2013
<b>Name of the Company</b>				
<b>(b) Investments In Mutual Fund (Non-Trade)</b>				
Birla Sunlife Mutual Fund:				
1. Income Plus-Growth .....	10	197,594	10,000	10,000
2. Income Plus-Quarterly Dividend Payout .....	10	482,614	—	6,000
3. Short Term Opportunity Fund-Growth .....	10	289,577	5,876	—
4. Dynamic Board Fund-retail Quarterly Dividend Payout .....	10	1,209,085	—	14,000
HDFC Mutual Fund:				
1. High Interest Qtrly Dividend .....	10	262,881	—	3,000
2. Income Fund Growth .....	10	258,093	7,000	—
ICICI Prudential Mutual Fund				
1. Regular Saving Fund Qtrly Dividend .....	10	963,679	—	10,000
2. Income Plan Institutional Dividend .....	10	408,844	—	5,000
3. Income Plan Dividend Payout .....	10	1,504,121	—	20,000
4. Income Plan Growth .....	10	410,033	14,731	10,000
5. Regular Saving Plan-Growth .....	10	422,608	—	5,000
6. Income Regular Plan-Qtrly Dividend .....	10	670,260	8,912	—
7. Regular Saving Fund Growth .....	10	1,189,479	15,000	—
IDFC Super Saver-Income Plan-Growth .....	10	391,751	—	10,533
IDFC Super Saver-Income Plan-Investment A-Growth .....	10	917,000	25,533	—
IDFC Super Saver Fixed Term Ser. 62 Reg. Plan-Growth .....	10	700,000	7,000	—
IL & FS Milestone Fund - II .....	1000	20,000	20,000	20,000
JM Mutual Fund				
1. Money Manager Super Plan-Daily Dividend ..	10	761,235	7,623	—
2. G-Sec Fund-Qtrly Dividend Payout .....	10	282,785	5,000	5,000
3. G-Sec Fund- Regular Plan Dividend .....	10	597,292	10,000	4,000
4. Short Term Fund-daily Dividend .....	10	808,089	—	8,117
Master Plus - 1991 Unit Trust of India .....	10	40,000	775	775
Reliance Regular Saving Fund-Debt Plan Quarterly Dividend Payout .....	10	605,058	—	7,500
Reliance Regular Saving Fund-Debt Plan-Growth .	10	790,414	12,654	5,000
UTI Short Term-Income Fund-Dividend Payout .....	10	761,800	—	10,000
UTI Short Term-Bond Fund-Dividend Payout .....	10	602,337	7,500	7,500
UTI Bond Fund-Growth .....	10	705,749	25,000	—
Sub Total (b) .....			<b>182,604</b>	161,425
[Total — B (a + b)] .....			<b>185,682</b>	164,503
<b>TOTAL — I (A + B) .....</b>			<b>300,983</b>	279,970
Less: Provision for diminution in the value of Investments			<b>4,195</b>	2,444
<b>TOTAL .....</b>			<b>296,788</b>	277,526
Aggregate Cost of Quoted Investments .....			115,301	115,467
Aggregate Cost of Unquoted Investments .....			185,682	164,503
Market Value of Quoted Investments .....			3,322,964	2,293,388
Provision for diminution in the value of Investments			4,195	2,444

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

Rs. in Thousand

<b>NOTE – 8 — CURRENT INVESTMENTS, OTHER INVESTMENTS (LOWER OF COST OR MARKET VALUE)</b>	<b>Face Value Rupees</b>	<b>Holding 31-03-2014 Nos.</b>	<b>As at 31-03-2014</b>	<b>As at 31-03-2013</b>
<b>Name of the Company</b>				
<b>A. Quoted Current</b>				
<b>(a) Equity Shares (Fully Paid)</b>				
Akzo Nobel India Ltd. ....	10	3,838	—	3,468
Axis Bank Limited .....	10	1,950	—	2,519
Cairn India Limited .....	10	6,300	—	1,717
Dr. Reddys Laboratories Limited .....	5	1,415	3,628	—
Eicher Motors Limited .....	10	620	791	1,992
Hathway Cable and Datacom Limited .....	10	14,700	—	2,535
ICICI Bank Limited .....	10	3,225	4,005	—
IDFC Limited .....	10	10,855	—	1,559
Kewal Kiran Clothing Limited .....	10	3,350	3,869	—
Larsen and Toubro Limited .....	2	3,175	3,969	—
Lupin Limited .....	2	6,300	3,505	370
Mahindra and Mahindra Financial Services Limited	2	16,075	4,051	—
Tech Mahindra Limited .....	10	2,258	2,171	1,926
Titan Industries Limited .....	1	28,500	1,910	1,910
TV 18 Broadcast Limited .....	2	120,000	—	2,516
Ultra Tech Cement Limited .....	10	1,000	—	1,869
Unichem Laboratories Limited .....	2	8,750	—	1,520
Va Tech Wabag Limited .....	2	8,850	4,608	—
Sub Total — (a) .....			<u>32,507</u>	<u>23,901</u>
<b>(b) Mutual Fund</b>				
Benchmark Mutual Fund - Liquid Bees (PP) .....	1000	1,919	—	1,919
Sub Total — (b) .....			<u>—</u>	<u>1,919</u>
<b>TOTAL A (a + b) .....</b>			<u><b>32,507</b></u>	<u><b>25,820</b></u>
<b>B. Current Unquoted Mutual Fund</b>				
JP Money Manager Super Plus Plan Daily Div. ....	10	77,744	778	—
Reliance Pharma Fund-Div. Plan-Div. Payout .....	10	62,468	2,500	2,500
<b>TOTAL B .....</b>			<u>3,278</u>	<u>2,500</u>
<b>TOTAL (A + B) .....</b>			<u><b>35,785</b></u>	<u><b>28,320</b></u>
Aggregate Cost of Quoted Investments .....			<b>32,507</b>	25,820
Aggregate Cost of Unquoted Investments .....			<b>3,278</b>	2,500
Market Value of Quoted Investments .....			<b>56,553</b>	40,458
Provision for diminution in the value of Investments .....			<b>731</b>	973

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

	Rs. in Thousand	
	As at 31-03-2014	As at 31-03-2013
<b>NOTE – 9 — CASH AND CASH EQUIVALENTS</b>		
Balance with banks in Current Account .....	8,593	43,860
Cash in hand .....	9	9
Earmarked balance with Banks in Dividend Accounts .....	3,203	2,516
<b>TOTAL .....</b>	<b>11,805</b>	<b>46,385</b>
<hr/>		
<b>NOTE – 10 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
Prepaid expenses .....	2	10
Advance Income Tax .....	380	382
MAT Credit entitlement .....	907	495
<b>TOTAL .....</b>	<b>1,289</b>	<b>887</b>
<hr/>		
<b>NOTE – 11 — OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
Dividend Receivable .....	230	367
Proceeds receivable on sale of Units of Mutual Fund .....	—	6,000
<b>TOTAL .....</b>	<b>230</b>	<b>6,367</b>
<hr/>		
<b>NOTE – 12 — CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Contingent liabilities not provided for:		
Commitments:		
Purchase of Units of a Mutual Funds .....	—	6,000
Other Commitments .....	—	—
<b>TOTAL .....</b>	<b>—</b>	<b>6,000</b>
<hr/>		
<b>NOTE – 13</b>		
The Board of Directors for the current year recommend a Dividend of Rs. 55 per share (Previous year Rs. 55 per share).		
<hr/>		
<b>NOTE – 14 — OTHER INCOME</b>		
Dividend on Investments		
Long Term .....	23,208	82,248
Current .....	561	546
.....	<b>23,769</b>	<b>82,794</b>
Income from Mutual Funds (Net) .....	1,350	1,602
Profit on Sale of Long Term Investments (Net) .....	—	280
Profit on Sale of Current Investments (Net) .....	2,358	—
Adjustment to the carrying amount of Current Investment (Net) .....	243	2,865
<b>TOTAL .....</b>	<b>27,720</b>	<b>87,541</b>

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

	Rs. in Thousand	
	As at 31.03.2014	As at 31.03.2013
<b>NOTE – 15 — OTHER EXPENSES</b>		
Legal and Professional Fees .....	1,162	1,026
Rates and Taxes .....	107	413
Directors' Sitting Fees .....	74	70
Loss on sale of Current Investments (Net).....	—	2,097
Auditors' Remuneration:		
Audit Fees .....	70	48
Certification etc. ....	103	29
Reimbursement of Expenses .....	29	14
	202	91
Commission to Directors .....	600	1,000
Provision for Diminution in the Value of Long Term Investments (Net)	1,751	80
Loss on sale of Long Term Investments (Net) .....	1,180	—
Repairs and Maintenance .....	197	152
Miscellaneous Expenses .....	762	495
<b>TOTAL .....</b>	<b>6,035</b>	<b>5,424</b>

**NOTE – 16**

**Related Party Disclosures:**

**A. Related Party Transactions:**

Rs. in Thousand

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which key Management personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant influence	TOTAL
Directors' Sitting Fees	66 (59)	— (—)	8 (11)	— (—)	— (—)	— (—)	74 (70)
Commission	240 (400)	— (—)	360 (600)	— (—)	— (—)	— (—)	600 (1,000)
Dividend paid	113 (113)	247 (247)	105 (105)	729 (729)	— (—)	20,043 (20,043)	21,203 (21,237)
Dividend Received	— (—)	— (—)	— (—)	— (—)	7,400 (62,900)	— (—)	7,400 (62,900)
Legal and Professional Fees	100 (111)	— (—)	— (—)	— (—)	— (—)	— (—)	100 (111)
Amount outstanding at the end of the year - Payable	340 (511)	— (—)	360 (600)	— (—)	— (—)	— (—)	700 (1,111)

- NOTES:
- (i) There is no provision for doubtful debts as at the end of the year in respect of related parties.
  - (ii) There are no amounts written off or written back during the year in respect of debts due from or to related parties.
  - (iii) Previous Year figures are shown within Brackets.
  - (iv) The related parties included in the various categories above, where transactions have taken place are given below.

**CONSOLIDATED**  
**THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

**Notes Forming Part of the Financial Statements For the year ended 31st March, 2014**

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Key Management Personnel	Mr. A. V. Setalvad Mr. A. R. Broacha
Relatives of Key Management Personnel.	Mrs. J. A. Setalvad
Individuals having significant influence over the enterprise.	Mr. Gaurav Swarup Mr. Vikram Swarup Mr. Anish K. Modi
Relatives of individual having significant influence over the enterprise.	Mrs. Bindu Swarup Mrs. Gyan Swarup Mrs. Parul Swarup
Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.	Paharpur Cooling Towers Limited Paharpur Corporation Limited Melvin Powell Vanaspati & Engineering Industries Limited KSB Pumps Limited

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**NOTE – 17**

During the year, the company has settled a claim for fraudulent transfer of shares of the Company.

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**NOTE – 18**

Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 5,81,780.
- 

**NOTE – 19**

Employee benefits expenses includes Rs. 9 thousand (Previous year Rs. 7 thousand) Incurred on staff welfare.

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**NOTE – 20**

The Company has recognised the MAT Credit during the year to the extent of virtual certainty of taxable income in accordance with the tax laws.

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**NOTE – 21**

Disclosures as per the revised Schedule VI has been given to the extent applicable to the Company.

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**NOTE – 22**

Previous year figures have been regrouped wherever necessary to conform current year classification.

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**Signatures to Note 1 to 22**

As per our report attached

**For V. S. SOMANI & CO.**  
*Chartered Accountants*

**CA. V. S. SOMANI**  
*Proprietor*

Mumbai, May 28, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD**      *Chairman*

**A. R. BROACHA**      *Director*

Mumbai, May 28, 2014.

## Company Information

**Directors :** A. V. SETALVAD (DIN: 00056124)  
A. R. BROACHA (DIN: 00056291)  
GAURAV SWARUP (DIN: 00374298)

**Bankers :** DEUTSCHE BANK

**Auditors :** C. M. GABHAWALA & CO.  
Chartered Accountants

**Registered Office :** 125, MAKER CHAMBERS III,  
NARIMAN POINT,  
MUMBAI - 400 021.  
TEL.: 22854243  
Email: indpru@vsnl.net  
Website: <http://industrialprudential.com>  
CIN: U65990MH1981PLC025981

## Board's Report

Your Directors beg to submit their Report and audited Balance Sheet and Audited Statements of Profit and Loss Account for the year ended March 31, 2014.

### 1. ACCOUNTS:

	<b>2013-14</b>	<b>Rs. in Lacs</b> 2012-13
Income .....	<b>11.11</b>	30.86
Expenditure .....	<b>2.15</b>	2.06
Profit before taxation .....	<b>8.96</b>	28.80
Provision for taxation .....	—	—
Net Profit after taxation .....	<b>8.96</b>	28.80
Add: Balance brought forward from Balance Sheet .....	<b>156.41</b>	136.31
Profit for appropriation .....	<b>165.37</b>	165.11
<b>Appropriation:</b>		
Special Reserve (in terms of Section 45-IC of RBI Act, 1934) .....	<b>1.80</b>	5.80
General Reserve .....	<b>0.90</b>	2.90
Balance Carried to Balance Sheet .....	<b>162.67</b>	156.41
	<b>165.37</b>	165.11



**Board's Report — contd.**

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**2. DIVIDEND:**

The Directors do not recommend any dividend for the year.

**3. DIRECTORS:**

Mr. V Swarup retires by rotation and being eligible, offers himself for reappointment.

In accordance with the provisions of the Articles of Association of the Company, Mr. Gaurav Swarup was appointed on 17<sup>th</sup> May, 2013, as an additional Director. Under Section 260 of the Companies Act, 2013 Mr. Gaurav Swarup holds office up to the ensuing annual general meeting. A notice has been received from a member proposing Mr. Swarup as a director. Mr. Swarup, being eligible offers himself for re-appointment.

**4. FIXED DEPOSITS:**

During the year under review, the Company has not accepted any deposits from the public.

**5. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and that the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2014 and of the profit for the year under review;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) The annual accounts have been prepared on a 'going concern' basis.

**6. AUDITORS:**

In accordance with Section 139 of the Companies Act, 2013, the Company is required to appoint at the annual general meeting the existing retiring statutory auditors for a period of three years. The appointment is to be ratified by members at every annual general meeting thereafter. Messrs. C. M. Gabhwala & Co., Chartered Accountants, the existing statutory auditors retire at the ensuing annual general meeting and is required to be appointed for a period of three years so as to hold office up to the conclusion of the third Annual General Meeting to be held after this meeting. In accordance with provisions of Section 139 of the Companies Act, 2013, the Board of Directors has received consent and certificates of eligibility and compliance of criteria under Section 141 of the Companies Act, 2013 from Messrs. C. M. Gabhwala & Co., Chartered Accountants. Members are requested to approve the appointment of the existing statutory auditors Messrs. C. M. Gabhwala & Co., Chartered Accountants and fix their remuneration.

**7. EMPLOYEES:**

The Company has no employees covered under section 217 (2A) of the Companies Act, 1956.

**8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

Your Company is not engaged in any manufacturing activities, and therefore, there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to conservation of energy or technology absorption.

For and on behalf of the Board of Directors

**A. V. SETALVAD**  
*Chairman*

Mumbai, May 20, 2014.

**Independent Auditors' Report to the Members**

The Members,

**NEW HOLDING AND TRADING COMPANY LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of New Holding and Trading Company Limited (the "company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

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

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

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

**OPINION**

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

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the board of directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.

**For C. M. GABHAWALA & CO.**  
*Chartered Accountants*  
FRN: 102870W

**BIREN. C. GABHAWALA**  
*Partner*  
M. NO. 40496

Mumbai, May 20, 2014.

## Annexure to Independent Auditor's Report

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### (Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. The Company does not have any fixed assets. Accordingly paragraphs 4 (i)(a), (b) and (c) of the Order are not applicable to the Company.
2. The Company does not have any inventory, hence sub clause (a), (b) and (c) of clause (ii) of para 4 of the order are not applicable to the Company.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (a), (b), (c), (d) of clause (iii) of para 4 of the Order are not applicable to the Company.  
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (e), (f), (g), of clause (iii) of para 4 of the Order is not applicable to the company.
4. According to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business. No major weaknesses have been noticed in the internal control system, during the course of the Audit.
5. During the year the Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Accordingly sub clause (b) of para 4 of the Order is not applicable to the Company.
6. The Company has not accepted any public deposits during the year under review.
7. The Company does not require having formal internal audit system.
8. The Central Government has not prescribed any cost records to be maintained by the Company.
9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were outstanding as on the last day of the financial year for a period exceeding six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of Income tax which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at the year end. The Company has not incurred any cash loss during the financial year covered by our audit and also in the immediately preceding financial year.
11. The Company has neither borrowed funds from financial institutions, banks nor issued any debentures, accordingly paragraph 4 (xi) of the Order is not applicable to the Company.
12. The Company has not granted any loans and Advances on the basis of securities by way of pledge of shares, debentures and other securities. Accordingly, clause (xii) of para 4 of the Order is not applicable to the Company.
13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub clause (a), (b), (c), (d) of clause (xiii) of para 4 of the Order, are not applicable to the Company.
14. The Company being an Investment Company, has maintained proper records of the transactions and contracts relating to dealings in shares, securities and other investments and has made timely entries. The shares, securities and other investments are held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. The Company has not given any guarantee for loans taken by others from banks or financial Institutions. Accordingly, provisions of clause (xv) of the Order are not applicable to the Company.
16. The Company has not taken any term loans during the year, accordingly the provisions of clause (xvi) of the Order are not applicable to the Company.
17. The Company has neither raised short term nor long term funds during the year under consideration.

**Annexure to Independent Auditor's Report — contd.**

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18. The Company has not made any preferential allotment of shares during the year. Accordingly, provisions of clause (xviii) of para 4 of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and accordingly, the provisions of clause (xix) of para 4 of the Order are not applicable to the Company.
20. The Company has not made any public issues during the year and accordingly the provisions of clause (xx) of para 4 of the Order are not applicable to the Company.
21. Based on the audit procedures performed and according to the information and explanations given to us and representation made by the management, we report that no fraud on or by the company has been noticed or reported during the year..

**For C. M. GABHAWALA & CO.**  
*Chartered Accountants*

FRN: 102870W

**BIREN. C. GABHAWALA**

*Partner*

Mumbai, May 20, 2014.

M. NO. 40496

Balance Sheet as at 31st March, 2014

Rs. in Thousand

PARTICULARS	NOTES	For the year ended 31-03-2014	For the year ended 31-03-2013
<b>I EQUITY AND LIABILITIES</b>			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	502	502
(b) Reserves and Surplus	2	35,832	34,936
(c) Money received against Share Warrants		—	—
<b>Sub-Total- Shareholders Funds</b>		<b>36,334</b>	<b>35,438</b>
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON - CURRENT LIABILITIES			
(a) Long - term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	—
(c) Other Long Term Liabilities		—	—
(d) Long - term Provisions		—	—
<b>Sub-Total- Non Current Liabilities</b>		<b>—</b>	<b>—</b>
(4) CURRENT LIABILITIES			
(a) Short - term borrowings		—	—
(b) Trade Payables		26	25
(c) Other Current Liabilities		1	—
(d) Short - term Provisions	3	—	1
<b>Sub-Total- Current Liabilities</b>		<b>27</b>	<b>26</b>
<b>TOTAL I</b>		<b>36,361</b>	<b>35,464</b>
<b>II ASSETS</b>			
(1) NON - CURRENT ASSETS			
(a) Fixed assets		—	—
(i) Tangible assets		—	—
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	4	32,360	32,394
(c) Deferred Tax assets (net)		—	—
(d) Long Term loans and Advances		—	—
(e) Other non-current assets		—	—
<b>Sub-Total- Non Current Assets,</b>		<b>32,360</b>	<b>32,394</b>
(2) CURRENT ASSETS			
(a) Current Investments		—	—
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	5	3,950	3,069
(e) Short Term Loan and Advances	6	2	1
(f) Other Current assets	7	49	—
<b>Sub-Total- Current Assets,</b>		<b>4,001</b>	<b>3,070</b>
<b>TOTAL II</b>		<b>36,361</b>	<b>35,464</b>
NOTES FORMING PART OF THE ACCOUNTS	10		

As per our report attached

**For C. M. GABHAWALA & CO.**

Chartered Accountants

FR. NO. 102870W

**CA. BIREN C. GABHAWALA**

Partner

Membership No. 40496

Mumbai, May 20, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 20, 2014.

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

		Rs. in Thousand	
		For the year ended 31-03-2014	For the year ended 31-03-2013
	NOTES		
<b>I Revenue from operations</b>		—	—
<b>II Other Income</b>	8	1,111	3,086
<b>III Total Revenue (I + II)</b>		<u>1,111</u>	<u>3,086</u>
<b>IV Expenses</b>			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		—	—
Finance Cost		—	—
Depreciation and amortisation Expenses		—	—
Other Expenses	9	215	206
<b>TOTAL EXPENSES</b>		<u>215</u>	<u>206</u>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		896	2,880
<b>VI Exceptional items</b>		—	—
<b>VII Profit before extraordinary items and tax (V-VI)</b>		896	2,880
<b>VIII Extraordinary Items</b>		—	—
<b>IX Profit before Tax (VII - VIII)</b>		896	2,880
<b>X Tax Expenses</b>			
(1) Current Tax		—	—
(2) Tax for earlier year		—	—
		<u>—</u>	<u>—</u>
<b>XI Profit for the year from continuing operations</b>		896	2,880
<b>XII Profit/(Loss) from discontinuing operations</b>		—	—
<b>XIII Tax Expenses of discontinuing operations</b>		—	—
<b>XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)</b>		—	—
<b>XV Profit/(Loss) for the year</b>		896	2,880
<b>XVI Earning per equity Share</b>			
(1) Basic		178.31	573.19
(2) Diluted		178.31	573.19

NOTES FORMING PART OF THE ACCOUNTS

10

As per our report attached

For and on behalf of the Board of Directors

**For C. M. GABHAWALA & CO.**

Chartered Accountants

FR. NO. 102870W

**CA. BIREN C. GABHAWALA**

Partner

Membership No. 40496

Mumbai, May 20, 2014.

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 20, 2014.

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

	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
<b>Rs. in Thousand</b>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items	896	2,880
Adjusted for		
Investment income .....	(1,111)	(3,052)
Provision for diminution in value of investment .....	34	81
	<u>(1,077)</u>	<u>(2,971)</u>
<b>Operating Profit/(Loss) before Working Capital Changes ..</b>	<b>(181)</b>	<b>(91)</b>
<b>Changes in</b>		
Trade & Other Receivable .....	(51)	45
Trade Payables .....	2	(4)
Cash Generated from Operations .....	<u>(230)</u>	<u>(50)</u>
Direct Tax Paid (Net) .....	<u>—</u>	<u>—</u>
NET CASH FROM OPERATING ACTIVITIES .....	<b>(230)</b>	<b>(50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments .....	—	(12,500)
Sale of Investments .....	—	5,282
Interest Received .....	—	—
Dividend Received .....	1,111	3,086
Direct Taxes Paid .....	<u>—</u>	<u>(1)</u>
NET CASH FROM INVESTING ACTIVITIES .....	<b>1,111</b>	<b>(4,133)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Loan Taken .....	—	—
Loan Repaid .....	<u>—</u>	<u>—</u>
NET CASH USED IN FINANCIAL ACTIVITIES .....	<u>—</u>	<u>—</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) .....	<b>881</b>	<b>(4,183)</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE .....	<b>3,069</b>	<b>7,252</b>
CASH AND CASH EQUIVALENTS - CLOSING BALANCE .....	<b>3,950</b>	<b>3,069</b>

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 20, 2014.

**AUDITOR'S CERTIFICATE**

To  
The Board of Directors  
NEW HOLDINGS AND TRADING COMPANY LIMITED  
125 Makers Chambers III,  
Nariman Point, Mumbai- 400 021.

We have examined the attached Cash Flow Statement of New Holding And Trading Company Limited for the year ended 31<sup>st</sup> March, 2014. The Statement has been prepared by the company and in agreement with the books and records of the company and also the statement of Profit & Loss Account and Balance Sheet of the Company covered by our audit report of even date to the members of the Company.

As per our report of even date  
**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FRN: 102870W

**CA. BIREN C. GABHAWALA**

*Partner*

M. NO. 40496

Mumbai, May 20, 2014.

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

	Rs. in Thousand	
	As at 31-03-2014	As at 31-03-2013
<b>NOTE – 1 — SHARE CAPITAL</b>		
<b>Authorised:</b>		
840 Non-Cumulative Redeemable Preference Shares of Rs. 100 each	84	84
9035 Equity Shares of Rs. 100 each	903	903
125 Unclassified Shares of Rs. 100 each	13	13
	<b>1,000</b>	<b>1,000</b>
<b>Issued, Subscribed and Paid-up:</b>		
5025 Equity Shares of Rs. 100 each fully paid	502	502
	<b>502</b>	<b>502</b>
The entire Share capital is held by The Industrial & Prudential Investment Company Limited and its nominees.		
<b>NOTE – 2 — RESERVES AND SURPLUS</b>		
General Reserve		
Balance as per last Balance Sheet .....	11,540	11,250
Add: Transferred from Statement of Profit and Loss .....	90	290
	<b>11,630</b>	<b>11,540</b>
Special Reserve		
Balance as per last Balance Sheet .....	7,755	7,175
Add: Transferred from Statement of Profit and Loss .....	180	580
	<b>7,935</b>	<b>7,755</b>
Profit and Loss Statement		
Balance as per last Balance Sheet .....	15,641	13,631
Add: Profit for the year as per Statement of Profit and Loss .....	896	2,880
	<b>16,537</b>	<b>16,511</b>
Less: Appropriations:		
Transferred to		
Special Reserve .....	180	580
General Reserve .....	90	290
	<b>270</b>	<b>870</b>
	<b>16,267</b>	<b>15,641</b>
<b>TOTAL .....</b>	<b>35,832</b>	<b>34,936</b>
<b>NOTE – 3 — SHORT TERM PROVISIONS</b>		
Provision for Taxation .....	—	1
<b>TOTAL .....</b>	<b>—</b>	<b>1</b>



Notes Forming Part of the Financial Statements for the year ended 31st March, 2014

					Rs. in Thousand	
NOTE – 4 — NON-CURRENT INVESTMENTS, OTHER INVESTMENTS (AT COST)	Face Value Rupees	Holding 31-03-2014 Nos.	As at 31-03-2014	As at 31-03-2013		
Name of the Company						
<b>A. Quoted Investments</b>						
<b>Equity Shares (Fully Paid)</b>						
BASF India Limited .....	10	800	921	921		
GlaxoSmithKline Pharmaceuticals Limited .....	10	1,000	1,100	1,100		
GTL Limited .....	10	4,000	1,036	1,036		
GTL Infrastructure Limited .....	10	8,000	182	182		
ICICI Bank Limited .....	10	6	2	2		
Infosys Technologies Limited .....	5	4,800	3,146	3,146		
ISMT .....	5	43,750	738	738		
KSB Pumps Limited .....	10	260,000	11,008	11,008		
Mahanagar Telephone Nigam Limited .....	10	7,000	1,435	1,435		
State Bank of India .....	10	3,300	1,791	1,791		
Tata Steel Limited .....	10	6,886	979	979		
Sub-Total — A .....			<b>22,338</b>	22,338		
<b>B. Unquoted Investments</b>						
<b>Mutual Fund</b>						
JM G-Sec Fund - Quarterly Dividend Payout .....	10	282,784	5,000	5,000		
UTI MF-Bond Fund Div. Payout .....	10	602,337	7,500	7,500		
<b>Total — B .....</b>			<b>12,500</b>	12,500		
<b>Total — (A + B) .....</b>			<b>34,838</b>	34,838		
Less: Provision for diminution in the Value of Investments			<b>2,478</b>	2,444		
<b>TOTAL .....</b>			<b>32,360</b>	32,394		
Aggregate Cost of Quoted Investments .....			<b>22,338</b>	22,338		
Aggregate Cost of Unquoted Investments .....			<b>12,500</b>	12,500		
Market Value of Quoted Investments .....			<b>1,13,421</b>	79,235		
Aggregate Provision for diminution in the value of Investments			<b>2,478</b>	2,444		

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

		Rs. in Thousand	
		As at 31-03-2014	As at 31-03-2013
<b>NOTE – 5 — CASH AND CASH EQUIVALENTS</b>			
Balance with bank .....		3,948	3,064
Cash on hand .....		2	5
	<b>TOTAL .....</b>	<u>3,950</u>	<u>3,069</u>
<b>NOTE – 6 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>			
Advance Income Tax .....		—	1
Prepaid Expenses .....		2	—
	<b>TOTAL .....</b>	<u>2</u>	<u>1</u>
<b>NOTE – 7 — OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>			
Dividend Receivable .....		49	—
	<b>TOTAL .....</b>	<u>49</u>	<u>—</u>
<b>NOTE – 8 — OTHER INCOME</b>			
Dividend Income .....		1,111	3,086
	<b>TOTAL .....</b>	<u>1,111</u>	<u>3,086</u>
<b>NOTE – 9 — OTHER EXPENSES</b>			
Directors Fees .....		2	3
Auditors' Remuneration:			
Audit Fees .....		10	8
Other Matters .....		50	—
Service Tax on Audit Fees .....		7	1
		<u>67</u>	<u>9</u>
Miscellaneous expenses .....		112	80
Loss on sale of Investments (net) .....		—	34
Provision for Diminution in the value of Long Term Investments .....		34	80
	<b>TOTAL .....</b>	<u>215</u>	<u>206</u>

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

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**NOTE – 10 — NOTES FORMING PART OF THE ACCOUNTS**

1. Significant Accounting Policies

- (i) Fixed Assets  
The Company does not have Fixed Assets.
- (ii) Depreciation  
There are no fixed asset hence no depreciation has been provided.
- (iii) Investments  
Investments are valued of cost of acquisition plus brokerage and stamp charges. The Company in accordance with Accounting Standard 13 has made a provision for permanent diminution in the value of investments to account for a decline in value of long term investments.
- (iv) Inventories  
There are no inventories
- (v) System of Accounting  
The Company generally adopts accrual system of accounting on a going concern basis. Dividend income from investments is recognised on accrual basis, as and when the owner gets the right to receive payment.
- (vi) Miscellaneous Expenditure  
There are no Preliminary Expenses.
- (vii) Gratuity  
Payment of Gratuity Act does not apply.
- (viii) Earnings per Share  
Earnings per share has been calculated and disclosed as per the accounting Standard 20 “ Earnings Per Share” issued by The Institute of Chartered Accountants of India.
- (ix) System of Accounting Taxes on Income:
  - (a) Current Tax  
Provisions for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
  - (b) Deferred Tax  
Deferred tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).
- (x) Provisions and Contingent Liabilities:
  - (a) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
  - (b) A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect likelihood of resources is remote, no provision or disclosure is made.

2. Contingent liability not provided in respect of Shares partly paid-up Rs. NIL (Previous year Rs. Nil.).

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

3. The Company has no activities other than those of an investment Company and accordingly the segment reporting accounting standard is considered not applicable.

4. Related Party Disclosures

(A) Name of the related party and nature of relationship where control exists:

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
(a) The Industrial & Prudential Investment Company Limited	Holding Company
(b) KSB Pumps Limited	Key management personnel, exercise Significant influence.
(c) A.V. Setalvad	Key management personnel.
(d) A.R. Broacha	Key management personnel.
(e) G.Swarup	Individual having significant influence over the enterprise.

(B) Related Party Transaction

					(Rs. in Thousand)
<i>Name of the Related Party</i>	<i>Description of Relationship</i>	<i>Nature of Transaction</i>	<i>Amount of Transaction</i>	<i>Previous year Transaction</i>	<i>Amount Outstanding at the end of the year Debit/(Credit)</i>
A. V. Setalvad	Key Management Personnel	Director's Fees	1	1	—
A. R. Broacha	Key Management Personnel	Director's Fees	1	1	—
Gaurav Swarup	Individual having significant influence over the enterprise	Directors Fees	—	—	—
V. C. Vaidya	Individual having significant influence over the enterprise	Directors Fees	—	1	—
KSB Pumps limited	Enterprises over which key management personnel exercise significant influence.	Dividend Received	260	2,210	—

NOTE: (i) There is no provision for doubtful debts as at the end of the year in respect of related parties.

(ii) There are no amounts written off or written back during the year in respect of debts due from or to related parties certain that sufficient profit will be available in.

5. Break-up of deferred tax asset as at March 31, 2014:

Nature of timing Difference

Carry Forward Loss Rs. Nil (Previous Year Rs. Nil).

6. In the opinion of the Board, the Current assets, Loans, & advance have a value on realisation in ordinary course of business and at least equal to the amount stated in the Balance sheet and Provision for all known liabilities have been made and are adequate.

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2014**

7. Earning per share

	<b>Current Year</b>	Previous Year
Profit after tax	<b>896</b>	2,880
Weighted Avg. No. of Shares at the beginning of the Year	<b>5,025</b>	5,025
Weighted Avg. No. of Shares at the end of the Year	<b>5,025</b>	5,025
Face value of each Equity Shares	<b>100</b>	100
Basic/Diluted earning per share	<b>178.31</b>	573.19

8. Previous years figures have been regrouped and rearranged wherever necessary.

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SIGNATURES TO NOTE 1 TO 10

As per our report attached

**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FR. NO. 102870W

**CA. BIREN C. GABHAWALA**

*Partner*

Membership No. 40496

Mumbai, May 20, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 20, 2014.



Particulars		Rs. in Thousand		
<b>Long Term Investments: (AT COST):</b>				
1.	Quoted:			
	(i) Shares:	(a) Equity	<b>223.39</b>	
		(b) Preference	—	
	(ii) Debentures and Bonds		—	
	(iii) Units of Mutual Funds		—	
	(iv) Government Securities		—	
	(v) Others (please specify)		—	
2.	Unquoted:			
	(i) Shares:	(a) Equity	—	
		(b) Preference	—	
	(ii) Debentures and Bonds		—	
	(iii) Units of Mutual Funds		<b>125.00</b>	
	(iv) Government Securities		—	
	(v) Others (please specify)		—	
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances: Please see not 2 below)			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties**			
	(a) Subsidiaries			
	(b) Companies in the same group		<b>NIL</b>	
	(c) Other related parties			
	2. Other than related parties			
	<b>TOTAL</b>			
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
	Category	Market Value/ Break-up or fair Value or NAV	Book Value (Net of Provisions)	
	1. Related Parties**			
	(a) Subsidiaries	—	—	
	(b) Companies in the same group	—	—	
	(c) Other related parties	<b>847.08</b>	<b>110.08</b>	
	2. Other than related parties	<b>410.26</b>	<b>213.52</b>	
	<b>TOTAL</b>	<b>128.34</b>	<b>323.60</b>	
(8)	Other information			
	(i) Gross Non-Performing Assets	<b>NIL</b>		
	(a) Related parties			
	(b) Other than related parties			
	(ii) Net Non-Performing Assets	<b>NIL</b>		
	(a) Related parties			
	(b) Other than related parties			
	(iii) Assets acquired in satisfaction of debt	<b>NIL</b>		

Note:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by CAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break unfair value/NAV in respect of unquoted investments should be disclosed in respective of whether they are classified as long term or current in column (5) above.

NEW HOLDING AND TRADING COMPANY LIMITED

STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2014

Rs. in thousand

	AMOUNT
i. Paid-up Equity Capital	502
ii. Free Reserves	27,897
iii. <b>Total (i + ii)</b>	<b>28,399</b>
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. <b>Total (iv + v + vi)</b>	—
viii. <b>Owned Funds (iii - vii)</b>	<b>28,399</b>
ix. Investment in shares of:	
a. Subsidiaries	—
b. Companies in the same Group	—
c. Other non-banking financial companies	—
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. <b>Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}</b>	—
xii. Amount of item xi in excess of 10% of item viii above.	—
xiii. <b>Net Owned Funds (viii-xii)</b>	<b>28,399</b>

As per our report attached

**For C. M. GABHAWALA & CO.**

*Chartered Accountants*

FR. NO. 102870W

**CA. BIREN C. GABHAWALA**

*Partner*

Membership No. 40496

Mumbai, May 20, 2014.

For and on behalf of the Board of Directors

**A. V. SETALVAD** *Chairman*

**A. R. BROACHA** *Director*

Mumbai, May 20, 2014.



# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

CIN: L65990MH1913PLC000374

125, MAKER CHAMBERS III,

NARIMAN POINT,

MUMBAI - 400 021

Tel.: 22854243

Dear Sir/Madam

Pursuant to the Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs (MCA) vide Circular dated 21/04/2011 we proposed to send the Notice/Annual Report/documents through electronic mode to our shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

To Support this green initiative in full measure, shareholders who have not registered their e-mail addresses, so far, are requested to do so in respect of electronic holding with the Depository through their concerned Participants. Shareholders who hold shares in physical form are requested to fill and send the 'e-Communication Registration Form' to the Company at its Registered Office or to its Registrar & Transfer Agent: Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bandup (W), Mumbai - 400 078. Email ID: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) for sending the future communication through Email.

Please note that, even if you subscribe to the e-mail option, the Company shall furnish, without charge, copy of Notice-Annual Report and other documents upon receipt of a requisition from you, at anytime, as a Shareholder of the Company.

We are sure you would join the Company in making the "Green Initiative" of MCA a grand success.

Thanking You,

For and on behalf of the Company,

**A. V. Setalvad**  
*Chairman*

Mumbai, May 28, 2014.

## E-COMMUNICATION REGISTRATION FORM

To,  
Link Intime India Private Limited,  
Unit: The Industrial & Prudential Investment Co. Ltd.  
C-13 Pannalal Silk Mills Compound,  
LBS Marg, Bahndup (West),  
Mumbai - 400 078.

Dear Sir/Madam,

Re.: Green initiative in Corporate Governance

I agree to receive all documents like notices, annual reports etc. from the Company in electronic mode. Please register my e-mail Id in your records for sending all the notices/documents etc. through e-mail.

Folio No./DPID & Client ID : .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

.....

.....

E-Mail ID : .....

Date:..... Signature of the 1st Shareholder .....

### Note:

- Shareholders are requested to keep Company informed as and when there are any changes in the e-mail address. Unless the e-mail Id given is changed by you, by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned e-mail ID.
- If shares are held electronic mode, kindly register your e-mail ID with your DP.

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

CIN: L65990MH1913PLC000374

Registered Office:

125, Maker Chambers III, Nariman Point, Mumbai - 400 021.

## PROXY FORM ANNUAL GENERAL MEETING

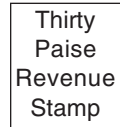
I/We.....of..... in the district of..... being a member/members of the above named Company, hereby appoint..... of.....in the district of..... or failing him.....of..... in the district of..... as my/our proxy to attend and vote for me/us on my/our behalf at the Ninety Eighth annual general meeting of the Company to be held on, the **24th September, 2014** at 3.00 p.m. at Bajaj Bhavan, Ground floor, (Kamalnayan Bajaj Hall), 220, Nariman Point, Mumbai - 400 021 and at any adjournment thereof.

Signed at.....this.....day of..... 2014

L. F. No./PP CL ID:.....

No. of Shares held .....

Address .....



Signature

This form is to be used \*in favour of/ \*against the Resolution. Unless otherwise instructed, the proxy will act as he thinks fit. \*Strike out whichever is not required.

Note: The proxy form duly signed across the revenue stamp of 30 paise must reach the Company's Registered Office not less than 48 hours before the time of the meeting.

..... Tear off .....

# THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

## ATTENDANCE SLIP

I hereby record my presence at the NINETY EIGHTH ANNUAL GENERAL MEETING of the Company on, the 24th September, 2014 at 3.00 p.m. at Bajaj Bhavan, Ground floor, (Kamalnayan Bajaj Hall), 220, Nariman Point, Mumbai - 400 021.

Full name of the Member .....  
(in block letters)

Folio No./DF CL ID:.....

No. of Shares held .....

Full name of Proxy .....  
(in block letters)

Signature

Signature

Note: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Hall.

## **BOOK POST**

Designed and Printed by  
Neil Grafix ■ Tel.: 23099114

*If undelivered, please return to:*

**The Industrial & Prudential Investment Company Ltd.**  
125, Maker Chambers III  
Nariman Point  
Mumbai - 400 021