

HARGAON PROPERTIES LIMITED

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of Hargaon Properties Limited will be held on Saturday, 12th September, 2015 at 12.30 P.M. at 9/1, R. N. Mukherjee Road, Birla Building, 5th Floor, Kolkata - 700 001 to transact the following businesses :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kailash Chand Gupta who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, all other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modifications or re-enactments thereof M/s. S.N.Roy & Co., Chartered Accountants, 29A Madan Mohan Tala Street, Kolkata - 700 005 having Firm Registration No. 313054E be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration and other terms of engagement as would be fixed by the Board of Directors.”

AS SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the adoption of the draft Articles contained in the Articles of Association submitted to this meeting, in substitution, and to the entire exclusion, of the Articles contained in the existing Articles of Association of the Company.

HARGAON PROPERTIES LIMITED

NOTICE (Contd.)

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

Regd. Office :

9/1, R. N. Mukherjee Road,
5th Floor, Kolkata - 700 001

CIN : U70101WB2003PLC097280

Tel. : 2242 9956, 2248 7068

Fax : 2248 6369

E-mail : birlasugar@birla-sugar.com

Dated : 10th August, 2015

By Order of the Board

Sunil Choraria

Director

NOTE : 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. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the meeting.

In terms of Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of not exceeding fifty members and holding in aggregate not more than 10% of the total paid up share capital of the Company carrying voting rights. A member holding more than ten percent of the paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

HARGAON PROPERTIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 of Special Business :

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act"). The Act is now largely in force with Rules thereon (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"), such as variation of rights of holders of different classes of shares, reduction of share capital, compromise, arrangement and amalgamations, prevention of oppression and mismanagement, revival and rehabilitation of sick companies, winding up, and certain other provisions including, inter alia, relating to Investors' Education and Protection Fund and valuation by registered valuers.

Hence, with the coming into force of the Act, several regulations of the existing AoA of the Company which have turned redundant, require substantial alteration or deletions. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA, remain broadly based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

None of the Directors / Key Managerial Personnel of the Company / their relatives is/are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

HARGAON PROPERTIES LIMITED

Directors' Report

To

The Shareholders,

Your Directors have pleasure in presenting their Twelfth Annual Report on the performance of your company along with the Audited Accounts of the Company for the year ended 31st March, 2015.

2. Financial Results :

The Statement of Profit & Loss for the year under review shows a loss of Rs. 34,866 for the year which when added with the credit balance of Rs. 1,05,070 brought forward from the previous year left a total accumulated credit balance of Rs. 70,204 in the Profit and Loss Account which is proposed to be carried forward.

3. Dividend

Your Directors do not recommend any dividend for the year ended 31st March, 2015.

4. Capital

During the year under review, there has been no change in the capital base of the Company which comprised of 4,99,999 fully paid Equity Shares of Rs. 10 each.

5. State of Company's Affairs and Future Outlook

The performance of the Company depends upon a host of factors. Although the Company is continuously trying to overcome various market risks and other external factors involved in its progress, the performance of the Company has been affected thereby resulting in further losses during the year.

6. Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

7. Details of significant & material orders passed by the regulators or courts or tribunals

No significant & material order has been passed by regulator or court or tribunal against the Company.

HARGAON PROPERTIES LIMITED

Directors' Report (Contd.)

8. **Particulars of Loan, Guarantee and Investments under Section 186**
The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
9. **Related Parties Transactions**
There was no arrangement or contracts made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.
10. **Adequacy of Internal Financial Controls**
The Company has in place adequate internal financial controls with reference to its financial statements.
11. **Risk Management Policy**
Your company recognizes the importance of risk management, and has invested in people, process and technologies to effectively mitigate the same.
12. **Directors**
In accordance with the provisions of the Companies Act, 2013, Mr. Sunil Choraria retires from the Board by rotation and is eligible for re- appointment.
13. **Board Meetings**
A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review 5 (five) Board Meetings were held on 24th April, 2014, 11th August, 2014, 3rd September, 2014, 23rd December, 2014 and 13th March, 2015 respectively. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
14. **Directors' Responsibility Statement**
To the best of our knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 :
- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standards had been followed along with proper explanations relating to material departures; if any;

HARGAON PROPERTIES LIMITED

Directors' Report (Contd.)

- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis.
- e) that the Directors had laid out internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.
15. **Auditors, Audit Qualificaitons and Board's Explanations**
Statutory Auditors
The Auditors, M/s. S. N. Roy & Co., Chartered Accountants, 29, Madan Mohan Tala Street, Kolkata - 700 055 having Firm Registration No. 303054E allotted by The Institute of Chartered Accountants of India (ICAI) retires as Auditor of your company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Your Company has obtained a written consent from Messrs S. N. Roy & Co., Chartered Accountants to the effect that their appointment, if made, will be within the limits specified under Section 139 and 141 of the Companies Act, 2013 and are eligible for re-appointment. The Auditors' Report is self explanatory and does not require any further clarification / explanations.
16. **Fixed Deposits**
The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companeis (Acceptance of Deposit Rules) 2014.

HARGAON PROPERTIES LIMITED

Directors' Report (Contd.)

17. Energy Conservation, Technology Absorption and Foreign Exchange Earning & Outgo

As the Company has no manufacturing activity the provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or outflow during the year under review.

18. Particulars of Employees

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. Corporate Social Responsibility (CSR) Policy

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company.

20. Details of Subsidiary, Joint Venture or Associates

The Company does not have any Subsidiary, Associate or Joint Venture Company.

21. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A".

22. Acknowledgement

Your Directors wish to place on record their appreciation for the services rendered to the Company by its employees and shareholders. Your Directors also wish to express their sincere thanks to bankers and other lenders for their continued co-operation and assistance.

For and on behalf of the Board

Kailash Chand Gupta
Director
DIN : 00047493

Sunil Choraria
Director
DIN : 00015449

9/1, R. N. Mukherjee Road
Kolkata - 700 001
Dated : 27th April, 2015

HARGAON PROPERTIES LIMITED

ANNEXURE - A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS

CIN	U70101WB2003PLC097280
Registration Date	18th November, 2003
Name of the Company	HARGAON PROPERTIES LIMITED
Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company
Address of the Registered Office and contact details	9/1, R. N. Mukherjee Road, Kolkata - 700 001 Telephone : 033-2243 0497
Whether listed Company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Real Estate	—	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Hargaon Investment & Trading Company Limited	U67120WB1986PLC041679	Holding	55.56%	2(46)

HARGAON PROPERTIES LIMITED

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Indian	—	—	—	—	—	—	—	—	—
Individuals/Hindu Undivided Family	—	—	—	—	—	—	—	—	—
Central Government/State Government(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	499949	499949	99.99	—	499949	499949	99.99	—
Financial Institutions/Banks	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	50	50	0.01	—	50	50	0.01	—
Sub Total (A) (1)	—	499999	499999	100.00	—	499999	499999	100.00	—
Foreign	—	—	—	—	—	—	—	—	—
Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	—	499999	499999	100.00	—	499999	499999	100.00	—
Public shareholding	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
Mutual Funds / UTI	—	—	—	—	—	—	—	—	—
Financial Institutions / Banks	—	—	—	—	—	—	—	—	—
Central Government / State Government(s)	—	—	—	—	—	—	—	—	—
Venture Capital Funds	—	—	—	—	—	—	—	—	—

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Insurance Companies	—	—	—	—	—	—	—	—	—
Foreign Institutional Investors	—	—	—	—	—	—	—	—	—
Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Any Other (Total)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1)	—	—	—	—	—	—	—	—	—
Non-institutions	—	—	—	—	—	—	—	—	—
Bodies Corporate	—	—	—	—	—	—	—	—	—
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up to > Rs. 1 Lakh	—	—	—	—	—	—	—	—	—
Individuals - ii. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
Clearing Member	—	—	—	—	—	—	—	—	—
Directors / Relatives	—	—	—	—	—	—	—	—	—
Foreign Company	—	—	—	—	—	—	—	—	—
Foreign National	—	—	—	—	—	—	—	—	—
HUF	—	—	—	—	—	—	—	—	—
Non Resident Indians (Non Repat)	—	—	—	—	—	—	—	—	—
Non Resident Indians (Repat)	—	—	—	—	—	—	—	—	—
Office Bearers	—	—	—	—	—	—	—	—	—
Trust / Society	—	—	—	—	—	—	—	—	—
Sub-Total (B)(2)	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B)= (B)(1) + (B)(2)	—	—	—	—	—	—	—	—	—
Total (A) + (B)	—	499999	499999	100.00	—	499999	499999	100.00	—
Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—	—	—	—
Promoter and Promoter Group	—	—	—	—	—	—	—	—	—
Public	—	—	—	—	—	—	—	—	—
Grand Total (A) + (B) + (C)	—	499999	499999	100.00	—	499999	499999	100.00	—

HARGAON PROPERTIES LIMITED

v) Shareholding of Directors and Key Managerial Personnel :

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Kailash Chand Gupta Director				
At the beginning of the year	10	—	10	—
Changes during the year	—	—	—	—
At the end of the year	10	—	10	—

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

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

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ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
Hargaon Investment & Trading Company Limited	277777	55.56	—	277777	55.56	—	—
Chamaparan Marketing Co. Limited	222222	44.44	—	222222	44.44	—	—
	499999	100.00	—	499999	100.00	—	—

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	499999	100	499999	100
Changes during the year	No change during the year			
At the end of the year	499999	100	499999	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, Promoters and Holders of GDRs and ADRs) :

	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	NOT APPLICABLE				

HARGAON PROPERTIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration		Total Amount Lacs
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2.	Stock Options	—	—
3.	Sweat Equity	—	—
4.	Commission		
	- As % of profit	—	—
	- As others specify		
5.	Others please specify	—	—
	Total (A)		
		Nil	Nil

B. Remuneration to other Directors :

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Kailash Chand Gupta	Mr. Chandra Kumar Vyas	Mr. Sunil Choraria	
	Fee for attending Board / Committee Meetings	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total B (1)				—

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2. Other Non-Executive Directors

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
	Fee for attending Board / Committee Meetings	—	—	—
	Commission	—	—	—
	Others, please specify	—	—	—
	Total B (2)	—	—	—
	Total (B)=(B)(1)+(B)(2)	—	—	—

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

Sl. No.	Particulars of Remuneration			Total Amount Lacs
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Options	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- As % of profit	—	—	—
	- As others specify			
5.	Others please specify	—	—	—
	Total (A)	Nil	Nil	Nil

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VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

HARGAON PROPERTIES LIMITED

Independent Auditor's Report

To the Members of Hargaon Properties Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hargaon Properties Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

HARGAON PROPERTIES LIMITED

Independent Auditor's Report (Contd.)

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 of the state of affairs of the Company as at 31st March, 2015, and its loss, and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

HARGAON PROPERTIES LIMITED

Independent Auditor's Report (Contd.)

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flows Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Companies Act, and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

29A, Madan Mohan Tala Street,
Kolkata - 700 005
Dated : 27th April, 2015

For S. N. Roy & CO.
Chartered Accountants
Firm Registration No. 313054E
S. N. ROY
Proprietor
Membership No. 051056

HARGAON PROPERTIES LIMITED

Annexure to the Independent Auditor's Report

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets of the company have been physically verified during the year by the management, which has revealed no discrepancies between the book records and physical inventory.
2. The company has no manufacturing and / or trading activities and as such the question of having any stock and maintenance of records in respect thereof and physical verification of inventory does not arise. Hence clauses 2(a), 2(b) & 2(c) of paragraph 3 of the aforesaid order are not applicable.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act and hence clauses 3(a) & 3(b) of paragraph 3 of the aforesaid order are not applicable.
4. There is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of fixed assets made during the year. There is no continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits during the year.
6. The Company is not required to maintain any cost records under section 148(1) of the Act.
7. (a) The Company is regular in depositing undisputed statutory dues with the appropriate authorities, as applicable. As the Company has no employees and no manufacturing and or trading activities are carried on by the Company, the question of payment of Provident Fund, Employees' State Insurance, Service Tax, VAT, Custom Duty, excise Duty, Value Added Tax, Cess etc. does not arise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Value added Tax or Cess and other material statutory dues were in arrears as at 31st march 2015 for the period of more than six months from the date they become payable.

HARGAON PROPERTIES LIMITED

Annexure to the Independent Auditor's Report (Contd.)

- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Custom duty, Excise Duty, Value Added Tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there is no amount required to be transferred to Investors Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made there under.
8. The Company has no accumulated loss at the end of the financial year but it has incurred cash loss in the current and immediately preceding financial year.
9. The Company has not taken any loan from any financial institution or bank. The Company does not have any borrowings by way of debentures.
10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. N. Roy & CO.
Chartered Accountants
Firm Registration No. 313054E
S. N. ROY
Proprietor
Membership No. 051056

29A, Madan Mohan Tala Street,
Kolkata - 700 005
Dated : 27th April, 2015

HARGAON PROPERTIES LIMITED

Balance Sheet as at 31st March, 2015

	Notes	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	49,99,990	49,99,990
Reserves & Surplus	3	70,204	1,05,070
Current Liabilities			
Other current Liabilities	4	5,000	2,000
Total		50,75,194	51,07,060
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	5	47,23,634	47,23,634
Current Assets			
Cash and Cash Equivalents	6	3,42,596	3,75,110
Other Current Assets	7	8,964	8,316
Total		50,75,194	51,07,060

Summary of significant accounting policies 1

The accompanying notes are an integral part of the Financial Statements

29A, Madan Mohan Tala Street, Kolkata - 700 005 Dated : 27th April, 2015	For S. N. ROY & CO. Firm Registration No. 313054E <i>Chartered Accountants</i> (S. N. ROY) <i>Proprietor</i> Membership No. 051056	SUNIL CHORARIA KAILASH CHAND GUPTA <i>Directors</i>
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HARGAON PROPERTIES LIMITED

Statement of Profit & Loss for the year ended 31st March, 2015

	Notes	31st March, 2015 Rs.	31st March, 2014 Rs.
I. INCOME			
Revenue from Operations		—	—
Other Income	8	28,787	8,316
Total		28,787	8,316
II. Expenses			
Rate & Taxes	9	4,400	4,400
Other Expenses	10	59,253	47,814
Total		63,653	52,214
Earnings before Interest, Depreciation & amortization and Tax (I-II)		(34,866)	(43,898)
Depreciation and amortization Expense		—	—
Profit / (Loss) before Tax		(34,866)	(43,898)
Tax Expenses			
Current Tax		—	—
Short Provision for Taxation		—	—
Total Tax Expense		—	—
Profit / (Loss) for the year		(34,866)	(43,898)
Earnings per Share (Nominal Value of Rs. 10/-)			
Basic & Diluted		(0.07)	(0.09)

Summary of significant accounting policies 1

The accompanying notes are an integral part of the Financial Statements

29A, Madan Mohan Tala Street, Kolkata - 700 005 Dated : 27th April, 2015	For S. N. ROY & CO. Firm Registration No. 313054E <i>Chartered Accountants</i> (S. N. ROY) <i>Proprietor</i> Membership No. 051056	SUNIL CHORARIA KAILASH CHAND GUPTA <i>Directors</i>
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HARGAON PROPERTIES LIMITED

Cash Flow Statement for the year ended 31st March, 2015

	(All Figures in Rs.)	
	<u>2014-2015</u>	<u>2013-2014</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / Loss before tax	(34,866)	(43,898)
Adjustment for :		
Depreciation	—	—
Dividend & Interest Income	—	—
Operating profit/(loss) before working capital changes	(34,866)	(43,898)
Adjustment for :		
Trade & Other receivables	2,262	—
Loans & Advances	—	—
Trade Payable	3,000	(80,000)
Cash generated from the operation	(29,604)	(1,23,898)
Direct Taxes Paid (Net of refunds)	(2,910)	—
Net Cash from Operating Activities (A)	(32,514)	(1,23,898)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	—	—
Sale of Investments	—	—
Dividend Received	—	—
Interest Received	—	—
Net Cash from Investing Activities (B)	—	—
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Receipt of Share Capital	—	4,99,990
Net Cash From Financing Activities (C)	—	4,99,990
Net changes in Cash and Cash equivalents (A+B+C)	(32,514)	3,76,092
Cash and Cash Equivalents - Opening Balance*	3,75,110	7,334
Cash and Cash Equivalents - Closing Balance*	3,42,596	3,75,110
*Represents Cash & Bank Balances as indicated in Note 6		

For S. N. ROY & CO.
Firm Registration No. 313054E
Chartered Accountants
(S. N. ROY)
Proprietor
Membership No. 051056

29A, Madan Mohan Tala Street,
Kolkata - 700 005
Dated : 27th April, 2015

SUNIL CHORARIA
KAILASH CHAND GUPTA | *Directors*

HARGAON PROPERTIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

Corporate Information

Hargaon Properties Ltd. (the company) is a public company domiciled in India and incorporated under the Provisions of The Companies Act, 1956. The main object of the Company is to deal in real estate property.

1. **Significant Accounting Policies**

Basis of Preparation

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

Method of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis, as per normally accepted accounting principles.

Income Taxes

Tax expense comprises of current and deferred tax. Current Income tax is measured at the amount expected to be paid to the authorities in accordance with the Indian Income Tax Act, 1961. Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses and erection/commissioning expenses etc.

Provision for Taxation

Provision for Taxation comprises of current year's tax.

Contingent Liability

Contingent liabilities, not provided for, are disclosed by way of Notes on the Accounts.

Cash and Cash equivalents

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

HARGAON PROPERTIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

(All Figures in Rs.)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
2. Share Capital		
(a) Authorised Shares :		
5,00,000 Equity Shares of Rs. 10 each	50,00,000	50,00,000
	50,00,000	50,00,000
(b) Issued Shares :		
5,00,000 Equity Shares of Rs. 10 each	50,00,000	50,00,000
	50,00,000	50,00,000
(c) Subscribed and fully paid-up Shares :		
4,99,999 Equity Shares of Rs. 10 each (P.Y. 4,99,999 Equity Share of Rs. 10 each)	49,99,990	49,99,990
	49,99,990	49,99,990
(d) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		

	2014-2015		2013-2014	
	No.	Rs.	No.	Rs.
Equity Shares				
At the beginning of the period	4,99,999	49,99,990	4,50,000	45,00,000
Add : Issued during the period	—	—	49,999	4,99,990
Outstanding at the end of the period	4,99,999	49,99,990	4,99,999	49,99,990

Notes to financial statements for the year ended 31st March, 2015

(e) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Equity Shares of Rs. 10 each fully paid

	As at 31-03-2015		As at 31-03-2014	
	No.	% holding	No.	% holding
Hargaon Investment & Trading Co. Ltd.	2,77,777	56%	2,50,000	56%
Champaran Marketing Co. Limited	2,22,222	44%	2,00,000	44%
	4,99,999	100%	4,50,000	100%

HARGAON PROPERTIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
(g) Details of shares held by Holding Company		
Equity Shares		
Hargaon Investment & Trading Co. Ltd.	27,77,770	27,77,770
3. Reserves & Surplus		
Surplus/(Deficit) in the statement of Profit & Loss		
Balance as per last financial statements	1,05,070	1,48,968
Profit / Loss for the year	(34,866)	(43,898)
Net Surplus/(Deficit) in the statement of Profit and Loss	70,204	1,05,070
Total Reserves and Surplus	70,204	1,05,070
4. Other Current Liabilities		
Audit Fees	5,000	2,000
	5,000	2,000

5. Tangible Assets

(All Figures in Rs.)

Cost or Valuation	Freehold Land	Others	Total
At 1st April, 2013	47,23,634	—	47,23,634
Additions	—	—	—
Disposal	—	—	—
At 31st March, 2014	47,23,634	—	47,23,634
Additions	—	—	—
Disposal	—	—	—
At 31st March, 2015	47,23,634	—	47,23,634
	Freehold Land	Buildings	Total
Depreciation			
At 1st April, 2013	—	—	—
Charge for the year	—	—	—
Disposal	—	—	—
At 31st March, 2014	—	—	—
Charge for the year	—	—	—
Disposal	—	—	—
At 31st March, 2015	—	—	—
Net Block			
At 31st March, 2014	47,23,634	—	47,23,634
At 31st March, 2015	47,23,634	—	47,23,634

HARGAON PROPERTIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

(All Figures in Rs.)

	<u>31st March, 2015</u>	<u>31st March, 2014</u>
6. Cash and Bank Balances		
Cash and Cash equivalents		
<u>Balances with Banks :</u>		
On Current Accounts	41,279	21,334
On Fixed Deposit Account	3,00,000	3,50,000
Cash on Hand	1,317	3,776
	<u>3,42,596</u>	<u>3,75,110</u>
7. Other Current Assets		
Interest Receivable	6,054	8,316
Tax Deducted at Source	2,910	—
	<u>8,964</u>	<u>8,316</u>
8. Other Income		
Interest on Bank Fixed Deposits	28,787	8,316
	<u>28,787</u>	<u>8,316</u>
9. Rates & Taxes		
Corporation Tax	4,400	4,400
	<u>4,400</u>	<u>4,400</u>
10. Other Expenses		
Audit Fee	5,000	2,000
Professional and Consultancy Fees	7,532	12,003
Bank Charges	745	1,288
Filing Charges	3,100	1,500
Miscellaneous Expenses	14,786	2,933
Services Charges	28,090	28,090
	<u>59,253</u>	<u>47,814</u>

HARGAON PROPERTIES LIMITED

Notes to Financial Statements for the year ended 31st March, 2015 (Contd.)

11. Additional Disclosures

(A) Employee

The Company has no employee, hence there is no liability at the end of the year.

(B) Related Party Disclosure

(In accordance with Accounting Standard - 18 issued by the Institute of Chartered Accountants of India)

List of Related Parties

<u>Name</u>	<u>Relationship</u>
A. Hargaon Investment & Trading Co. Ltd.	Holding Company
B. The Oudh Sugar Mills Ltd.	Ultimate Holding Company

C. Earning per Share (EPS)

	<u>31st March, 2015</u>	<u>31st March, 2014</u>
Profit / (Loss) after tax	(34,866)	(43,898)
Less : Dividends on Convertible Preference Shares and Tax thereon	—	—
Net profit / (loss) for calculation of basic EPS	(34,866)	(43,898)
Weighted average number of equity shares in calculation of EPS	<u>4,99,999</u>	<u>4,99,999</u>
	<u>(0.07)</u>	<u>(0.09)</u>

12. In terms of Accounting Standard 22, Deferred Tax Assets / Liability has not been recognised as there is no timing difference between Taxable Income and Accounting Income is turned to be permanent in nature.

13. Correspondings figures for the previous year have been regrouped and/or re-arranged.

29A, Madan Mohan Tala Street,
Kolkata - 700005
Dated : 27th April, 2015

For S. N. ROY & CO.
Firm Registration No. 313054E
Chartered Accountants
(S. N. ROY)
Proprietor
Membership No. 051056

SUNIL CHORARIA
KAILASH CHAND GUPTA | *Directors*