

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014

1. Your Directors hereby submit their Report and Accounts for the financial year ended 31st March, 2014.

2. COMPANY PERFORMANCE

The Company, a Core Investment Company within the meaning of the Core Investment Companies (Reserve Bank) Directions, 2011, is exploring suitable investment opportunities. In the meantime, the Company's funds have been deployed in bank fixed deposits.

The financial results of your Company, summarised, are as under :

| | For the year ended 31st March, 2014 | For the period from 19th March, 2012 to 31st March, 2013 |
|--|--|--|
| | (₹) | (₹) |
| a. Profit Before Tax | 30,82,012 | 16,36,562 |
| Less : Tax Expense | 30,000 | — |
| b. Profit After Tax | 30,52,012 | 16,36,562 |
| c. Add : Profit brought forward from previous years | 16,36,562 | — |
| d. Balance carried forward to the following year | 46,88,574 | 16,36,562 |

3. DIRECTORS

In accordance with the provisions of Article 19 of the Articles of Association of the Company, Mr. R. Tandon will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-election. Your Board of Directors has recommended his re-election.

4. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having :-

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- ii) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and

prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

iv) prepared the Annual Accounts on a going concern basis.

5. PARTICULARS OF EMPLOYEES

None of the employees of your Company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. AUDITORS

The Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment. Your Board has recommended the re-appointment of Messrs. Deloitte Haskins & Sells for a period of five years in accordance with Section 139 of the Companies Act, 2013.

7. COMPLIANCE CERTIFICATE UNDER THE COMPANIES ACT, 1956

Compliance Certificate issued by Messrs. Vinod Kothari & Company, Practising Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956, that the Company has complied with the applicable provisions of the said Act, is attached to this Report.

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

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption. There has been no foreign exchange earnings or outflow during the year under review.

Dated: 2nd May, 2014

Registered Office:
Virginia House
37 J. L. Nehru Road
Kolkata 700 071

On behalf of the Board
R. Tandon Chairman
S. Dutta Director

COMPLIANCE CERTIFICATE

[Pursuant to section 383A (1) of the Companies Act, 1956]

CIN: U65923WB2012PLC176166

Nominal Capital: 45,000,000/-

Date of Incorporation: 19/03/2012

The Members,

ITC Investments & Holdings Limited

Virginia House

37 J. L. Nehru Road

Kolkata-700 071

We have examined the registers, records, books and papers of ITC Investments & Holdings Limited (the "Company") 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 March 31, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act 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 authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company has the minimum prescribed paid-up capital and by its Articles, it does not contain the restrictions in respect of 3 (1) (iii).
4. The Company during the financial year has held 4 (four) board meetings on May 2, 2013, September 13, 2013, December 23, 2013 and March 26, 2014 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for this purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The first Annual General Meeting of the Company for the period from March 19, 2012 to March 31, 2013 was called at a shorter notice duly agreed to by all the members. The same was held on May 16, 2013 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loan to its Directors and / or persons or firms or companies referred to in Section 295 of the Act during the financial year under review.
9. During the financial year, the Company did not enter into any contract attracting the provisions of Section 297 of the Act.
10. The Company was not required to make any entry in the register maintained under Section 301 of the Act.

11. The Company was not required to obtain approval from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act during the financial year.
12. During the financial year under review, no request for issue of duplicate share certificates was received by the Board of Directors of the Company.
13. The Company:
 - i. has delivered all the certificates on allotment of securities in accordance with the applicable provisions of the Act.
 - ii. has not deposited any amount in a separate bank account as the Company has not declared any dividend including interim dividend during the financial year.
 - iii. was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. no amount appears in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to transfer to Investor Education & Protection Fund.
 - v. has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors and additional directors has been duly made.
15. During the financial year under review, the Company has not appointed any managing director / whole-time director / manager.
16. The Company has not appointed any sole selling agent during the period of audit.
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 period of audit.
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 thereunder.
19. The Company has not issued any shares / debentures / other securities during the financial year.
20. The Company has not bought back any share during the period under review.
21. The Company has not redeemed preference shares / debentures during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and neither had any bonus shares pending registration of transfer of shares during the financial year.
23. The Company has not invited/accepted any public deposits under Sections 58A and 58AA of the Act during the financial year under review.
24. The Company has not borrowed from its directors, members, public, financial institutions, banks and others during the financial year and hence, the Company was not required to comply with the provisions of Section 293(1)(d) of the Act.
25. The Company's business being acquisition of shares and securities, the provisions of Section 372A of the Act are not applicable.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.

27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year of scrutiny.
31. No prosecution has been initiated against or show cause notices have been received by the Company for offences under the Act and no fines and penalties or any other punishment has been imposed on the Company consequentially.
32. The Company has not received any amount as security from its employees during the financial year under certification under Section 417 of the Act.
33. The Company has not deducted any contribution towards Provident Fund with prescribed authorities pursuant to section 418 of the Act during the financial year under review.

Place: Kolkata
 Date: 2nd May, 2014
 For Vinod Kothari & Company
 Practicing Company Secretaries
 Vinod Kumar Kothari
 C. P. No. : 1391

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITC INVESTMENTS & HOLDINGS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. The Company's 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company. In respect of the other clauses, we report as under:

- (i) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (ii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
 - (a) The Company is regular in depositing undisputed statutory dues including income-tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) As at 31st March, 2014, according to the records of the Company and the information and explanations given to us, there were no dues on account of income-tax, service tax and cess which have not been deposited on account of any dispute.

ANNEXURE 'A'

- Registers as maintained by the Company:
1. Register of Members and Share Ledger
 2. Register of Directors, Managing Directors etc.
 3. Register of Directors' Shareholding
 4. Register of Share Transfers
 5. Directors' Minute Book
 6. Shareholders' Minute Book

ANNEXURE 'B'

Forms and returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the period under review

1. E-Form 32 filed on April 26, 2013 u/s 303 of the Act for appointment of Mr. Supratim Dutta as Additional Director of the Company.
2. E-Form 32 filed on May 7, 2013 u/s 303 of the Act for cessation of Mr. P. Sengupta as Director of the Company.
3. E-Form 66 filed on May 20, 2013 u/s 383A of the Act for filing of Compliance Certificate for financial year 2012-13.
4. E-Form 32 filed on May 20, 2013 u/s 303 of the Act for change in designation of Mr. Supratim Dutta from an additional director to a non-executive director of the Company.
5. E-Form 23AC and 23ACA on June 5, 2013 u/s 220 of the Act for filing of financial statements of the Company.
6. E-Form 20B filed on July 11, 2013 u/s 159 of the Act for filing of Annual Return of the Company.

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
 Chartered Accountants
 (Firm's Registration No.302009E)

Ketan Vora
 Partner

Mumbai, 2nd May, 2014

(Membership No. 100459)

- (iii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of its shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- (iv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (v) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
 Chartered Accountants
 (Firm's Registration No. 302009E)

Ketan Vora
 Partner

Mumbai, 2nd May, 2014

(Membership No. 100459)

BALANCE SHEET AS AT 31ST MARCH, 2014

| | Note | As at 31st March, 2014 ₹ | As at 31st March, 2013 ₹ |
|-------------------------------|------|--------------------------------|--------------------------------|
| Equity and Liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 4,50,00,000 | 4,50,00,000 |
| Reserves and surplus | 2 | 46,88,574 | 16,36,562 |
| Current Liabilities | | | |
| Other current liabilities | 3 | 56,180 | 56,180 |
| Short-term provisions | 4 | 10,084 | — |
| Total | | 4,97,54,838 | 4,66,92,742 |
| Assets | | | |
| Current assets | | | |
| Current investments | 5 | — | 4,65,80,515 |
| Cash and bank balances | 6 | 4,95,75,583 | 1,12,227 |
| Other current assets | 7 | 1,79,255 | — |
| Total | | 4,97,54,838 | 4,66,92,742 |

The accompanying notes 1 to 11 are an integral part of the Financial Statements.

In terms of our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Ketan Vora

Partner

Mumbai, 2nd May, 2014

On behalf of the Board

R. Tandon Chairman

S. Dutta Director

Kolkata, 2nd May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Note | For the period 31st March, 2014 ₹ | For the period 19th March, 2012 to 31st March, 2013 ₹ |
|--|--------|---|--|
| Other income | 8 | 31,92,907 | 23,23,995 |
| Total Revenue | | 31,92,907 | 23,23,995 |
| Expenses | | | |
| Other expenses | 9 | 1,10,895 | 6,87,433 |
| Total Expenses | | 1,10,895 | 6,87,433 |
| Profit before tax | | 30,82,012 | 16,36,562 |
| Tax expense: | | | |
| Current tax | | 30,000 | — |
| Profit for the year | | 30,52,012 | 16,36,562 |
| Earnings per share (Face Value of ₹ 10/- each) (Basic and Diluted) | 10 (b) | 0.68 | 0.43 |

The accompanying notes 1 to 11 are an integral part of the Financial Statements.

In terms of our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Ketan Vora

Partner

Mumbai, 2nd May, 2014

On behalf of the Board

R. Tandon Chairman

S. Dutta Director

Kolkata, 2nd May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| | Note | For the year ended 31st March, 2014 ₹ | For the year ended 31st March, 2014 ₹ | For the period 19th March, 2012 to 31st March, 2013 ₹ | For the period 19th March, 2012 to 31st March, 2013 ₹ |
|--|------|---|---|--|--|
| A. Cash Flow from operating activities | | | | | |
| Profit before tax | | | 30,82,012 | | 16,36,562 |
| Adjustments for: | | | | | |
| Net gain on sale of investments | | | (51,652) | | — |
| Interest income on bank deposit | | | (1,99,171) | | — |
| Dividend income from current investments | | | (29,42,084) | | (23,23,995) |
| Operating profit before working capital changes | | | (1,10,895) | | (6,87,433) |
| Adjustments for: | | | | | |
| Other current liabilities | | — | — | 56,180 | 56,180 |
| Cash used in Operations | | | (1,10,895) | | (6,31,253) |
| Income tax paid | | | (19,916) | | — |
| Net Cash used in operating activities | | | (1,30,811) | | (6,31,253) |
| B. Cash flow from investing activities | | | | | |
| Purchase of current investments | | (39,99,50,000) | | (32,25,53,996) | |
| Sale/redemption of current investments | | 44,65,82,167 | | 27,59,73,481 | |
| Interest Received | | 19,916 | | — | |
| Dividend income from current investments received | | 29,42,084 | | 23,23,995 | |
| Investment in bank deposits (original maturity more than 3 months) | | (4,95,00,000) | | — | |
| Net Cash used in investing activities | | | 94,167 | | (4,42,56,520) |
| C. Cash flow from financing activities | | | | | |
| Proceeds from issue of share capital | | — | | 4,50,00,000 | |
| Net Cash from financing activities | | | | | 4,50,00,000 |
| Net increase in Cash and Cash equivalents | | | (36,644) | | 1,12,227 |
| Opening Cash and Cash equivalents | | | 1,12,227 | | — |
| Closing Cash and Cash equivalents (Refer Note 6) | | | 75,583 | | 1,12,227 |
| Notes: | | | | | |
| 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statements. | | | | | |
| 2. Cash and Cash Equivalents : | | | | | |
| | | As at 31st March, 2014 ₹ | | As at 31st March, 2013 ₹ | |
| Cash and Cash Equivalents as above | | 75,583 | | 1,12,227 | |
| Other bank balances | | 4,95,00,000 | | — | |
| Cash and bank balances (Note 6) | | 4,95,75,583 | | 1,12,227 | |

The accompanying notes 1 to 11 are an integral part of the Financial Statements.

In terms of our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Ketan Vora

Partner

Mumbai, 2nd May, 2014

On behalf of the Board

R. Tandon Chairman

S. Dutta Director

Kolkata, 2nd May, 2014

NOTES TO THE FINANCIAL STATEMENTS

1. Share capital

| | As at 31st March, 2014 (No. of Shares) | As at 31st March, 2014 (₹) | As at 31st March, 2013 (No. of Shares) | As at 31st March, 2013 (₹) |
|--|--|----------------------------------|--|----------------------------------|
| Authorised | | | | |
| Equity shares of ₹ 10/- each | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| Issued and Subscribed | | | | |
| Equity shares of ₹ 10/- each, fully paid | 45,00,000 | 4,50,00,000 | 45,00,000 | 4,50,00,000 |
| (A) Reconciliation of number of Equity Shares outstanding | | | | |
| At the beginning of the period | 45,00,000 | 4,50,00,000 | — | — |
| Add: Equity Shares issued during the period | — | — | 45,00,000 | 4,50,00,000 |
| At the end of the period | 45,00,000 | 4,50,00,000 | 45,00,000 | 4,50,00,000 |
| (B) Shareholders holding more than 5% of the Equity Shares in the Company | | | | |
| | As at 31st March, 2014 (No. of Shares) | As at 31st March, 2014 (%) | As at 31st March, 2013 (No. of Shares) | As at 31st March, 2013 (%) |
| ITC Limited - the Holding Company | 45,00,000 | 100 | 45,00,000 | 100 |

(C) **Rights, preferences and restrictions attached to the Equity Shares**

The Equity Shares of the Company, having par value of ₹ 10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

2. Reserves and surplus

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|---|----------------------------------|----------------------------------|
| Surplus in the Statement of Profit and Loss | | |
| As at the beginning of the period | 16,36,562 | — |
| Add: Profit for the period | 30,52,012 | 16,36,562 |
| As at the end of the period | 46,88,574 | 16,36,562 |
| Total | 46,88,574 | 16,36,562 |

3. Other current liabilities

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|------------------------|----------------------------------|----------------------------------|
| Other payables | | |
| Liability for expenses | 51,180 | 50,562 |
| Statutory Liability | 5,000 | 5,618 |
| Total | 56,180 | 56,180 |

4. Short-term provisions

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|---------------------------------------|----------------------------------|----------------------------------|
| Current taxation (Net of advance tax) | 10,084 | — |
| Total | 10,084 | — |

5. Current investments

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|--|----------------------------------|----------------------------------|
| (at lower of cost and fair value) | | |
| Investment in mutual funds (Unquoted) | | |
| Kotak Floater Short Term-Daily Dividend Reinvestment | | 66,27,259 |
| Nil (2013 - 6,551) Units of ₹ 1,000/- each | — | |
| JP Morgan India Liquid Fund Super Institutional Daily Dividend - Reinvestment | | 3,99,53,256 |
| Nil (2013 - 39,92,172) Units of ₹ 10/- each | — | |
| Total | — | 4,65,80,515 |

6. Cash and bank balances

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|---------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | | |
| Balances with Banks | 75,583 | 1,12,227 |
| Current accounts | — | — |
| Other bank balances | 4,95,00,000 | — |
| In deposit accounts* | — | — |
| Total | 4,95,75,583 | 1,12,227 |

*Represents deposits with original maturity of more than 3 months ₹ 4,95,00,000 (2013 - Nil)

7. Other current assets

| | As at 31st March, 2014 (₹) | As at 31st March, 2013 (₹) |
|---|----------------------------------|----------------------------------|
| Interest accrued but not due on fixed deposit | 1,79,255 | — |
| Total | 1,79,255 | — |

8. Other income

| | For the year ended 31st March, 2014 (₹) | For the period 19th March, 2012 to 31st March, 2013 (₹) |
|--|---|--|
| Dividend income from Current investments | 29,42,084 | 23,23,995 |
| Interest income on bank deposit | 1,99,171 | — |
| Net gain on sale of current investment | 51,652 | — |
| Total | 31,92,907 | 23,23,995 |

9. Other expenses

| | For the year ended 31st March, 2014 (₹) | For the period 19th March, 2012 to 31st March, 2013 (₹) |
|-------------------------|---|--|
| Rates and taxes | 6,497 | 2,750 |
| Professional fees | 14,318 | 2,500 |
| Printing and stationery | — | 1,808 |
| Payment to Auditor | — | — |
| Statutory audit fees | 56,180 | 56,180 |
| Tax audit fees | 33,708 | — |
| Preliminary expenses | — | 6,08,370 |
| Miscellaneous expenses | 192 | 15,825 |
| Total | 1,10,895 | 6,87,433 |

10. Additional Notes to the Financial Statements

a) There are no Micro, Small and Medium Enterprises, to whom the Company owes any dues, which are outstanding for more than 45 days during the period and also as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on information available with the Company.

b) **Earnings per share**

| | For the year ended 31st March, 2014 | For the period 19th March, 2012 to 31st March, 2013 |
|---|--|---|
| Profit for the period (₹) | 30,52,012 | 16,36,562 |
| Weighted average number of Equity Shares outstanding | 45,00,000 | 37,95,756 |
| Earnings per share on profit for the period - Basic and Diluted (Face Value - ₹ 10/- per share) | ₹ 0.68 | ₹ 0.43 |

c) **Segment Reporting**

The Company operates in a single business segment i.e. acquisition of shares and securities and in a single geographical segment.

d) **Related Party Disclosures**

(i) **Relationship:**

Holding Company: - ITC Limited

Key Management Personnel

| | |
|------------------------|---|
| - Mr. Rajiv Tandon | Non - Executive Chairman |
| - Mr. B. B. Chatterjee | Non - Executive Director |
| - Mr. Saradindu Dutta | Non - Executive Director |
| - Mr. Supratim Dutta | Non - Executive Director |
| - Mr. P.Sengupta | Non - Executive Director (ceased w.e.f 27th April , 2013) |

(ii) **Disclosure of transactions between the Company and Related Parties**

| | For the year ended 31st March, 2014 | For the period 19th March, 2012 to 31st March, 2013 |
|---------------------------------------|--|---|
| 1. Expenses reimbursed to ITC Limited | — | 6,08,370 |

11. Significant Accounting Policies

It is Corporate Policy

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in revised Schedule VI to the Companies Act, 1956.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

On behalf of the Board
R. Tandon Chairman
S. Dutta Director

Kolkata , 2nd May, 2014