

**REPORT OF THE DIRECTORS FOR PERIOD ENDED 31ST MARCH, 2014**

Your Directors hereby submit their First Report and Accounts for the period from 5th August, 2013, being the date of incorporation of the Company, to 31st March, 2014.

**COMPANY PERFORMANCE**

The Company was incorporated primarily to establish a food processing facility in Assam to cater to the fast-growing market for branded packaged food products in the north eastern states. During the year, the Company became a joint venture between ITC Limited and the SRD Group with equity shareholding of 76% and 24% respectively.

The Company is currently engaged in setting up a biscuit manufacturing facility in Mangaldai, Darrang District, Assam which is expected to start commercial production during the year 2015-16.

The Net Loss of the Company stood at Rs. 35.5 lakhs for the year mainly on account of incorporation related expenses.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards and there are no material departures.
- 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 as at the end of the financial year and of the loss of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- prepared the Annual Accounts on a going concern basis.

**DIRECTORS**

Mr. Anjan Kumar Roy and Mr. Arun Kumar Khandelia were the first Directors of the Company. M/s. Murali Ganesan, Dharmarajan Ashok, Paritosh Wali and Samrat Deka were appointed by the Board of Directors as Additional Directors of the Company with effect from 6th February, 2014. By virtue of the provisions of Section 161 of the Companies Act, 2013 ('the Act'), M/s. M Ganesan, D Ashok, P Wali and S Deka will vacate their office at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

The Directors have recommended for your approval, the appointment of M/s. M Ganesan, D Ashok, P Wali and S Deka as Directors of the Company, liable to retire at every Annual General Meeting in terms of Article 77(d) of the Articles of Association of the Company. Due Notices under Section 160 of the Act have been received by the Company for their appointment as Directors and appropriate resolutions seeking your approval to such appointments are appearing in the Notice convening the ensuing Annual General Meeting of the Company.

Mr. Anjan Kumar Roy and Mr. Arun Kumar Khandelia have stepped down as Directors of the Company with effect from 6th February, 2014. The Directors would like to record their appreciation for the services rendered by Mr. Roy and Mr. Khandelia during their tenure as the Directors of the Company.

**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.

**AUDITORS**

The Company's Auditors, Messrs. S. K. Deora & Co., Chartered Accountants (Registration No. 319234E), who retire at the ensuing Annual General Meeting, have expressed that they would not like to offer themselves for re-appointment as Auditors of the Company.

Your Company has received a Special Notice in terms of the provisions of Section 140(4) of the Act proposing the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 302009E), as Statutory Auditors of the Company at the ensuing Annual General Meeting.

Your Board of Directors, on the recommendation of the Audit Committee, has recommended the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company for a period of five years in accordance with Section 139(1) of the Act. Messrs. Deloitte Haskins & Sells have given their consent and certificate for appointment as the Auditors of the Company.

**AUDIT COMMITTEE**

The Audit Committee of the Company comprises Mr. M Ganesan as Chairman and Mr. D Ashok and Mr. P Wali as Members.

**SHARE CAPITAL OF THE COMPANY**

During the year, the Authorised Share Capital of the Company was increased from Rs. 2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 75,00,00,000/- (Rupees Seventy Five Crores) divided into 7,50,00,000 Equity Shares of Rs. 10/- each, with the approval of the Members at the Extra-Ordinary General Meeting of the Company held on 7th February, 2014.

The Board of Directors has issued and allotted 1,50,00,000 Equity Shares of Rs.10/- each at par during the year under review, consequent to which the Paid-up Capital of the Company stands at Rs. 15,00,00,000/- (Rupees Fifteen Crores).

**ALTERATION OF MEMORANDUM & ARTICLES OF ASSOCIATION**

During the year, the Clause relating to Objects incidental or ancillary to the attainment of the Main Objects forming part of the Memorandum of Association was amended. The Company also adopted a new set of Articles of Association, with the approval of the Members at the Extra-Ordinary General Meeting of the Company held on 7th February, 2014.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

Considering that the Company has not started any commercial operations, the disclosures pertaining to conservation of energy and technology absorption, as specified in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable for the year under review.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no foreign exchange earnings or outflow during the year under review.

**SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

During the year, the Registered Office of the Company was shifted from 52 Weston Street, 3rd Floor - Room No. 304, Kolkata - 700 012 to Aradhana Building, 2/1 Anandilal Poddar Sarani, Kolkata - 700 071.

**COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956**

A Certificate from Ms. Bhagwati Sharma, Practising Company Secretary (CP No.- 11002), in terms of the provisions of Section 383A of the Companies Act, 1956, to the effect that the Company has complied with the applicable provisions of the Act/ Companies Act, 1956 is attached to this Report.

**ACKNOWLEDGEMENT**

The Directors record their appreciation for the assistance rendered to the Company by its Shareholders, Banks, and various authorities under the Central and State Governments.

By order of the Board  
NORTH EAST NUTRIENTS PRIVATE LIMITED

Dated: 28th April, 2014  
Kolkata

(M. GANESAN)  
CHAIRMAN

(D. ASHOK)  
DIRECTOR

**SECRETARIAL COMPLIANCE CERTIFICATE**

CIN : U15122WB2013PTC196135  
 Authorised Capital : Rs. 750,000,000/-  
 Paid up Capital : Rs.150,000,000/-

To,  
 The Members  
**M/s. NORTH EAST NUTRIENTS PRIVATE LIMITED**  
 Aradhana Building  
 2/1 Anandilal Poddar Sarani,  
 Kolkata- 700071  
 West Bengal.

I have examined the registers, records, books and papers of **M/s. NORTH EAST NUTRIENTS PRIVATE LIMITED** as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period **5th August, 2013 to 31st 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 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 Private Limited company has the minimum prescribed paid-up capital and its number of members during the said financial year were **15 (Fifteen)** excluding its present and past employees and the company during the period under scrutiny:
  - (i) has not invited public to subscribe for its shares or debentures, and
  - (ii) have not invited or accepted any deposits from persons other than its members, directors or their relatives;
4. The Board of Directors duly met **9(Nine)** times respectively on 04.09.2013, 09.10.2013, 19.11.2013, 06.02.2014 at 2.30 p.m., 06.02.2014 at 5.00 p.m., 07.02.2014 at 10.00 a.m., 07.02.2014 at 12.30 p.m., 12.02.2014 and 15.02.2014 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its register of members or debenture holders during the relevant period.
6. Being the first year of the company no Annual General Meeting has been held during the period.
7. An Extra Ordinary General Meeting was held on **7th February, 2014** for Alteration of Articles, Alteration of Object Clause & Increase in Authorised Capital of the Company during the relevant period.
8. The Company being private limited company, provisions of Section 295 of the Act is not applicable.
9. The Company has not entered into any contracts in terms of section 297 of the Act during the period.
10. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies act, 1956.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to take any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - (i) has made allotment and there were transfer of equity shares in accordance with the provisions of the Act;
  - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the relevant period.
  - (iii) was not required to post/pay warrants for dividend to all the member as there was no declaration of any dividend during the relevant period.
  - (iv) was not required to transfer any amount in unpaid dividend account, application money due for refund, matured deposit, matured debentures and the interest accrued, etc., thereon as there was no instance falling within the purview of the Act.
- (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. M. Ganesan, Mr. D. Ashok, Mr. Paritosh Wali & Mr. Samrat Deka were appointed as Additional Directors of the company. Mr. Anjan Kumar Roy & Mr. Arun Kumar Khandelia resigned from their post of Directorship during the relevant period.
15. The Company being Private Limited Company provision of section 269 of the Companies Act, 1956 with regard to the appointment of Managing Director/Whole time Director/Manager during the period is not applicable.
16. The Company has not appointed any sole selling agent during the period.
17. The Company has obtained necessary approvals of the Central Government, Company Law Board, and Regional Directors, Registrar and/or such other authorities as may be prescribed under the provisions of the Act and has filed all necessary Forms, documents, applications, etc. under the Act and Rules thereunder.
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 issued 14,980,000 Equity shares during the relevant period.
20. The Company has not bought back any shares during the relevant period.
21. The Company has not issued any preference shares /debentures during the relevant period.
22. The Company was not necessitated to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares in compliance with the provision of the Act.
23. The Company has not accepted any deposits falling under the provision of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. The Company has not made any loans or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
25. The Company, being a Private Company, the provision of section 372A of the Act does not apply.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office from one State to another during the period under scrutiny. However, the Company shifted its registered office within the State.
27. The Company has altered the provisions of Memorandum with respect to the objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the period under scrutiny.
29. The Company has altered the Clause V of Memorandum with respect to the Share Capital of the Company during the period under scrutiny.
30. The Company has altered the Articles of Association during the period under scrutiny.
31. There was / were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines or penalties or any other punishment was imposed on the Company during the period, under scrutiny.
32. The Company has not received any sum of money as security from its employees during the period under certification, falling under the purview of section 417(1) of the Act.
33. The Company was not required to constitute Provident Fund pursuant to Section 418 of the Act; hence requirement of deposits with Provident Authority does not arise.

Further I do hereby confirm that the Company has duly complied with all the applicable provisions of the Companies Act, 1956 / 2013 and Rules made thereunder.

Place : Kolkata  
 Dated : 28.04.2014

**Bhagwati Sharma**  
 Company Secretaries  
 CP NO-11002

## ANNEXURE-A

## REGISTERS AS MAINTAINED BY THE COMPANY

SL.NO	NAME OF REGISTERS/BOOKS	SECTIONS
1	Register of Members	Sec.150
3.	Books of Accounts	Sec.209
4.	Register of Director, Managing Director/Manager	Sec.303
5.	Register of Director Shareholding	Sec.307
6.	Register of Contracts in which Directors are interested	Sec.301
7.	Register of Allotment	Sec.75
8.	Register of Investment made in the Name of Company	Sec. 49
9.	Share Scrip Register	
10.	Register of Share Transfer	Sec. 111
11.	Minutes of General Meeting and Board Meeting	Sec. 193/ 196

## ANNEXURE-B

## RETURNS AND FORMS FILED WITH THE REGISTRAR OF COMPANIES. DURING THE FINANCIAL YEAR ENDING 31st MARCH. 2014

SL. NO	FORM NO. /RETURN	FILED U/S	DATE OF DOCUMENT	DATE OF FILING	SRN NO.	WHETHER FILED WITHIN PRESCRIBED TIME	IF DELAY IN FILING WHETHER ADDITIONAL FEES PAID YES/NO
1.	Form 2	75	06/02/2014	07/02/2014	S29248127	Yes	No
2.	Form 32	303	06/02/2014	06/02/2014	B95539516	Yes	No
3.	Form 32	303	06/02/2014	06/02/2014	B95537601	Yes	No
4.	Form 32	303	06/02/2014	06/02/2014	B95539680	Yes	No
5.	Form 18	146	06/02/2014	06/02/2014	B95541694	Yes	No
6.	Form 5	94	07/02/2014	12/02/2014	B95908562	Yes	No
7.	Form 23	192	07/02/2014	03/03/2014	B97570733	Yes	No
8.	Form 23	192	07/02/2014	24/02/2014	B95882759	Yes	No
9.	Form 2	75	12/02/2014	03/03/2014	S29463833	Yes	No
10.	Form 2	75	15/02/2014	10/03/2014	S29521663	Yes	No

## INDEPENDENT AUDITOR'S REPORT

To The Members of North East Nutrients Private Limited

## Report on the Financial Statements

We have audited the accompanying statements of NORTH EAST NUTRIENTS PRIVATE LIMITED, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) 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 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 from material misstatement. An audit involves performing procedure 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.

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 explanation given to us, the aforesaid financial statements give the information required by the Act in the manner so required

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- In the case of Statement of Profit and Loss, of the loss of the Company for the period ended on that date; and
- In the case of the Cash flow Statement, of the cash flows of the Company for the period ended on that date.

## Report on other Legal and Regulatory Requirements

- 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.
- As required by Section 227(3) of the Act, we report that :
  - We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - 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.
  - 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.
  - In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - On the basis of written representations received from the directors and 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 clause (g) of sub-section (1) of section 274 of the Act.

For S. K. DEORA & CO.  
Chartered Accountants  
Firm Reg. No. 319234E  
(Sashi Kant Deora)  
Proprietor  
Membership No. 054611

Kolkata, 28th April, 2014

**Annexure to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirement' of our report of even date)

- |  |   |
|--|---|
| <p>(i) (a) The company is maintaining proper records showing particulars, including quantitative details and situation of fixed assets.</p> <p>(b) Physical verification of Fixed assets was carried out during the year. No discrepancies noticed.</p> <p>(c) No fixed Assets disposed of during the year.</p> <p>(ii) Inventory : N I L. Production not yet started.</p> <p>(iii) According to information and explanation given to us, the Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted / taken any loans, secured or unsecured, to / from parties listed in the register maintained under Section 301 of the Companies Act, 1956 paragraphs 4 (iii) (b), (c), (d), (f) and (g) of the Order are not applicable.</p> <p>(iv) In our opinion and according to the information and explanation given to us, having regard to the explanation that certain items are of a special nature and their prices cannot be compared with alternative quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets. Further, on the basis of our examination and the information and explanation given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.</p> <p>(v) According to the information and explanation given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 and accordingly paragraph (v)(b) of the Order is not applicable.</p> <p>(vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public during the year and has complied with the provisions of Section 58A, 58AA and any other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or any other Tribunal on the Company.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.</p> <p>(viii) Cost records, as required pursuant to Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 is not applicable for the period.</p> <p>(ix) (a) According to the information and explanation given to us, and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, ESIC, value added tax, custom duty, excise duty, cess and other material statutory dues as applicable, have generally been regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us there are no arrears of undisputed statutory</p> | <p>dues as mentioned above as at 31st March, 2014 for a period of more than six months from the date they became payable.</p> <p>(ix) (b) As on 31st March, 2014 according to the records of the Company and the information and explanation given to us, there are no disputed tax liability.</p> <p>(x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the company has incurred cash losses in the current financial year.</p> <p>(xi) In our opinion, and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders during the year.</p> <p>(xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.</p> <p>(xiv) According to the information and explanation given to us, the Company is not a dealer or trader in securities.</p> <p>(xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution. Therefore provisions of clause (xv) of the Order are not applicable to the Company.</p> <p>(xvi) No term loan was availed by the Company during the period.</p> <p>(xvii) According to the information and explanation given to us and the overall examination of the Balance Sheet of the Company, we report that short term funds are not used for long term purpose.</p> <p>(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(xix) The Company did not have any outstanding debentures during the year.</p> <p>(xx) The Company has not raised any money by public issue during the year.</p> <p>(xxi) 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 material fraud on or by the Company has been noticed or reported during the year.</p> |
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For S. K. DEORA & CO.  
Chartered Accountants  
Firm Reg. No. 319234E  
(Sashi Kant Deora)  
Proprietor  
Membership No. 054611

Kolkata, 28th April, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Equity and Liabilities</b>			
Shareholders' funds			
Share capital	2	150,000,000	
Reserves and surplus	3	(3,554,840)	
<b>Current Liabilities</b>			
Other Current Liabilities	4	915,950	
<b>TOTAL</b>		<b>147,361,110</b>	—
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	5	39,734,710	
Capital work-in-progress - Tangible assets		3,310,100	
Long Term Loans & Advances	6	50,969,439	
<b>Current assets</b>			
Current Investments	7	47,666,850	
Cash and bank balances	8	5,470,367	
Short-term loans and advances	9	209,644	
<b>TOTAL</b>		<b>147,361,110</b>	—

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our Annexed report of even Date.

For S. K. DEORA & CO.

Chartered Accountants

FRN No:- 319234E

(SASHI KANT DEORA)

Proprietor

Membership No.:- 054611

PLACE : KOLKATA

DATED : 28th day of April, 2014

For & on behalf of the Board of Directors

D. Ashok  
(Director)

Murali Ganesan  
(Director)

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

	Note	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
Gross Income			
Other Income - Dividend Income from Current Investments		166,850	
<b>Total Revenue</b>		<u>166,850</u>	<u>—</u>
<b>Expenses</b>			
Other Expenses			
Incorporation Expenses	3,708,207		
Audit Fees	13,483	3,721,690	
<b>Total Expenses</b>		<u>3,721,690</u>	<u>—</u>
<b>Profit / ( Loss ) before Tax</b>		<u>(3,554,840)</u>	<u>—</u>
Tax Expense			
Current Tax			
<b>Profit / ( Loss ) for the year</b>		<u>(3,554,840)</u>	<u>—</u>
Earnings per Equity Share (Face Value Rs 10 each) (Basic and Diluted)		<u>(0.24)</u>	<u>—</u>

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Financial Statements

As per our Annexed report of even Date.

For S. K. DEORA & CO.

Chartered Accountants

FRN No:- 319234E

(SASHI KANT DEORA)

Proprietor

Membership No.:- 054611

PLACE : KOLKATA

DATED : 28th day of April, 2014

For & on behalf of the Board of Directors

D. Ashok  
(Director)

Murali Ganesan  
(Director)

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

		For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>A. Cash Flow From Operating Activities:</b>			
<b>PROFIT BEFORE TAX</b>		(3,554,840)	
<b>ADJUSTMENT FOR:</b>			
Income from Investments	(166,850)		
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<u>(3,721,690)</u>	
<b>ADJUSTMENT FOR:</b>			
Trade Receivables, Loans and Advances and Other Assets	(51,179,083)		
Trade Payables, Other Liabilities and Provisions	915,950	(50,263,133)	
<b>CASH GENERATED FROM OPERATIONS</b>		<u>(53,984,823)</u>	
Income Tax paid		—	
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u>(53,984,823)</u>	
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Fixed Assets	(43,044,810)		
Purchase of Current Investments etc.	(47,666,850)		
Income from Current Investments Received	166,850		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(90,544,810)</u>	
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Issue of Share Capital	150,000,000		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<u>150,000,000</u>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>5,470,367</u>	
<b>OPENING CASH AND CASH EQUIVALENTS</b>		—	
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u>5,470,367</u>	

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:

Other bank balances	5,470,367
Cash and bank balances (Note No.:-8)	<u>5,470,367</u>

For S. K. DEORA & CO.

Chartered Accountants

FRN No:- 319234E

(SASHI KANT DEORA)

Proprietor

Membership No.:- 054611

PLACE : KOLKATA

DATED : 28th day of April, 2014

For & on behalf of the Board of Directors

D. Ashok  
(Director)

Murali Ganesan  
(Director)



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

## Note No.- 1. ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS

## A) Corporate Information

North East Nutrients Private Limited (the company) is a company incorporated on 5th August, 2013 under the provisions of the Companies Act, 1956. The company has its registered office at Kolkata. The company is in the process of setting up a biscuits manufacturing facility at Mangaldai, Darrang district, Assam.

## B) Significant Accounting Policies

## Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

## Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation /enhancements unless they bring similar significant additional benefits.

## Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual instalments. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

## Investments

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

## Inventories

To state inventories including work-in-progress at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

## Revenue from sale of products and services

To recognise Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales tax / Value added tax recovered from customers but including excise duty on goods payable by the Company. Net revenue is stated after deducting such excise duty.

## 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.

## 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 substantively 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.

## C) Contingent Liabilities &amp; Commitments:

(a) Contingent Liabilities - Nil (Previous Year: Not Applicable)

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for - Rs 15.26 Crores (Previous Year: Not Applicable)

## D) Additional Notes to the Financial Statements

1) Micro, Small and Medium scale business entities: The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2014 as micro, small or medium enterprise. Consequently, the amount paid/payable to these parties during the year is Nil. (Previous Year: Not Applicable)

2) Earnings and Expenditure in Foreign Currency - Nil. (Previous Year: Not Applicable)

For S. K. DEORA & CO.

Chartered Accountants

FRN No:- 319234E

(SASHI KANT DEORA)

Proprietor

Membership No.-: 054611

PLACE : KOLKATA

DATED : 28th day of April, 2014

For & on behalf of the Board of Directors

D. Ashok  
(Director)

Murali Ganesan  
(Director)

## NOTES TO THE FINANCIAL STATEMENTS

## Note No. 2. 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 (₹)
<b>Authorised</b>				
Equity shares of ₹ 10.00/- each	75,000,000	750,000,000	—	—
<b>Issued and Subscribed</b>				
Equity shares of ₹ 10.00/- each	15,000,000	150,000,000	—	—
<b>(A) Reconciliation of number of Equity Shares outstanding</b>				
<b>Equity Shares</b>				
At the beginning of the year	—	—	—	—
Add: Issued during the year	15,000,000	150,000,000	—	—
As at the end of the year	15,000,000	150,000,000	—	—
<b>(B) Shareholders holding more than 5% of the Equity Share in the Company</b>				
<b>Name of the Shareholder</b>	<b>As at 31st March, 2014 (No. of Shares)</b>	<b>As at 31st March, 2014 (%)</b>	<b>As at 31st March, 2013 No. of Shares held</b>	<b>As at 31st March, 2013 (%)</b>
ITC Limited	11,400,000	76.0	—	—
Mukul Chandra Deka	900,000	6.0	—	—
Rajib Kumar Deka	900,000	6.0	—	—
Anupam Deka	900,000	6.0	—	—
Samrat Deka	900,000	6.0	—	—

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No. 3. Reserves and surplus

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Surplus in Statement of Profit and Loss</b>		
At the beginning of the year	—	
Add: Profit / (Loss) for the year	<u>(3,554,840)</u>	
At the end of the year	<u>(3,554,840)</u>	—
<b>TOTAL</b>	<u>(3,554,840)</u>	—

Note No. 4. Other current liabilities

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Other Payables		
Statutory Liabilities	830,290	
Others	<u>85,660</u>	—
<b>TOTAL</b>	<u>915,950</u>	—

Note No. 5. Fixed Assets

Particulars	GROSS BLOCK							DEPRECIATION AND AMORTISATION							NET BOOK VALUE		
	As at 31st March, 2012	Additions	Withdrawals & adjustments	As at 31st March, 2013	Additions	Withdrawals & adjustments	As at 31st March, 2014	Upto 31st March, 2012	For the year	On Withdrawals & adjustments	Upto 31st March, 2013	For the year	On Withdrawals & adjustments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
Tangible assets																	
Land Freehold				39,734,710			39,734,710								39,734,710		
				39,734,710			39,734,710								39,734,710		
Capital work-in-progress				3,310,100			3,310,100								3,310,100		
<b>TOTAL</b>				43,044,810			43,044,810								43,044,810		

Note No. 6. Long-term loans and advances

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Capital Advances		
Unsecured, Considered good	<u>50,969,439</u>	—
<b>Total</b>	<u>50,969,439</u>	—

Note No. 7. Current Investments (at lower of cost and fair value)	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	Quoted	Unquoted	Quoted	Unquoted
<b>Investment in Mutual Funds</b>				
Reliance Liquidity Fund - Daily Dividend Reinvestment Option (8028.454 units of Rs.1000/- each)		8,032,549		
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend (395830.411 units of Rs.100/- each)		39,634,301		
<b>TOTAL</b>	—	47,666,850	—	—

Note No. 8. Cash and bank balances

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Cash and cash equivalents		
Balances with bank		
Current accounts	<u>5,470,367</u>	
<b>TOTAL</b>	<u>5,470,367</u>	—

Note No. 9. Short-term loans and advances

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Others		
Unsecured, considered good	<u>209,644</u>	—
<b>TOTAL</b>	<u>209,644</u>	—