

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 overall performance of your Company has been satisfactory. During the year, income from debt market deployments by the Company aggregated ₹ 4,188.96 lakhs (previous year : ₹ 4,320.39 lakhs), while revenue from equity market operations aggregated ₹ 585.86 lakhs (previous year : ₹ 819.98 lakhs). Your Company's mutual fund distribution and leasing activities gained momentum and income therefrom aggregated ₹ 1,675.50 lakhs during the year (previous year : ₹ 1,450.15 lakhs).

The Profit Before Tax and Exceptional Items for the current year is ₹ 6,287.94 lakhs, as against ₹ 6,753.21 lakhs during the previous year. The Company has created a provision for diminution of non-current investments of ₹ 2,067.50 lakhs [Refer Note No. 19(13) to the Financial Statements], post which the Profit Before Tax for the current year is ₹ 4,220.44 lakhs.

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

	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
a. Profit Before Tax and Exceptional Items	6,287.94	6,753.21
Less : Exceptional Items (Provision for diminution of non-current investments)	2,067.50	—
b. Profit Before Tax	4,220.44	6,753.21
Less : Tax Expense	763.51	856.86
c. Profit After Tax	3,456.93	5,896.35
d. Add : Profit brought forward from previous years	14,435.11	9,718.03
e. Surplus available for Appropriation	17,892.04	15,614.38
Less: Interim Dividend paid (recommended as Final Dividend)	6,500.00	—
Less: Income Tax on Interim Dividend	1,104.68	—
Less : Transferred to General Reserve	86.43	—
Less : Transferred to Special Reserve under Section 45-1C of the Reserve Bank of India Act, 1934	691.39	1,179.27
f. Balance carried forward to the following year	9,509.54	14,435.11

3. DIVIDEND

Interim Dividend of ₹ 65,00,00,000/- (Rupees Sixty five crores only) was declared by your Directors on 23rd December, 2013, out of the profits of the Company to the Members whose names appeared on the Register of Members on the said date; such Dividend has been recommended by your Directors as the Final Dividend for the financial year ended 31st March, 2014.

4. DIRECTORS

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. Saradindu Dutta 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.

5. 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.

6. NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007 ('NBFC REGULATIONS')

In terms of paragraphs 10 & 13 of the NBFC Regulations, the particulars as applicable to the Company are appended to the Balance Sheet.

7. SUBSIDIARIES

Particulars as required under Section 212 of the Companies Act, 1956, in respect of your Company's subsidiary, Greenacre Holdings Limited, is attached to the Accounts of the Company.

8. 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.

9. AUDITORS

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

10. AUDIT COMMITTEE

The Audit Committee of the Company comprises Mr. R. Tandon as Chairman and M/s. B. B. Chatterjee and Saradindu Dutta as Members.

11. 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.

During the year under review, there has been no foreign exchange earnings or outflow (foreign exchange outgo during the previous year : ₹ 255.02 lakhs on account of import of capital goods and professional fees).

Dated: 8th 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

INDEPENDENTS AUDITORS' REPORT TO THE MEMBERS OF RUSSELL CREDIT LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of RUSSELL CREDIT 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 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 A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Shyamak R Tata
Partner
(Membership No. 38320)

Kolkata
8th May, 2014

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 (ii), (v), (vi), (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 respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) During the year, no fixed asset has been disposed off by the Company.

(ii) 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.

(iii) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(iv) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

(v) 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 provident fund, income-tax, sales tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.

(b) As at 31st March, 2014, the following are the particulars of dues on account of income-tax, service tax and cess that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where pending
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	1.79	2003-04	Sales Tax Appellate Tribunal
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	19.24	2004-05	Commercial Tax Officer
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	24.25	2005-06	Commercial Tax Officer
The Central Sales Tax Act	Sales Tax	10.53	2005-06	Directorate of Commercial Taxes

Out of the total disputed dues aggregating ₹ 55.81 lakhs as above, ₹ 45.28 lakhs has been stayed for recovery by the relevant authorities.

(vi) 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.

(vii) 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.

(viii) 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 A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)
Shyamak R Tata
Partner
(Membership No. 38320)

Kolkata
8th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31st March, 2014		As at 31st March, 2013	
		(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Equity and Liabilities					
Shareholders' funds					
Share capital	1	64,647.88		64,647.88	
Reserves and surplus	2	18,802.68	83,450.56	22,950.43	87,598.31
Non-current liabilities					
Deferred tax liabilities (net)	3	85.62		56.36	
Long-term provisions	4	11.13	96.75	10.09	66.45
Current liabilities					
Other current liabilities	5	53.69		61.60	
Short-term provisions	6	—	53.69	125.21	186.81
Total			83,601.00		87,851.57
Assets					
Non-current assets					
Fixed assets	7				
Tangible assets		1,703.99		1,921.89	
Non-current investments	8	17,488.76		19,526.85	
Long-term loans and advances	9	487.94	19,680.69	609.97	22,058.71
Current assets					
Inventories	10	63,042.82		65,184.84	
Trade receivables	11	540.93		383.64	
Cash and bank balances	12	150.00		39.62	
Short-term loans and advances	13	186.56	63,920.31	184.76	65,792.86
Total			83,601.00		87,851.57

The accompanying notes 1 to 20 are an integral part of the Financial Statements.

In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants

Shyamak R Tata
Partner
Kolkata, 8th May, 2014

On behalf of the Board

R. Tandon
S. Dutta
S. Jain
Chairman
Director
Manager & Company Secretary

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	
		(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Revenue from operations	14	6,535.10		6,700.12	
Other income	15	16.77		265.98	
Total Revenue		6,551.87		6,966.10	
Expenses					
Employee benefits expense	16	16.18		25.38	
Depreciation expense		217.90		137.13	
Other expenses	17	29.85		50.38	
Total Expenses		263.93		212.89	
Profit before tax and exceptional items		6,287.94		6,753.21	
Exceptional items					
Provision for diminution of non current investments	19 (13)	2,067.50		—	
Profit before tax		4,220.44		6,753.21	
Tax expense:					
Current tax	18	734.25		830.00	
Deferred tax	18	29.26		26.86	
Profit for the year		3,456.93		5,896.35	
Earnings per share (Face Value ₹ 10.00 each) (Basic and Diluted)	19 (3)	0.53		0.91	

The accompanying notes 1 to 20 are an integral part of the Financial Statements.

In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants

Shyamak R Tata
Partner
Kolkata, 8th May, 2014

On behalf of the Board

R. Tandon
S. Dutta
S. Jain
Chairman
Director
Manager & Company Secretary

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

	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
A. Cash Flow from Operating Activities		
Profit before tax and exceptional items	6,287.94	6,753.21
Adjustments for:		
Depreciation expense	217.90	137.13
Interest income	(890.94)	(752.83)
Dividend income from Long-term investments	(310.27)	(549.01)
Dividend income from mutual funds held as stock in-trade	(3,161.42)	(3,730.08)
Gain on sale of Long-term Investments	(35.26)	—
Provision on standard assets created/(released) during the year	—	5.40
Operating profit before working capital changes	2,107.95	1,863.82
Adjustments for:		
Trade receivables and Loans and advances	27.46	(739.00)
Inventories	2,142.02	(10,978.14)
Other liabilities and provisions	(33.51)	1.34
Cash generated from / (used) in Operations before interest and dividend	4,243.92	(9,851.98)
Interest income other than deposits with banks	890.94	504.28
Dividend income from Long-term investments	310.27	549.01
Dividend income from mutual funds held as stock in-trade	3,161.42	3,730.08
Cash generated from / (used) in Operations	8,606.55	(5,068.61)
Income tax paid	(895.31)	(776.19)
Net cash generated from / (used) in Operating Activities	7,711.24	(5,844.80)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	—	(624.36)
Purchase of Long-term investments	(2,575.58)	(5,505.81)
Sale of Long-term investments		
- others	2,579.40	996.60
Interest income from deposits with banks	—	248.55
Fixed Deposit not considered as cash and cash equivalents		
- matured	—	10,714.61
Net cash generated from Investing Activities	3.82	5,829.59
C. Cash Flow from Financing Activities		
Intercompany loans taken from Holding Company	—	40,000.00
Intercompany loans repaid to Holding Company	—	(40,000.00)
Interim dividend	(6,500.00)	—
Income tax on interim dividend	(1,104.68)	—
Net cash used in Financing Activities	(7,604.68)	—
Net (decrease)/increase in cash and cash equivalents	110.38	(15.21)
Opening cash and cash equivalents	39.62	54.83
Closing cash and cash equivalents	150.00	39.62

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statements.
- Since the Company is an investment company, purchase and sale of investments and investments in fixed deposits have been considered as part of "Cash flow from investing activities" and dividend earned on the investments have been considered as part of "Cash flow from operating activities"
- Cash and Cash Equivalents :

Cash and cash equivalents as above	150.00	39.62
Add: Bank balances not considered as cash and cash equivalents	—	—
Cash and bank balances (Note 12)	150.00	39.62

The accompanying notes 1 to 20 are an integral part of the Financial Statements.

In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants

Shyamak R Tata
Partner
Kolkata, 8th May, 2014

On behalf of the Board
R. Tandon
S. Dutta
S. Jain
Chairman
Director
Manager & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Share capital

	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 (₹ in lakhs)
Authorised				
Equity Shares of ₹ 10.00 each	70,00,00,000	70,000.00	70,00,00,000	70,000.00
Issued and Subscribed				
Equity Shares of ₹ 10.00 each, fully paid	59,74,54,177	59,745.42	59,74,54,177	59,745.42
Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid up	7,54,22,400	4,902.46	7,54,22,400	4,902.46
Total		<u>64,647.88</u>		<u>64,647.88</u>
A) Reconciliation of number of Equity Shares outstanding				
As at the beginning and at the end of the year (fully paid up)	59,74,54,177	59,745.42	59,74,54,177	59,745.42
As at the beginning and at the end of the year (partly paid up)	7,54,22,400	4,902.46	7,54,22,400	4,902.46
Total		<u>64,647.88</u>		<u>64,647.88</u>
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 (%)
Issued, Subscribed and Fully Paid-up				
ITC Limited - Holding Company	59,74,54,177	100	59,74,54,177	100
Issued, Subscribed but not Fully Paid-up				
ITC Limited - Holding Company	7,54,22,400	100	7,54,22,400	100

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

The Equity Shares of the Company having par value of ₹10.00 per share rank pari passu in all respects including voting rights and entitlement to dividend.

2. Reserves and surplus

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Capital Reserve				
At the beginning and at the end of the year		287.67		287.67
General Reserve				
At the beginning of the year	138.36		138.36	
Add: Transfer from Surplus in Statement of Profit and Loss	86.43		—	
At the end of the year		224.79		138.36
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934				
At the beginning of the year	8,089.29		6,910.02	
Add: Transfer from Surplus in Statement of Profit and Loss	691.39		1,179.27	
At the end of the year		8,780.68		8,089.29
Surplus in Statement of Profit and Loss				
At the beginning of the year	14,435.11		9,718.03	
Add: Profit for the year	3,456.93		5,896.35	
Less: Transfer to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	691.39		1,179.27	
Transfer to General Reserve	86.43		—	
Interim Dividend (₹ 1.01 per share, 2013 - ₹ Nil)	6,500.00		—	
Income tax on Interim Dividend	1,104.68		—	
At the end of the year		9,509.54		14,435.11
Total		<u>18,802.68</u>		<u>22,950.43</u>

3. Deferred tax liabilities (net)

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Deferred tax liabilities		
On fiscal allowances on fixed assets	91.46	79.47
	<u>91.46</u>	<u>79.47</u>
Deferred tax assets		
On employees' separation and retirement etc.	5.84	23.11
	<u>5.84</u>	<u>23.11</u>
Total	<u>85.62</u>	<u>56.36</u>

4. Long-term provisions

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Provision for employee benefits		
Provision for compensated absences	1.78	1.55
Provision for gratuity	0.81	—
Others		
Contingent provision against standard assets	8.54	8.54
Total	<u>11.13</u>	<u>10.09</u>

5. Other current liabilities

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Other payables		
Statutory liabilities	19.61	2.81
Liabilities for expenses	22.08	44.75
Security deposit - from Holding Company	12.00	12.00
Liability towards purchase of investments	—	2.04
Total	<u>53.69</u>	<u>61.60</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

6. Short-term provisions

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Current portion of long-term employee benefits		
Provision for compensated absences	—	28.68
Current taxation (net of advance payment)	—	96.53
Total	—	125.21

7. Fixed Assets

Particulars	GROSS BLOCK							DEPRECIATION							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																
Plant and Equipment	1,368.82	1,139.75	—	2,508.57	—	—	2,508.57	450.85	137.05	—	587.90	217.82	—	805.72	1,702.85	1,920.67	917.97
Office Equipment	1.60	—	—	1.60	—	—	1.60	0.30	0.08	—	0.38	0.08	—	0.46	1.14	1.22	1.30
	1,370.42	1,139.75	—	2,510.17	—	—	2,510.17	451.15	137.13	—	588.28	217.90	—	806.18	1,703.99	1,921.89	919.27
Capital Work in Progress	515.39	624.36	1,139.75	—	—	—	—	—	—	—	—	—	—	—	—	—	515.39
Total	1,885.81	1,764.11	1,139.75	2,510.17	—	—	2,510.17	451.15	137.13	—	588.28	217.90	—	806.18	1,703.99	1,921.89	1,434.66

The above includes following assets given on operating leases, which are not non-cancellable :

	Year Ended 31st March, 2014				Year Ended 31st March, 2013			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Plant and Equipment (*)	2,508.31	805.68	1,702.63	217.81	2,508.31	587.87	1,920.44	137.04
Total	2,508.31	805.68	1,702.63	217.81	2,508.31	587.87	1,920.44	137.04

(*) The lease rental from these leased assets of ₹ 593.51 lakhs (2013 - ₹ 367.30 lakhs) is included in Lease and other rental income (Note No.14)

8. Non-current Investments

(at cost)

Long-term	As at 31st March, 2014 Quoted	As at 31st March, 2014 Unquoted (₹ in lakhs)	As at 31st March, 2013 Quoted	As at 31st March, 2013 Unquoted (₹ in lakhs)
A. Trade Investments				
Investment in Equity Instruments				
In Subsidiaries				
Greenacre Holdings Limited 4,20,60,166 Equity Shares of ₹ 10.00 each, fully paid	—	4,210.34	—	4,210.34
In Associates				
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid	—	427.57	—	427.57
Classic Infrastructure & Development Limited 37,50,000 Equity Shares of ₹ 10.00 each, fully paid	—	376.88	—	376.88
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid	—	693.07	—	693.07
Anrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid	—	439.56	—	439.56
International Travel House Limited 36,26,633 Equity Shares of ₹ 10.00 each, fully paid	2,121.58	—	2,121.58	—
Maharaja Heritage Resorts Limited (a joint venture of the Holding Company) 90,000 Equity Shares of ₹ 100.00 each, fully paid	—	90.00	—	90.00
In Others				
Wimco Limited Nil (2013 - 26,04,853) Equity Shares of ₹ 1.00 each, fully paid	—	—	—	169.32
Hotel Leelaventure Limited 50,27,565 (2013 - 47,65,619) Equity Shares of ₹ 2.00 each, fully paid	1,592.77	—	1,540.15	—
EIH Limited 65,56,551 Equity Shares of ₹ 2.00 each, fully paid	4,837.88	—	4,837.88	—
Ballarpur Industries Limited 11,14,503 (2013 - Nil) Equity Shares of ₹ 10.00 each, fully paid	146.11	—	—	—
B. Other Investments				
Investment in Equity Instruments				
Lotus Court Limited 2 Class G Shares of ₹ 48,000.00 each, fully paid	—	234.00	—	234.00
Adyar Property Holding Company Private Limited (*) 311 Equity Shares of ₹ 100.00 each, ₹ 65.00 per share paid Net of Provision for Diminution in Value ₹ 2,067.50 lakhs (2013- ₹ Nil) [Refer note 19 (13)]	—	2,319.00	—	4,386.50
Aggregate amount of quoted and unquoted Investments	8,698.34	8,790.42	8,499.61	11,027.24
Total Non-current Investments		17,488.76		19,526.85
Aggregate market value of quoted Investments		11,460.61		10,081.44

* Aggregate provision for diminution in value ₹ 2,067.50 lakhs (2013 - ₹ Nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

9. Long-term loans and advances

	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)
Secured, considered good		
Term loans to others	420.00	606.56
Unsecured, considered good		
Deposits with statutory authorities	3.39	3.39
Advance tax (net of provisions)	64.55	—
Fringe benefit tax (net of provisions)	—	0.02
Total	487.94	609.97

10. Inventories (at lower of cost and fair value)

	As at 31st March, 2014		As at 31st March, 2013	
	Number	Value (₹ in lakhs)	Number	Value (₹ in lakhs)
Stock-in-trade				
Equity shares of ₹ 10.00 each, fully paid				
SKH Metals Limited [book value ₹ 1/-] (*)	40,000	...	40,000	...
Patheja Brothers Forgings and Stampings Limited [book value ₹ 1/-] (*)	50,000	...	50,000	...
Jind Textiles Limited [book value ₹ 1/-] (*)	5,00,000	...	5,00,000	...
Taib Capital Corporation Limited [book value ₹ 1/-] (*)	2,45,000	...	2,45,000	...
Preference shares of ₹ 1,00,00,000.00 each, fully paid				
Non-Cumulative, Non - Participating, Non- Voting Preference Shares of ICICI Bank Limited	34	1,529.71	34	1,529.71
Units of Mutual funds of ₹ 10.00 each, fully paid				
Birla Sun Life Fixed Term Plan - Series KI (368 days) Div Direct - Payout	1,00,00,000	1,000.00	—	—
Birla Sun Life Fixed Term Plan - Series KN (366 days) Div Direct - Payout	2,00,00,000	2,000.00	—	—
Birla Sun Life Fixed Term Plan-Series KS (369 days) Div Direct - Payout	1,50,00,000	1,500.00	—	—
DSP BlackRock Fixed Maturity Plan - Series 38 - 12.5 months - Growth Option	—	—	4,50,00,000	4,500.00
DSP BlackRock Fixed Maturity Plan - Series 94 - 12 months - Dividend Payout	—	—	2,50,00,000	2,500.00
DSP BlackRock Fixed Maturity Plan - Series 90 - 12 months - Dividend Payout	—	—	2,50,00,000	2,500.00
DWS Fixed Maturity Plan Series 55 Direct Plan Dividend-Payout	1,50,00,000	1,500.00	—	—
DWS Fixed Maturity Plan - Series 29- Annual Dividend Payout	—	—	1,50,00,000	1,500.00
HDFC FMP 366D March 2014(1) Series 29 - Direct - Normal Dividend	2,00,00,000	2,000.00	—	—
HDFC FMP 366Days March 2014(2) Series 29 - Direct - Normal Dividend	1,50,00,000	1,500.00	—	—
HDFC FMP 371D August 2013(1) Series 27- Direct - Normal Dividend	3,50,00,000	3,500.00	—	—
HDFC Annual Interval Fund - Series I - Plan B - Dividend Payout	—	—	2,50,00,000	2,500.00
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Direct Plan - Dividend Payout	2,49,91,253	2,500.00	—	—
ICICI Prudential Interval Fund Series VI Annual Interval Plan D - Direct Plan - Dividend Payout	2,50,00,000	2,500.00	—	—
ICICI Prudential Fixed Maturity Plan Series 67 - 366 Days Plan D - Dividend Payout	—	—	5,00,00,000	5,000.00
IDFC Fixed Maturity Plan Series-7 -13 months - Dividend Plan	—	—	4,50,00,000	4,500.00
IDFC Yearly Series Interval Fund Direct Plan - Series III - Dividend	99,84,524	1,000.00	—	—
JP Morgan India Fixed Maturity Plan Series 17	—	—	2,50,00,000	2,500.00
JP Morgan India Liquid Fund Super Institutional Plan - Daily Dividend Reinvestment	—	—	5,89,28,873	5,897.54
Religare Fixed Maturity Plan Series - XIII Plan F - Dividend Payout	—	—	1,00,00,000	1,000.00
Reliance Fixed Horizon Fund - XXIV - Series 4 - Direct Dividend Plan Dividend Payout (8X-AD)	4,00,00,000	4,000.00	—	—
Reliance Fixed Horizon Fund - XXII - Series 14 - Dividend Payout	—	—	1,50,00,000	1,500.00
Reliance Fixed Horizon Fund - XXII - Series 15 - Dividend Payout	—	—	1,00,00,000	1,000.00
Reliance Fixed Horizon Fund - XXIII - Series 6 - Dividend Plan	—	—	1,00,00,000	1,000.00
TATA Fixed Maturity Plan Series 46 Scheme O - Direct Plan - Dividend	2,50,00,000	2,500.00	—	—
TATA Fixed Maturity Plan Series 43 Scheme A - Direct Plan - Dividend	2,50,00,000	2,500.00	—	—
Units of Mutual funds of ₹ 1,000.00 each, fully paid				
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	—	—	2,49,967	2,500.46
L&T Liquid Fund Daily Dividend Reinvestment Plan	2,47,199	2,500.76	—	—
Reliance Liquidity Fund - Daily Dividend Reinvestment Option (LQ-DD)	3,18,545	3,187.08	—	—
Reliance Liquid Fund Treasury Plan - Daily Dividend	—	—	4,87,515	7,452.83
Religare Invesco Liquid Fund - Daily Dividend	2,49,810	2,500.79	2,49,849	2,500.45
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	2,49,408	2,502.19	—	—
UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment	—	—	4,98,697	5,003.85
TATA Money Market Fund Plan A - Daily Dividend	12,99,225	13,011.93	—	—
Non-Convertible Debentures				
Tata Sons Limited	80	800.00	80	800.00
9.70% Non-Convertible Debentures of ₹ 10,00,000.00 each, fully paid	—	—	—	—
Bonds				
Indian Railway Finance Corporation Limited (*)	7,50,000	7,010.36	7,50,000	7,500.00
7.18% Tax Free Bonds of ₹ 1,000.00 each, fully paid	—	—	—	—
India Infrastructure Finance Company Limited	200	2,000.00	200	2,000.00
9.41% Taxable Bonds of ₹ 10,00,000.00 each, fully paid	—	—	—	—
Total	63,042.82	63,042.82	65,184.84	65,184.84
* Aggregate value of stock-in-trade written off/Aggregate excess of cost over fair value	520.04	520.04	30.40	30.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

11. Trade receivables	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Unsecured, considered good				
Others (*)	540.93	383.64		
Total	540.93	383.64		
(*) Include interest accrued but not due ₹ 429.32 lakhs (2013 - ₹ 241.94 lakhs)				
12. Cash and bank balances	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)		
Cash and cash equivalents			For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Balances with banks		39.60		
Current accounts	114.80	—		
Cheques in hand	35.19	—		
Cash on hand	0.01	0.02		
Total	150.00	39.62		
13. Short-term loans and advances	As at 31st March, 2014 (₹ in lakhs)	As at 31st March, 2013 (₹ in lakhs)		
Secured, considered good			For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Term loans to others	186.56	181.32		
Unsecured, considered good				
Advance towards gratuity fund	—	3.44		
Total	186.56	184.76		
	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)		
14. Revenue from operations				
Net Profit/(loss) on sale of stock-in-trade (*)	223.23	199.10		
Profit on sale of long term investments	35.26	—		
Dividend income				
- Long term investments	310.27	549.01		
- Mutual funds held as stock-in-trade	3,161.42	3,730.08		
Interest income				
- Loans	84.78	109.60		
- Bonds	726.70	188.83		
- Non-convertible Debentures	77.61	202.38		
Brokerage Income	1,045.99	922.04		
Lease and other rental income	629.51	528.11		
Net Profit from other equity market operations	240.33	270.97		
Total	6,535.10	6,700.12	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
(*) Net Profit/(loss) on sale of stock-in-trade				
Sales	10,61,249.94	4,96,911.09		
Less: Purchases	10,58,884.69	5,07,690.12		
	2,365.25	(10,779.03)		
Add: Increase/(Decrease) in closing stock-in-trade	(2,142.02)	10,978.13		
Net Profit/(loss) on sale of stock-in-trade	223.23	199.10		
	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)		
15. Other income				
Interest income				
- Deposit with bank	—	248.55		
- Others (on income tax refund)	1.85	3.47		
Net gain on foreign currency transactions	—	0.13		
Miscellaneous income	14.92	13.83		
Total	16.77	265.98		
16. Employee benefits expense			For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Salaries and wages			7.14	20.24
Contribution to provident and other funds			8.82	4.00
Staff welfare expenses			0.22	1.14
Total			16.18	25.38
17. Other expenses			For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Rent			1.21	1.17
Bank, custodial and depository charges			0.37	0.26
Rates and taxes			0.15	0.13
Repairs to buildings			2.52	2.09
Electricity charges			5.21	5.30
Insurance			5.01	4.43
Travelling and conveyance			0.76	0.96
Professional/Legal fees			6.22	8.48
Auditors' remuneration and expenses				
Audit fees			2.02	2.02
Tax audit fees			1.12	1.01
Fees for other services			2.20	1.94
Reimbursement of expenses			0.39	0.53
Communication expenses			0.28	0.28
Printing, stationery and periodicals			0.62	0.73
Provision for standard assets			—	5.40
Miscellaneous expenses			1.77	15.65
Total			29.85	50.38
18. Tax expense			For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Current tax				
- for the year			760.00	830.00
- for adjustments/(credits) related to previous years - net			(25.75)	—
			(A) 734.25	830.00
Deferred tax				
- for the year			29.26	26.86
			(B) 29.26	26.86
Total			(A+B) 763.51	856.86

19. Additional Notes to the Financial Statements

1. Contingent liabilities and commitments:		As at 31st March, 2014	As at 31st March, 2013
(a) Contingent liabilities			
-Claims against the Company not acknowledged as debts ₹ 57.99 lakhs (2013 - ₹ 57.99 lakhs) of Sales tax claims disputed by the Company relating to issues of applicability.			
(b) Commitments			
-Uncalled liability on shares partly paid ₹ 0.11 lakhs (2013 - ₹ 0.11 lakhs)			
2. Value of Imports during the year (C.I.F. Basis)			
	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)	
Capital Goods	—	247.28	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013	
3. Earnings Per Share :			
Profit for the year (₹ in lakhs)	3,456.93	5,896.35	
Weighted average number of Equity Shares outstanding	64,64,78,737	64,64,78,737	
Earnings per share on profit for the year - Basic and Diluted (Face Value - ₹ 10.00 per share)	₹ 0.53	₹ 0.91	
4. Capital to Risk Assets Ratio		As at 31st March, 2014	As at 31st March, 2013
CRAR (%)		99.70	99.40
CRAR - Tier I capital (%)		99.69	99.39
CRAR - Tier II capital (%)		0.01	0.01
5. Exposure to Real Estate Sector			
Category			
Direct Exposure			
Residential Mortgages	—	—	
Commercial Real Estate	—	—	
Investments in Mortgaged Backed Securities (MBS) and other securitised exposures-			
a. Residential	—	—	
b. Commercial Real Estate	—	—	
Indirect Exposure			
Fund Based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	—	—	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

6. Maturity pattern of certain items of assets and liabilities :

(₹ in lakhs)

	1 to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
Assets									
Advances	38.67	3.71	3.74	46.46	93.98	420.00	—	—	606.56
Investments	63,042.82*1	—	—	—	—	—	—	17,488.76*2	80,531.58

*1 Investments classified as Inventories (as per Note No. 10)

*2 Investments classified as Non-current investments (as per Note No. 8)

7. Segment Reporting

The Company operates in a single business segment namely Financial Services and in a single geographical segment in India.

8. 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 year 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.

9. Expenditure in Foreign Currency during the year

	For the year ended 31st March, 2014 (₹ in lakhs)	For the year ended 31st March, 2013 (₹ in lakhs)
Professional Fees	—	7.74

10. Related Party Disclosures

(a) Relationship:

Holding Company	ITC Limited
Subsidiary Company	Greenacre Holdings 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. Sharad Jain	Manager and Company Secretary

Other related parties with whom the Company had transactions during the year

(i) Fellow Subsidiary Company	Wimco Limited
(ii) Associate Companies	International Travel House Limited Divya Management Limited

(b) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31.03.2014

(₹ in lakhs)

Related Party Transaction Summary		Holding Company		Fellow Subsidiaries		Associates	
		2014	2013	2014	2013	2014	2013
1.	Sale of quoted investments	—	996.60*1	—	—	—	—
2.	Sale of unquoted investments (at cost)	169.32	—	—	—	—	—
3.	Rent Received	36.00	160.80	—	—	—	—
4.	Purchase of Services						
	- ITC Limited	—	0.11	—	—	—	—
	- International Travel House Limited	—	—	—	—	0.28	0.53
5.	Expenses Recovered						
	- ITC Limited	—	4.56	—	—	—	—
	- Divya Management Limited	—	—	—	—	—	1.31
6.	Rent Paid	1.21	1.16	—	—	—	—
7.	Expenses Reimbursed	7.36	7.36	—	—	—	—
8.	Dividend Income						
	- International Travel House Limited	—	—	—	—	154.13	154.13
9.	Interest Income						
	- Wimco Limited	—	—	—	1.25	—	—
10.	Receipt towards Loan Repayment						
	- Wimco Limited	—	—	—	200.00*2	—	—
11.	Loans Taken	—	40,000.00	—	—	—	—
12.	Loans Repaid	—	40,000.00	—	—	—	—
13.	Subscription to Equity Shares						
	- Wimco Limited	—	—	—	169.32	—	—
14.	Dividend Paid	6,500.00	—	—	—	—	—
15.	Balances as on 31st March						
1.	Deposits Taken	12.00	12.00	—	—	—	—
2.	Receivables	—	4.56	—	—	—	—
3.	Payables	—	0.52	—	—	—	—

*1 In 2012-13 Investments have been sold to the Holding Company at cost, the market value of such shares on the date of sale was ₹ 10,191.00 lakhs.

*2 Interest bearing. The maximum indebtedness during the year was Nil (2013 - ₹ 200.00 lakhs)

11. Amounts towards Defined Contribution Plans have been recognized under 'Contribution to provident and other funds' in Note No. 16 - ₹ 4.37 lakhs (2013 - ₹ 4.00 lakhs)

12. Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2014 and recognised in the Financial Statements in respect of Employee Benefit Schemes:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

I. Components of Employer Expenses	For the year ended 31st March, 2014 (₹ in lakhs)		For the year ended 31st March, 2013 (₹ in lakhs)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
1. Current Service Cost	0.21	0.12	3.35	2.04
2. Interest Cost	2.30	1.41	1.74	2.31
3. Expected Return on Plan Assets	(1.37)	—	(2.16)	—
4. Curtailment Cost/(Credit)	—	—	—	—
5. Settlement Cost/(Credit)	—	—	—	—
6. Past Service Cost	4.50	—	—	—
7. Actuarial Losses/(Gains)	(1.19)	(0.80)	(2.96)	(2.99)
8. Total expense recognised in the Statement of Profit & Loss	4.45	0.73	(0.03)	1.36

The Gratuity expenses have been recognized in "Contribution to provident and other funds" and Leave encashment in "Salaries and wages" under Note No. 16.

II. Actual Returns	0.19	—	3.81	—
III. Net Asset / (Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	2.20	1.78	25.56	30.23
2. Fair Value on Plan Assets	1.39	—	29.00	—
3. Status [Surplus/(Deficit)]	(0.81)	(1.78)	3.44	(30.23)
4. Unrecognised Past Service Cost	—	—	—	—
5. Net Asset / (Liability) recognised in Balance Sheet	(0.81)	(1.78)	3.44	(30.23)

IV. Change in Defined Benefit Obligation (DBO)				
1. Present Value of DBO at the beginning of the year	25.56	30.23	21.78	28.87
2. Current Service Cost	0.21	0.12	3.35	2.04
3. Interest Cost	2.30	1.41	1.74	2.31
4. Curtailment Cost/(Credit)	—	—	—	—
5. Settlement Cost/(Credit)	—	—	—	—
6. Plan Amendments	—	—	—	—
7. Past Service Cost	4.50	—	—	—
8. Transfer Out	(28.00)	—	—	—
9. Actuarial (Gains)/Losses	(2.37)	(0.80)	(1.31)	(2.99)
10. Benefits Paid	—	(29.18)	—	—
11. Present Value of DBO at the end of the year	2.20	1.78	25.56	30.23

VIII. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rates of return on plan assets are based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

IX. Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment)	For the year ended 31st March, 2014 (₹ in lakhs)		For the year ended 31st March, 2013 (₹ in lakhs)		For the year ended 31st March, 2012 (₹ in lakhs)		For the year ended 31st March, 2011 (₹ in lakhs)		For the year ended 31st March, 2010 (₹ in lakhs)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
1. Present Value of Defined Benefit Obligation	2.20	1.78	25.56	30.23	21.78	28.87	19.09	10.64	5.17	7.84
2. Fair Value on Plan Assets	1.39	—	29.00	—	25.00	—	20.00	—	14.92	—
3. Status [Surplus / (Deficit)]	(0.81)	(1.78)	3.44	(30.23)	3.22	(28.87)	0.91	(10.64)	9.75	(7.84)
4. Experience Adjustment of Plan Assets [Gain / (Loss)]	(1.03)	—	1.18	—	(1.62)	—	(0.81)	—	2.44	—
5. Experience Adjustment of Obligation [(Gain) / Loss]	(1.91)	(0.47)	(1.70)	(3.45)	(1.87)	15.78	11.66	1.59	(6.39)	1.25

13. On a review of the Company's unquoted long term investments, supported by an independent valuation, management considered it prudent to recognise diminution, other than temporary, of ₹ 2,067.50 lakhs in the carrying value of the Company's investment in the equity share capital of Adyar Property Holding Company Private Limited (APHCL), which was transferred consequent to the amalgamation of Sage Investments Limited with Russell Credit Limited in 1999.

14. Previous Year's figures have been regrouped / re-classified, where necessary to correspond with the current year's classification/disclosure.

STATEMENT REGARDING SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956

Sl No.	Name of the Subsidiary Company	Number of Equity Shares held by the Company	Extent of Holding	Net aggregate amount of the Subsidiary's profits / (losses) not dealt with in the Company's Accounts (₹)		Net aggregate amount of the Subsidiary's profits / (losses) dealt with in the Company's Accounts (₹)	
				For the Subsidiary's financial year ended 31st March, 2014	For the previous financial years of the Subsidiary since it became the Company's Subsidiary	For the Subsidiary's financial year ended 31st March, 2014	For the previous financial years of the Subsidiary since it became the Company's Subsidiary
1.	Greenacre Holdings Limited	4,20,60,166 Equity Shares of ₹ 10/- each	100%	86,61,854/-	10,00,99,553/-	Nil	Nil

On behalf of the Board

R. Tandon
S. Dutta
S. Jain
Chairman
Director
Manager & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2014

[as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

Particulars	31st March, 2014		Long Term investment:	Amount Outstanding
	Amount Outstanding	Amount Overdue		
Liabilities Side:				(₹ in lakhs)
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	—	—	1. Quoted :	8,698.34
a) Debentures (other than falling within the meaning of public deposits)	—	—	(i) Shares : a) Equity	8,698.34
-Secured	—	—	b) Preference	—
-Unsecured	—	—	(ii) Debentures and Bonds	—
(other than falling within the meaning of public deposits)	—	—	(iii) Units of mutual funds	—
b) Deferred Credits	—	—	(iv) Government Securities	—
c) Term Loans	—	—	(v) Others	—
d) Inter-Corporate loans and borrowings	—	—	2. Unquoted :	8,790.42
e) Commercial Papers	—	—	(i) Shares : a) Equity	8,790.42
f) Other Loans	—	—	b) Preference	—
Assets Side:			(ii) Debentures and Bonds	—
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	Amount Outstanding		(iii) Units of mutual funds	—
(a) Secured	606.56	—	(iv) Government Securities	—
(b) Unsecured	—	—	(v) Others	—
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities			(5) Borrower group-wise classification of assets financed as in (2) and (3) above	
(i) Lease assets including lease rentals under sundry debtors				
(a) Financial lease	—	—	Category	
(b) Operating lease	1,702.63	—	1. Related Parties	
(ii) Stock on hire including hire charges under sundry debtors			a) Subsidiaries	—
(a) Assets on hire	—	—	b) Companies in the same group	560.00
(b) Repossessed Assets	—	—	c) Other related parties	—
(iii) Other loans counting towards AFC Activities			2. Other than related parties	46.56
(a) Loans where assets have been repossessed	—	—	Total	1,702.63
(b) Loans other than (a) above	—	—	(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	
(4) Break-up of Investments:				
Current Investments			Category	
1. Quoted:	35,010.36	—	1. Related Parties	
(i) Shares: a) Equity	—	—	a) Subsidiaries	5,545.94
b) Preference	—	—	b) Companies in the same group	8,562.10
(ii) Debentures and Bonds (included in Note no. 10)	7,010.36	—	c) Other related parties	—
(iii) Units of Mutual Funds (included in Note no. 10)	28,000.00	—	2. Other than related parties	72,144.94
(iv) Government Securities	—	—	Total	86,252.98
(v) Others	—	—	(7) Other Information	
2. Unquoted:	28,032.45	—	Particulars	Amount (₹)
(i) Shares: a) Equity	—	—	(i) Gross Non-Performing Assets	—
b) Preference (included in Note no. 10)	1,529.71	—	(a) Related Parties	—
(ii) Debentures and Bonds (included in Note no. 10)	2,800.00	—	(b) Other related parties	—
(iii) Units of Mutual Funds (included in Note no. 10)	23,702.75	—	(ii) Net Non-Performing Assets	—
(iv) Government Securities	—	—	(a) Related Parties	—
(v) Others	—	—	(b) Other related parties	—
			(iii) Assets acquired in satisfaction of debt	—

20. 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 based on the nature of services.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalised also include borrowing costs, if any.

Depreciation

To calculate depreciation on Fixed Assets, on 'Straight Line' basis at the rates specified in Schedule XIV 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. Investments are accounted for based on the trade date. The Investments are accounted in compliance with the Prudential Norms as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

Revenue Recognition

To recognise revenue including lease rentals on an accrual basis at the time of rendering of services excluding taxes recovered except in case of default where accrual is guided by Prudential Norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

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.

Inventories

To state inventories comprising of stock-in-trade at lower of cost or at available market quotation or their fair values, whichever is lower. The cost is calculated on weighted average method. Stock-in-trade is accounted for based on trade date.

Foreign Currency Translation

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising out of fluctuations in the exchange rates are recognized in the Statement of Profit and Loss in the period in which they arise.

To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expense over the life of the contracts.

To account for profit/loss arising on cancellation or renewal of forward exchange contracts as income/expense for the period.

To account for gains/losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year-end.

Employee Benefits

To make regular monthly contributions to Provident Fund which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue.

To determine the liabilities towards gratuity and employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard -15 on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in the Statement of Profit and Loss as income or expense.

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
S. Jain Manager & Company Secretary