

PAGARIA ENERGY LIMITED

22nd ANNUAL REPORT

2012-13

C O R P O R A T E I N F O R M A T I O N

| | | |
|--|---|--|
| Board of Directors | : | Mr. Rajesh Kumar Pagaria Managing Director Mr. Ranjit Singh Pagaria Director Mr. Ashok Kumar Singhal Director Mr. Ashok Kumar Gadiya Director Mr. Jaydeb Mondal Director Mr. Manash Bose Director |
| Registered Office | : | B-2/M4, M Block, Gupta Plaza, Commercial Complex, Vikas Puri, New Delhi-110018 |
| Bankers | : | ICICI Bank IngVysya Bank Oriental Bank of Commerce United Bank of India |
| Auditors | : | M/s S. R. Ghedia & Associates, <i>Chartered Accountants</i> Mumbai |
| Registrar & Share Transfer Agents | : | Link Intime India (P) Limited 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase – I, PVR Naraina New Delhi – 110028 |

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Pagaria Energy Limited (Formerly Women Networks Limited) will be held at 9/18, Bazar Gali, Vishwas Nagar, Shahdara, Delhi – 110 032 on Friday, 27th September, 2013 at 10:00 A. M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement for the year ended 31st March, 2013, together with the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jaydeb Mondal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s H. R. Agarwal & Associates, Chartered Accountants, Kolkata, as the Statutory Auditors of the Company in place of M/s S R Ghedia & Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

On behalf of the Board of Directors

Registered Office:
9/18, Bazar Gali
Vishwas Nagar, Shahdara
Delhi – 110 032
Date :30th May, 2013

Rajesh Kumar Pagaria
(Managing Director)

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.**
2. **Proxies, in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be accompanied by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.**
3. Members who are holding Company's shares a Dematerialized form are required to bring details of their depository account number for identification.
4. Register of Members and the Share Transfer Books of the Company shall remain closed from 25th September, 2013 to 27th September, 2013 (both days inclusive).
5. Shareholders holding shares in physical form are requested to advise immediately any change of address to Company's Registrar and Share Transfer Agents, Link Intime India (P) Limited. Shareholders holding shares in electronic form must advise their respective depository participants about any change in address and not to the Company or the Registrars.
6. All documents referred to in the above Notice and accompanying explanatory statements are open for inspection at the Registered Office of the Company on all working days (except Saturday, Sunday and holidays) between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Secretary/ Director of the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting to the best extent possible.

Appointment / Re appointment of Directors:

Details as stipulated under Clause 49 (amended) of the Listing Agreement in respect of the Director seeking re-appointment is furnished below:

Mr. Jaydeb Mondal, aged about 35 years, is the Non -Executive Independent Director of the Company. He is a Commerce graduate. He is having vast experience in the field of Accounts, Financial Matters and Administration etc.

At ensuing Annual General Meeting, Mr. Jaydeb Mondal, Director retires by rotation and being eligible offers himself for re-appointment.

Brief Particulars of Directors being appointed/ re-appointed are as under:

| | |
|---|---|
| Name | Mr. Jaydeb Mondal |
| Date of Birth | 02/01/1978 |
| Date of Appointment | 07/06/2010 |
| Directorships held in other Companies | 1.SRI ANAND VINAYAK COALFIELDS LIMITED 2.BIRD AVIATION LIMITED |
| Memberships/ Chairmanships of Committees across Public Companies | Nil |
| Brief Profile covering experience, achievements, etc | He is B. Com (Hons.) with 10 years experience in Accounts, Taxation, etc. |
| Shares Held in the Company | Nil |

Statements pursuant to clause (iv) of proviso to sub - paragraph C of paragraph 1 of section II of Part II of Schedule XIII to the Act

I. General Information:

(1) Nature of industry

The Company is engaged in the business of Power, Mining and Infrastructure.

(2) Date or expected date of commencement of commercial production

The Company is an existing Company.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

The Company is an existing Company.

**(4) Financial performance based on given indicators
(Rs. in lakhs)**

| Particulars | 31 st March, 2013 | 31 st March, 2012 |
|-------------------|------------------------------|------------------------------|
| Total Income | 151.02 | 184.60 |
| Profit before Tax | 1.50 | 1.28 |
| Profit after Tax | 0.18 | 0.88 |

(5) Export performance and net foreign exchange collaborations

The Company has not earned any income in foreign exchange.

(6) Foreign investments or collaborators, if any.

The Company has not any foreign investments or collaboration during the financial year.

II. Information about the appointee:

- (1) Background details**
- (2) Past remuneration**
- (3) Recognition or awards**
- (4) Job profile and his suitability**
- (5) Remuneration proposed**
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

No Executive Director Appointed during the FY 2012-13

III. Other information:

(1) Reasons of loss or inadequate profits

The profit of the Company for the year ended 31/03/2013 is comparatively lower from last year due to sluggish marketing conditions.

(2) Steps taken or proposed to be taken for improvement

The Company expects to improve its margins and profitability by entering into new emerging market.

(3) Expected increase in productivity and profits in measurable terms

It is difficult to quantify the improvement in productivity and profits in measurable terms.

IV. Disclosures:

- (1) The shareholders of the Company shall be informed of the remuneration package of the managerial person.**
- (2) The following disclosures shall be mentioned in the Board of director's report under the heading "Corporate Governance", if any, attached to the annual report: -**
 - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;**
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria;**
 - (iii) Service contracts, notice period, severance fees;**
 - (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.**

Remuneration package of the managerial person is duly entered in the Report on Corporate governance annexed hereto the report of the Board of Directors.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Statements of Accounts and the Auditors Report of your Company for the financial year ending 31st March 2013.

FINANCIAL HIGHLIGHTS:-

The Financial Highlights for the year under review are given below:

(Rs. In lacs)

| Particulars | Year ended 31.03.2013 | Year ended 31.03.2012 |
|---|--------------------------|--------------------------|
| Total Income | 151.02 | 184.60 |
| Profit before tax | 1.50 | 1.28 |
| Less : Provision for Taxation | 1.32 | 0.40 |
| Profit/(Loss) after tax | 0.18 | 0.88 |
| Add: Balance in P&L Account B/F | 7.63 | 6.76 |
| Balance carried to Balance Sheet | 7.81 | 7.64 |

DIVIDEND:-

The Company has not declared any dividend during the year in order to maintain the liquidity of funds for the expansion of the business (Previous year – Nil Dividend).

PERFORMANCE:-

The total income for the financial year under review is Rs. 151.02 lacs against Rs. 184.60 lacs in previous year. During the year, the Company has earned Profit After Tax of Rs.0.18 lacs in comparison to the previous year Profit After Tax of Rs. 0.88 lacs. The directors are hopeful for better performance in the ensuing years.

DIRECTORS:-

In accordance with the articles of the Company and the provisions of the Companies Act, 1956, Mr. Jaydeb Mondal will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment on the Board of your Company. Your Directors recommend his reappointment.

LISTING OF SHARES:-

Equity Shares of the Company are listed at Delhi Stock Exchange and Bombay Stock Exchange. Listing fees has already been paid in pursuant to Clause 38 of Listing Agreements.

DIRECTORS ' REPORT (contd....)

AUDITORS & AUDITORS OBSERVATION::-

M/s S.R. Ghedia & Associates, Chartered Accountants, Mumbai the auditors of the Company who hold office until the conclusion of the forthcoming Annual General Meeting, have expressed their inability to continue as auditor, hence did not offer themselves for reappointment.

One of the shareholder has proposed the name of M/s. H. R. AGARWAL & ASSOCIATES, Chartered Accountants, to be appointed in their place. M/s. H.R. AGARWAL & ASSOCIATES has confirmed that appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

The observations of the Auditors as referred to in the Auditor's Report are suitably explained in the notes to the account.

COMPLIANCE CERTIFICATE::-

Pursuant to the provisions of section 383A of the Companies Act, 1956, a Secretarial Compliance Certificate have been obtained by the Board of Directors for the Financial year 2012-13 from the Practising Company Secretaries, certifying that the Company has duly complied with all the applicable provision of the Companies Act, 1956.

COMPLIANCE WITH THE ACCOUNTING STANDARDS

The Company prepares its accounts and other financial statements in accordance with the relevant accounting principles and also complies with the accounting standards issued by the Institute of Chartered Accountants of India.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT::-

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that

- I. In preparation of annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- II. The accounting policies have been selected and applied consistently and the judgments and estimates made, 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 financial year 31st March, 2013 and of the Statement of Profit & Loss of the Company for that period.

DIRECTORS ' REPORT (contd....)

- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The annual accounts have been prepared on a going concern basis.

PUBLIC DEPOSITS:-

During the year, your Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rule made there under.

PARTICULARS OF EMPLOYEES:-

None of the employees of the Company was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975.

SHIFTING OF REGISTERED OFFICE:-

W.e.f 30th May, 2013 the Registered office of the Company is shifted to 9/18, Bazar Gali, Vishwas Nagar, Shahdara Delhi - 110032 from B-2/M4, M Block, Gupta Plaza, Commercial Complex, Vikas Puri, New Delhi-110018 for better accommodation, administration and Business Development.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

ACKNOWLEDGEMENT:-

Your Directors would like to place on record their appreciation for the assistance, co-operation and whole-hearted support received from Company's bankers, advisors, customers and investors and all, whose continued support has been a source of strength to the Company. Your Directors place on record their appreciation for the valuable contribution made by employees at all levels.

On behalf of the Board of Directors

Place : New Delhi
Date : 30th May, 2013

Rajesh Kumar Pagaria
(Managing Director)

Annexure to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given below:

- a) **Conservation of Energy:** The Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/ installation/ upgradation of energy saving devices.

- b) **Technology Absorption, Adoption and Innovation:** The Company has focused research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

- c) **Foreign Exchange Earnings and Outgo:** The Company does not have any foreign exchange earnings and outgo.

- d) No Expenditure has been made for research and development during the year under review.

On behalf of the Board of Directors

Place : New Delhi
Date : 30th May, 2013

Rajesh Kumar Pagaria
(Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS:-

FORWARD LOOKING STATEMENTS:

This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The Industry is on a growth path in terms of capacities and global consumption with global demand and supply growing in tandem.

B. OPPORTUNITIES AND THREATS

The opportunities will exist with the increase in higher value added mining activities on a steady growth path in the country and the expectation of strengthening of the Indian economy.

As far as the power sector is concerned, the deficit between the demand and supply is so large that the Government of India requires the private sector participation and offers excellent infrastructure for completion of the same. Your Company shall benefit from the same and trying to enter in this sector.

C. OUTLOOK

Your Company is well respected in mining sector. An expansion is on an anvil in the Power sector on the most competitive terms.

D. RISK AND CONCERNS

Ever changing scenario in international and domestic markets could be the only risk which may be faced by the mining Industry. Slow recovery in the world exports and imports continues to be a matter of concern.

The changing government policies are cause of concern for the Mining and Power generation business, however your Company shall take adequate precautionary steps to safeguard its interest.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper, strong independent and adequate system of internal controls of ensure that all the assets are safeguarded/ protected against loss from unauthorized use and that transactions are authorized recorded and reported correctly. The efficiency and effectiveness of the Company's internal control system is guaranteed by the fact that the Company has in place a system that provides of checks and balance and improvements in controls are regularly made. The internal control systems are also designed to ensure that the financial and other records are reliable, and available instantly for preparing financial statements

F. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance with respect to the operational performance during the year under review has slowed. The Company is on expansion path & the Company has taken a proactive financing strategy to pursue this growth. The directors are hopeful for better performance in the ensuing years.

G. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The appointments of qualified and skilled manpower including internal and external training programmes are the constant features of your Company.

H. MATERIAL FINANCIAL AND COMMERCIAL TRANSACTIONS

During the financial year under review, there are no materially significant financial and commercial transactions with the related parties conflicting with the interest of the Company. The Promoters and the Directors are not dealing in the shares of the Company.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

(Annexure to the Director's Report)

1. Company's Philosophy on Code of Governance:

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders and adequate & transparent reporting of the financial information. A system to effectively manage risks has been implemented. The Company has been disclosing information on different issues concerning the Company's performance from time to time. The employees at all levels are bound by the Code of conduct that sets forth the Company's policies on all important issues.

2. Board of Directors:

The Board of Directors of the Company has appropriate composition of Executive and Non Executive Directors including Independent Directors. The Company has Non Executive Chairman. The number of Non- Executive Directors is more than one third of the total number of Directors. The Company meets the requirements relating to the composition of Board of Directors. The Directors have disclosed to the Company about the committee positions they occupy in other companies and have notified changes as and when they take place.

The Board of Directors have approved and adopted Code of Business Conduct and ethics for all the Board Members and senior management. The Managing Director has affirmed that each Board members and senior management acknowledged the receipt of the code of conduct and has affirmed the compliance with the code. The Code of Conduct has been posted on the Company website, i.e., www.pagariaenergy.com.

i. Composition and category of directors, number of other Boards or Board Committees in which he is a member or Chairperson:

The detailed composition of the Board and other related information is given in the table below:

| Name of Director | Category of Directorship | No. of Directorship in Other Companies | Number of Committee positions held in other Companies | |
|--|----------------------------------|--|---|----------|
| | | | Members | Chairman |
| Mr. Rajesh Kumar Pagaria (Managing Director) | Promoter Director, Executive | 8 | Nil | Nil |
| Mr. Ranjit Singh Pagaria | Promoter Director, Non-executive | 7 | Nil | Nil |
| Mr. Ashok Kumar Gadiya | Non-executive, Independent | 7 | Nil | Nil |
| Mr. Ashok Kumar Singhal | Non executive, Independent | 6 | Nil | Nil |
| Mr. Jaydeb Mondal | Non-executive, Independent | 2 | Nil | Nil |
| Mr. Manash Bose | Non-executive, Independent | 12 | Nil | Nil |

CORPORATE GOVERNANCE REPORT (Contd...)

ii. **Details of attendance of each director at the Board meetings and the last AGM, number of Board meetings held, dates on which held:**

During the previous year, 5 board meetings were held on 30/05/2012, 14/7/2012, 29/09/2012, 10/11/2012 and 07/01/2013.

The attendance at the Board Meetings and Annual General Meeting were as under:

| Name of Director | No. of Board Meeting Attended | Attendance at Last AGM |
|--------------------------|--------------------------------------|-------------------------------|
| Mr. Rajesh Kumar Pagaria | 5 | Yes |
| Mr. Ranjit Singh Pagaria | 5 | Yes |
| Mr. Ashok Kumar Gadiya | Nil | No |
| Mr. Ashok Kumar Singhal | Nil | No |
| Mr. Jaydeb Mondal | 4 | No |
| Mr. Manash Bose | 5 | Yes |

Note:

Particulars about a Director proposed for re-appointment as well as the Directors who are retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and Explanatory Statement.

Code of Business Conduct:

The Company has adopted a Code of Business Conduct which applies to all employees and Directors of the Company. It is the responsibility of all employees and Directors to familiarize themselves with this code and comply with its standards.

Committees of the Board:

The Board of Directors has constituted the following committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

3. Audit Committee:

i. Brief description of terms of reference

The Audit committee comprises of three Directors all of whom are financially literate. The Committee has two independent and Non-Executive Director and one Non – Executive Director.

The Company complies with the provision of Section 292A of the Companies Act, 1956, as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

CORPORATE GOVERNANCE REPORT (Contd...)

- a) To Review with the management and statutory auditors and the adequacy of internal control systems including the plan, scope and performance of the internal audit function;
- b) To Review the quarterly, half yearly and annual accounts before submission to the Board;
- c) To Review with the management and statutory auditors, the annual financial statements before submission to the Boards;
- d) To consider such other matters as may be required by the Board;
- e) To discuss with management the Company's major policies with respect to risk assessment;
- f) To hold discussions with statutory auditors on the nature and scope of audits, and any views that they have about the financial control and reporting processes;
- g) To hold discussions with statutory auditors on the nature and scope of audits, and any views that they have about the financial control and reporting processes;
- h) To recommend appointment and removal of statutory auditors, fixation of audit fees and approval for payment for any other services;
- i) To review the functioning of the Whistle Blower mechanism, in case, the same exists;
- j) Carrying out any other function as is mentioned in the terms of reference of the audit committee as amended from time to time by the listing agreement and companies Act 1956.

ii. Composition, name of members and Chairperson and:

The present composition of the Audit committee and changes since last annual report and attendance of the Meeting are as follows.

| Members | Meeting held | Meeting Attended |
|---|---------------------|-------------------------|
| Mr. Manash Bose (Chairman, Non-Executive Independent) | 4 | 4 |
| Mr. Jaydeb Mondal (Non-Executive, Independent) | 4 | 4 |
| Mr. Ranjit Singh Pagaria (Non-Executive) | 4 | 4 |

iii. Meeting and attendance during the year

During the year, four Audit committee meetings were held on 29/05/2012, 13/07/2012, 09/11/2012 and 06/01/2013.

4. Remuneration Committee:

i. Brief description of terms of reference

The remuneration committee is constituted to formulate and recommend to the Board from time to time which decides the remuneration of all the directors and senior management members of the Company. The Remuneration Committee, entirely composed of 2 Independent Directors and 1 Non-executive Director, reviews the performance of the Managing Director and

CORPORATE GOVERNANCE REPORT (Contd...)

senior executives one level below the Board, and also reviews the remuneration package offered by the Company to different grades / levels of its employees. While reviewing the remuneration of senior management personnel, the Committee takes into account the following:

- Financial position of the Company;
- Trends in the industry;
- Appointee's qualifications and experience;
- Past performance;
- Past remuneration; etc.

The committee keeps the Directors updated on various Human Resources matters. The committee met 2 times during the year.

ii. Composition, name of members and Chairperson

The Remuneration committee comprises of three non executive members of the Board viz., Mr. Manash Bose, Mr. Jaydeb Mondal, and Mr. Ranjit Singh Pagaria.

iii. Attendance during the year

All the members of committee met two times during the year 2012-2013.

iv. Remuneration policy

The remuneration of the Whole-time Director(s) is recommended by the Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance / track record of the Whole-time Director(s), etc., which is decided by the Board of Directors. The Remuneration Committee also recommends the annual increments (which are effective April 1 annually) within the salary scale approved by the Members within the ceilings on net profits prescribed under Sections 198 and 309 of the Companies Act, 1956. The sitting fees for attending of each meeting of the Board of Directors of the non-executive/ independent directors of the Company are decided by the Board of Directors.

v. Details of remuneration to all the directors, as per format in main report

Mr. Rajesh Kumar Pagaria has been appointed as a Managing Director of the Company and his remuneration fixed @ Rs.10,000/- per month (including perks) w.e.f. 7th June 2013 for tenure of 2 years.

During the year, Company has paid no remuneration to its Non-executive/ Independent Directors. There is no pecuniary relationship or transactions of the Company with its (Non-Executive) Independent Director other than payment of sitting fees @ Rs.500/- per meeting to them for attending Board/ Committee meeting.

CORPORATE GOVERNANCE REPORT (Contd...)

The detail of remuneration of Mr. Rajesh Kumar Pagaria (Managing Director) is as under:

(Amount in Rs.)

| Name of Director | Salary cum Allowances p. a. | Stock Benefits | Service Contract Tenure |
|--------------------------|------------------------------------|-----------------------|--------------------------------|
| Mr. Rajesh Kumar Pagaria | Rs.120,000/- | Nil | 2 Years |

5. Shareholders' Grievance Committee:

1. Name of non-executive director heading the committee:

The Shareholders' Grievance Committee composed of 2 Independent Directors and 1 Non-executive Director namely Mr. Manash Bose, Mr. Jaydeb Mondal, and Mr. Ranjit Singh Pagaria. The committee has appointed Mr. Manash Bose as the Chairman of shareholders / investors grievance committee. The committee approves and monitors transfers, transmission, subdivision, consolidation of shares issued by the Company etc. The committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services. The committee also redresses/ replies to investors, complaints, queries and requests relating to transfers of shares, non-receipt of Annual Reports, etc.

The Shareholders/Investors Grievance Committee is empowered to perform all the functions of the Board in relation to handling of Shareholders / Investors Grievances. It primarily focuses on:

- a) Review of investor complaints and their redressal;
- b) Review of the queries received from investors;
- c) Review of the work done by Share Transfer Agent; and
- d) Review of corporate actions related work.

To expedite the process of share transfers the Board has delegated the power of share transfer to the Registrars and share transfer agent and share transfer formalities are approved by them on a fortnightly basis. The composition of the Committee and details of attendance by its members is given below:

| Name | Category | Meeting Held | Meeting Attended |
|--------------------------|--------------------------------|---------------------|-------------------------|
| Mr. Manash Bose | Independent, Non-Executive | 4 | 4 |
| Mr. Jaydeb Mondal | Independent, Non-Executive | 4 | 4 |
| Mr. Ranjit Singh Pagaria | Non-Independent, Non-Executive | 4 | 4 |

2. Name and designation of compliance officer

Mr. Ranjit Singh Pagaria is the Compliance Officer.

CORPORATE GOVERNANCE REPORT (Contd...)

3. Number of shareholders' complaints received so far, number not solved to the satisfaction of shareholders, number of pending complaints

As on 31/03/2013, no share transfer request was pending. Share transfers and other related records duly signed by compliance officer have been furnished to Stock Exchanges.

6. General Body Meetings:-

i. Location and time, where last three AGMs held, whether any special resolution passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under:

| Financial Year | Location of Meeting | Date | Time | No. of special resolution approved at the AGM |
|-----------------------|--|-------------|-------------|--|
| 2011-12 | Kamal Banquette, C-18 First Floor, Lajpat Nagar-II, New Delhi-110024 | 29/09/2012 | 10.00 A.M. | NIL |
| 2010-11 | Same as above | 28/09/2011 | 10.00 A.M. | NIL |
| 2009-10 | Same as above | 30/09/2010 | 10.00 A.M. | NIL |

ii. Whether any special resolution passed last year through postal ballot -details of voting pattern

During 2012-13 no special resolution was approved by the Shareholders through Postal Ballot.

iii. Person who conducted the postal ballot exercise

Not applicable

iv. Whether any special resolution is proposed to be conducted through postal ballot

At present there is no such proposal

v. Procedure for postal ballot

Does not arise

7. Disclosures:-

1. Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large

Details of transactions of material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to Accounts. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

CORPORATE GOVERNANCE REPORT (Contd...)

2. Details of non-compliance by the company, penalties, structures imposed on the company by Stock Exchange or SEBI or any statutory authority, or any matter related to capital markets, during the last three years

There was no such instance in the last three years.

3. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee

The Board has approved a whistle-blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviours, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimization of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial / accounting matters and (ii) employees at the levels of Vice – Presidents and above as also the Ethics counselor of the Company. The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of the Audit Committee.

4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause

The Company is compliant with mandatory requirements of Clause 49 of the Listing agreement for 2012-13.

As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and has also adopted a whistle-blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

8. Means of Communication:-

1. Quarterly results

The quarterly results are published in the newspapers and displayed on the Company's website. No half yearly report is sent to the shareholders directly.

2. Newspaper wherein results normally published

The quarterly results are generally published in Business Standard in English and Hindi Edition.

3. Any website, where displayed

The quarterly results of the Company are put on the website of the Company after these are submitted to the Stock Exchanges. Our website address is www.pagariaenergy.com

CORPORATE GOVERNANCE REPORT (Contd...)

4. Whether it also displays official news releases

Yes

5. The presentations made to institutional investors or to the analysts

No such presentations were made.

9. General Shareholder information:-

i. AGM: Date, time and venue

Date : 27th September, 2013
Time : 10:00 A.M.
Venue : 9/18, Bazar Gali, Vishwas Nagar,
Shahdara, Delhi-110032

ii. Financial year : 1st April to 31st March

Quarterly Results :
First Quarter : July'2013
Second Quarter : October, 2013
Third Quarter : January, 2014
Fourth Quarter : April/May-2014

iii. Date of Book Closure : 25/9/2012 to 27/9/2012 (both days inclusive)

iv. Dividend Payment Date: The Company did not declare any dividend during the financial year 2012-2013

v. Listing on Stock Exchanges and Stock Codes

Equity Shares

| | Stock Code |
|--|------------|
| i. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 | 531396 |
| ii. The Delhi Stock Exchange Limited 3/1, Asaf Ali Road New Delhi – 110 002 | 8377 |

CORPORATE GOVERNANCE REPORT (Contd...)

vi. Market Price Data: High, Low during each month in last financial year, performance in comparison to BSE Sensex

Month-wise High / Low market price of the Company's equity shares traded on BSE during the last financial year were as follows:

| Month | BSE | | BSE SENSEX | |
|----------------|------|------|------------|-----------|
| | High | Low | High | Low |
| April 2012 | 9.24 | 7.99 | 17,664.10 | 17,010.16 |
| May 2012 | 9.15 | 7.42 | 17,432.33 | 15,809.71 |
| June 2012 | 8.15 | 7.52 | 17,448.48 | 15,748.98 |
| July 2012 | 8.06 | 7.23 | 17,631.19 | 16,598.48 |
| August 2012 | 8.45 | 5.96 | 17,972.54 | 17,026.97 |
| September 2012 | 6.85 | 6.00 | 18,869.94 | 17,250.80 |
| October 2012 | 7.45 | 6.75 | 19,137.29 | 18,393.42 |
| November 2012 | 6.77 | 4.40 | 19,372.70 | 18,255.69 |
| December 2012 | 6.96 | 4.19 | 19,612.18 | 19,149.03 |
| January 2013 | 8.04 | 6.32 | 20,203.66 | 19,508.93 |
| February 2013 | 6.61 | 6.30 | 19,966.69 | 18,793.97 |
| March 2013 | 6.93 | 6.59 | 19,754.66 | 18,568.43 |

There was no trading for shares at Delhi Stock Exchange because the scrip was suspended and trading of its shares will be resumed shortly at Delhi Stock Exchange.

ISIN No. for NSDL & CDSL: **INE905B01010**

vii. Registrar and Transfer Agent

The Company's Share Transfer Agents is M/s. Link Intime India (P) Limited. Their address is under:

M/s. Link Intime India (P) Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase - I, PVR Naraina, New Delhi - 110028
Tel: (011) 41410592
Fax: (011) 41410591
Email: delhi@linkintime@co.in

CORPORATE GOVERNANCE REPORT (Contd...)

viii. Share Transfer System

The shares of the Company being in compulsory demat list are transferable through the depository system.

Shares in physical & dematerialised form are processed through Registrar & Transfer Agent of the Company, i.e., M/s. Link Intime India (P) Limited, Delhi.

The Company's shares are traded in the Stock Exchanges in demat mode. These transfers are affected through NSDL and CDSL. Transfer of shares in physical form is processed and approved in the board Meetings from time to time and the certificates are returned to the shareholders within 15 days from the date of receipt, subject to documents being valid and complete in all respects.

Shares lodged for transfer at the Registrar's address are normally processed and approved by Share Transfer cum Shareholders Grievance Committee and returned to the shareholders within the stipulated period after shares are duly transferred in their name. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Grievance received from members and other miscellaneous correspondence on change of address etc. are processed by the Registrar within 30 days. In case of bad deliveries the relevant documents are returned promptly.

The SEBI vide its circular Nos MRD/DOP//Cir- 05/2009 dated 20th May, 2009 and SEBI /MRD / DOP /SE RTA/cir -03/2010 dated 7th January, 2010 has made it mandatory to furnish a copy of income Tax PAN Card to the Company / the Registrar and share Transfer Agent for Transfer / Transmission / deletion / transposition of securities held in physical Form.

SEBI vide its circular No CIR/CFD/DIL/10/2010 dated 16th December 2010 has amended clause 5A of the listing agreement by laying down a uniform procedure for dealing with unclaimed share in physical mode and getting the same dematerlized after completing the said procedure. The Company's Registrar & Share Transfer Agent is in the process of complying with said amendment.

Green initiative in the corporate governance Registration of Emails:-

The ministry of corporate affairs vide its circular dated 21st April 2011 has taken a Green initiative in the Corporate Governance by allowing paperless compliance by the Company and stating that service of documents can be made by a Company through electronic mode. In order to implement the same the members are requested to register email address by a written communication with the depository participant/ the registrar and share transfer agent of the Company i.e. M/s. Link Intime India (P) Limited, Delhi. as the case may be, for communication through electronics mode to receive documents such as, notice calling annual general meeting, annual report comprising of the balance sheet, statement of profit and loss account cash flow statement, directors' report, auditors reports or to receive any other documents prescribed under law.

However, if member does not wish to register his email address, the Company will continue to send documents in physical form by other modes of services as provided in section 53 of the Companies Act, 1956.

ix. Distribution of Shareholding

The distribution of shareholding as on 31st March, 2013 was as follow:-

| No. of equity shares held | No. of shareholders | Percentage of shareholders (%) | Total No. of shares held | Percentage of share held (%) |
|---------------------------|---------------------|--------------------------------|--------------------------|------------------------------|
| 1-2500 | 1526 | 61.831 | 180,309 | 4.145 |
| 2501-5000 | 370 | 14.992 | 152,172 | 3.498 |
| 5001-10000 | 234 | 9.481 | 198,247 | 4.558 |
| 10001-20000 | 118 | 4.781 | 180,711 | 4.155 |
| 20001-30000 | 53 | 2.147 | 135,069 | 3.105 |
| 30001-40000 | 39 | 1.58 | 138,065 | 3.174 |
| 40001-50000 | 22 | 0.891 | 105,737 | 2.431 |
| 500001-100000 | 51 | 2.066 | 354,011 | 8.139 |
| 100001 & above | 55 | 2.229 | 2,905,349 | 66.795 |
| Total | 2468 | 100 | 4,349,670 | 100 |

Shareholding Pattern

The pattern of shareholders as on 31st March, 2013 was as follows:

| Category | Total no. of shares | Total no. of shares held in demat | Percentage |
|--|---------------------|-----------------------------------|---------------|
| A. Shareholding of Promoter and Promoter Group | | | |
| 1 Indian | 891,120 | 891,120 | 20.49 |
| 2 Foreign | - | - | - |
| Total (A) | 891,120 | 891,120 | 20.49 |
| B. Public Shareholding | | | |
| 1 Institutions | - | - | - |
| 2 Non-Institutions | 34,58,550 | 34,58,550 | 79.51 |
| Total (B) | 34,58,550 | 34,58,550 | 79.51 |
| C. Shares held by Custodians and against which Depository Receipts have been issued | - | - | - |
| Total (C) | - | - | - |
| TOTAL (A+B+C) | 43,49,670 | 43,49,670 | 100.00 |

x. Dematerialization of shares and liquidity

The equity shares of your Company are compulsory traded in dematerialized form and the Company has agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2013 over 39, 76, 759 shares, consisting of 91.43% of the total paid-up capital of the Company are dematerialized. The reconciliation of both physical and demat shares are upto date and tallies with the total paid up capital of the Company.

xi. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The company does not have any outstanding GDR / ADR / Warrants which may have any impact on equity.

xii. Plant Locations

The company does not have any operational plant.

xiii. Address for Correspondence

9/18, Bazar gali, Vishwas Nagar
Shahdara,
Delhi-110032
Email: info@pagariaenergy.com

10. Insider Trading Regulations

In compliance with SEBI regulation on prevention of insider trading, the Company has instituted comprehensive code of conduct for its management and staff. The code lays down guidelines which advise them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations.

11. Certificate on Corporate Governance

As required under Clause 49 of the Listing Agreement, a certificate from Mr. Mohan Ram Goenka, Practicing Company Secretary on compliance with the corporate governance norms is attached.

12. Secretarial Audit

A Practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized share held with NSDL and CDSL.

DECLARATION

This is to confirm that the Company has adopted a code of conduct for the members of the Board and the senior Management personnel in accordance with the provision of listing agreement. I confirm that the Board and the senior management personnel of the Company have complied with the code of conduct in respect of the financial year ended 31/03/2013.

For **Pagaria Energy Limited**

Rajesh Kumar Pagaria
(Managing Director)

Place : New Delhi
Date : 30th May, 2013

Practicing Company Secretary's Certificate on Corporate Governance under Clause 49 of the Listing Agreement(s)

To the Members of Pagaria Energy Limited

1. We have examined the compliance of conditions of Corporate Governance by M/s. Pagaria Energy Limited, for the year ended 31.03.2013, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**
Company Secretaries

Mohan Ram Goenka
Partner
C P No.: 2551

Place : Kolkata
Date : 30th May, 2013

INDEPENDENT AUDITORS' REPORT

To The Members of Pagaria Energy Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. Pagaria Energy Limited** ("the Company"), which comprises the Balance Sheet as at March 31st, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from material misstatements, 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial Statements.

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

INDEPENDENT AUDITORS' REPORT (contd...)

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- (b) In the case of the Statement of Profit & Loss , of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date;

Report on other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
- 2. As required by Section 227 (3) of the Act ,we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. in our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with by the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the Directors as on March 31st, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R.Ghedia & Associates
(Chartered Accountants)
FRN :: 118560W

Place : Mumbai
Date : 30th May , 2013

Sunil Jain
(Partner)
M. No. 059181

ANNEXURE TO AUDITORS' REPORT

(The annexure referred to in Paragraph 1 under the heading Report on other Legal and Regulatory Requirements our Report of even date to the members of M/s. Pagaria Energy Limited ('the Company') for the year ended March31, 2013

=====

1. In respect of its fixed assets:
 - a) The Company has maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) We are informed that all the fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) The Company has not disposed off any substantial part of its fixed assets during the year as would affect the going concern status of the Company.
2. Since there are no Inventories in the Company, the provisions of sub clause (a), (b) & (c) of the Clause (ii) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable.
3. The company granted and taken unsecured loans/advances to companies, firms or other parties covered in the register maintained under section 301 of the Act .We are informed by the management that, such unsecured loans and advances, taken and granted by the Company are interest free, there is not any stipulation as regard to rate of interest, servicing of interest, no tenure for receipt or repayment of principal amount and, the amount can be called off or paid as and when required. As informed that the Company is taking reasonable and adequate steps for recovery/payment of unsecured loans and advances.As such ,in the absence of relevant information ,we are unable to comment that the terms and conditions on which unsecured loans and advances given or taken by the company are prima facie prejudicial to the interest of the company or not;
4. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system of the Company.
5. In respect of transaction covered under section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

ANNEXURE TO AUDITORS' REPORT (CONTD....)

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year, hence, the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an Internal Audit System commensurate with the size of the Company and nature of its business.
8. We are informed that, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products/services rendered by the Company.
9. According to the information and explanations given to us, in respect of its statutory dues:
- a. The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable to it, with the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March, 2013 for a period of more than six months from the date of become payable except Income Tax dues Rs.15000/- relating to year ended 31st March, 2012 is payable.
- c. There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at 31st March, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

ANNEXURE TO AUDITORS' REPORT (CONTD....)

13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares securities, debentures and other investments.
15. The Company has not given any guarantees for loans taken by other from banks or financial institutions.
16. The Company has not availed any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long -term investment.
18. 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 during the year.
19. The Company has not issued any debentures during the year under review.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For S.R.Ghedia & Associates
(Chartered Accountants)
FRN :: 118560W**

**Place : Mumbai
Date : 30th May , 2013**

**Sunil Jain
(Partner)
M. No. 059181**

PAGARIA ENERGY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

| Particulars | Note No. | As at 31st March, 2013 | As at 31st March, 2012 |
|---|----------|------------------------|------------------------|
| | | Amt in Rs. | Amt in Rs. |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share Capital | 1 | 43,496,700 | 43,496,700 |
| (b) Reserves and Surplus | 2 | 17,679,651 | 17,662,071 |
| | | 61,176,351 | 61,158,771 |
| 2 Non-Current Liabilities | | | |
| (a) Deferred Tax Liabilities | 3 | 223,980 | 120,680 |
| (b) Other Long Term Liabilities | 4 | 939,354 | 14,112,165 |
| | | 1,163,334 | 14,232,845 |
| 3 Current liabilities | | | |
| (a) Trade Payables | 5 | 189,799 | 717,844 |
| (b) Other Current Liabilities | 6 | 1,855,908 | 2,921,152 |
| (c) Short-Term Provisions | 7 | 44,000 | 151,496 |
| | | 2,089,707 | 3,790,492 |
| TOTAL | | 64,429,392 | 79,182,108 |
| B ASSETS | | | |
| 1 Non-Current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 8 | 3,931,044 | 966,640 |
| (b) Non-Current Investments | 9 | 1,648,400 | 3,648,400 |
| (c) Long-Term Loans and Advances | 10 | 32,236,430 | 49,804,729 |
| (d) Other Non Current Assets | 11 | 401,500 | 3,479,350 |
| | | 38,217,374 | 57,899,119 |
| 2 Current assets | | | |
| (a) Trade Receivables | 12 | 5,796,236 | 6,835,881 |
| (b) Cash and Cash Equivalents | 13 | 3,256,659 | 1,175,254 |
| (c) Short Term Loans & Advances | 14 | 14,726,775 | - |
| (d) Other Current Assets | 15 | 2,432,348 | 13,271,854 |
| | | 26,212,018 | 21,282,989 |
| TOTAL | | 64,429,392 | 79,182,108 |
| Significant Accounting Polices & Notes to the Accounts | 22 | - | - |

As per our attached report on even date
For S.R.Ghedia & Associates
Chartered Accountants

For and on behalf of the Board of Directors
For Pagaria Energy Limited

Sunil Jain
(Partner)
M.No :: 059181

Rajesh Kumar Pagaria
(Managing Director)

Jaydeb Mondal
(Director)

Place :: Mumbai
Date :: 30/05/2013

PAGARIA ENERGY LIMITED**Statement of Profit and Loss for the year ended 31 March, 2013**

| Particulars | | Note No. | For the year ended | For the year ended |
|-------------|--|----------|--------------------|--------------------|
| | | | 31st March, 2013 | 31st March, 2012 |
| | | | Amt in Rs. | Amt in Rs. |
| I | Revenue from Operations (gross) | 16 | 14,750,279 | 18,460,329 |
| II | Other income | 17 | 351,276 | - |
| III | Total revenue (I+II) | | 15,101,555 | 18,460,329 |
| IV. | Expenses | | | |
| | Purchases of Stock-in-trade | 18 | 11,292,233 | 15,135,644 |
| | Employee Benefits Expenses | 19 | 721,787 | 692,949 |
| | Depreciation and Amortization Expenses | 20 | 161,096 | 138,685 |
| | Other Expenses | 21 | 2,776,559 | 2,365,377 |
| | Total Expenses | | 14,951,675 | 18,332,655 |
| V | Profit before tax (III-IV) | | 149,880 | 127,674 |
| VI | Tax expense: | | | |
| | (1) Current Tax | | 29,000 | 15,000 |
| | (2) Deferred tax | | 103,300 | 25,067 |
| | | | 132,300 | 40,067 |
| VII | Profit for the Period(V-VI) | | 17,580 | 87,607 |
| VIII | Earnings per Equity Share of Rs.10/- each): | | | |
| | (a) Basic | | 0.004 | 0.020 |
| | (b) Diluted | | 0.004 | 0.020 |

Significant Accounting Policies & Notes to the Accounts

22

As per our attached report on even date

For and on behalf of the Board of Directors

For S.R.Ghedia & Associates

For Pagaria Energy Limited

Chartered Accountants

Sunil Jain

Rajesh Kumar Pagaria

Jaydeb Mondal

(Partner)

(Managing Director)

(Director)

M.No :: 059181

Place :: Mumbai

Date :: 30/05/2013

PAGARIA ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| PARTICULARS | | 2012-13 | 2011-12 |
|-------------|---|------------------|------------------|
| | | Amt in Rs. | Amt in Rs. |
| (A) | Cash Flow From Operating Activities | | |
| | Net Profit before Tax | 149,880 | 127,674 |
| | Adjustments for ::- | | |
| | Interest/Misc Income | 351,276 | - |
| | Depreciation/Amortization | 161,096 | 138,685 |
| | Operating Profit Before Working Capital Changes | (40,300) | 266,359 |
| | Adjustments for ::- | | |
| | Other Long Term Liabilities | (13,172,811) | (1,370,658) |
| | Trade Payables | (528,045) | (21,145,136) |
| | Other Current Liabilities | (1,065,244) | 1,738,333 |
| | Long-Term Loans and Advances | 17,568,299 | - |
| | Other Non Current Assets | 3,077,850 | - |
| | Trade Receivables | 1,039,645 | 20,407,119 |
| | Short Term Loans & Advances | (14,726,775) | - |
| | Other Current Assets | 10,839,506 | - |
| | Cash Generated From Operations | 2,992,125 | (103,983) |
| | Payment of Tax | (136,496) | - |
| | Net Cash Inflow/Outflow From Operations | 2,855,629 | (103,983) |
| (B) | Cash Flow From Investing Activities | | |
| | Sale of Non -Current Investments | 2,000,000 | - |
| | Purchases of Fixed Assets | (3,125,500) | - |
| | Interest Income | 351,276 | - |
| | Net Cash (used in) Investing Activities (B) | (774,224) | - |
| (C) | Cash Flow From Financing Activities (C) | - | - |
| | Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C) | 2,081,405 | (103,983) |
| | Cash & Cash Equivalents as the Beginning of the year | 1,175,254 | 1,279,237 |
| | Cash & Cash Equivalents as the End of the year | 3,256,659 | 1,175,254 |

As per our attached report on even date
For S.R.Ghedia & Associates
Chartered Accountants

For and on behalf of the Board of Directors
For Pagaria Energy Limited

Sunil Jain
(Partner)
M.No :: 059181

Rajesh Kumar Pagaria
(Managing Director)

Jaydeb Mondal
(Director)

Place :: Mumbai
Date :: 30/05/2013

PAGARIA ENERGY LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-1 | | |
| SHARE CAPITAL ----- | | |
| Authorized Shares ----- | | |
| 25,000,000 (P.Y: 25,000,000) Equity Shares of Rs. 10/- each | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Fully Paid Shares ----- | | |
| 4,349,670 (P.Y: 4,349,670)Equity Shares of Rs.10/- each fully paid-up. | 43,496,700 | 43,496,700 |
| TOTAL | 43,496,700 | 43,496,700 |
| Notes to Share Capital ----- | | |
| (i) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period : | | |
| Equity Shares outstanding at the Beginning of the year | | |
| -Number of shares | 4,349,670 | 4,349,670 |
| -Amount | 43,496,700 | 43,496,700 |
| Equity Shares outstanding at the End of the year | | |
| -Number of shares | 4,349,670 | 4,349,670 |
| -Amount | 43,496,700 | 43,496,700 |
| (ii) Terms / Rights attached to Equity Shares | | |
| The Company has only one class of equity shares having a par value of Rs.10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The Company has not declared any dividends for the year ended 31st March,2013. | | |
| In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the company , after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the share holders. | | |

PAGARIA ENERGY LIMITED**Notes forming part of Financial Statements for the year ended 31st March, 2013**

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| (iii) Name of the Shareholders holding more than 5% shares in the Company :- ----- | | |
| Name of Share Holders ----- | | |
| Rajesh Kumar Pagaria | | |
| In Nos | 619100 | 1167750 |
| In % | 14.23% | 26.85% |
| Sri Anand Vinayak Coalfields Limited | | |
| In Nos | 265220 | 555220 |
| In % | 6.10% | 12.76% |
| Guinness Securities Limited | | |
| In Nos | 0 | 254076 |
| In % | 0.00% | 5.84% |
| NOTE :-2 | | |
| RESERVES AND SURPLUS ----- | | |
| Securities Premium Reserve ----- | | |
| As per last Balance sheet | 15,351,005 | 15,351,005 |
| Closing Balance | 15,351,005 | 15,351,005 |
| General Reserve ----- | | |
| As per last Balance sheet | 1,547,672 | 1,547,672 |
| Closing Balance | 1,547,672 | 1,547,672 |
| Surplus in Statement of Profit and Loss ----- | | |
| Balance as per last Balance Sheet | 763,394 | 675,787 |
| Add :: Profit for the year | 17,580 | 87,607 |
| Closing Balance | 780,974 | 763,394 |
| TOTAL | 17,679,651 | 17,662,071 |

PAGARIA ENERGY LIMITED**Notes forming part of Financial Statements for the year ended 31st March ,2013**

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-1 | | |
| SHARE CAPITAL ----- | | |
| (iii) Name of the Shareholders holding more than 5% shares in the Company :- ----- | | |
| Name of Share Holders ----- | | |
| Rajesh Kumar Pagaria | | |
| In Nos | 619100 | 1167750 |
| In % | 14.23% | 26.85% |
| Sri Anand Vinayak Coalfields Limited | | |
| In Nos | 265220 | 555220 |
| In % | 6.10% | 12.76% |
| Guinness Securities Limited | | |
| In Nos | 0 | 254076 |
| In % | 0.00% | 5.84% |
| NOTE :-2 | | |
| RESERVES AND SURPLUS ----- | | |
| Securities Premium Reserve ----- | | |
| As per last Balance sheet | 15,351,005 | 15,351,005 |
| Closing Balance | 15,351,005 | 15,351,005 |
| General Reserve ----- | | |
| As per last Balance sheet | 1,547,672 | 1,547,672 |
| Closing Balance | 1,547,672 | 1,547,672 |
| Surplus in Statement of Profit and Loss ----- | | |
| Balance as per last Balance Sheet | 763,394 | 675,787 |
| Add :: Profit for the year | 17,580 | 87,607 |
| Closing Balance | 780,974 | 763,394 |
| TOTAL | 17,679,651 | 17,662,071 |

PAGARIA ENERGY LIMITED**Notes forming part of Financial Statements for the year ended 31st March, 2013**

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-3 | | |
| DEFERRED TAX LIABILITIES ----- | | |
| Difference between Book and Tax Depreciation | 223,980 | 120,680 |
| TOTAL | 223,980 | 120,680 |
| NOTE :-4 | | |
| OTHER LONG TERM LIABILITIES ----- | | |
| Unsecured, Considered good ----- | | |
| Trade Payables-Capital Goods | 600,600 | 600,600 |
| Trade Payables-Other | - | 2,937,311 |
| Advances taken from Related Parties | 338,754 | 723,754 |
| Advances taken from Others | | 9,850,500 |
| TOTAL | 939,354 | 14,112,165 |
| NOTE :-5 | | |
| TRADE PAYABLES ----- | | |
| Trade Payables-Goods | 189,799 | 717,844 |
| TOTAL | 189,799 | 717,844 |
| NOTE :-6 | | |
| OTHER CURRENT LIABILITIES ----- | | |
| Audit Fees Payables | 56,180 | 44,944 |
| Provison for Expenses | 1,799,728 | 2,876,208 |
| TOTAL | 1,855,908 | 2,921,152 |
| NOTE :-7 | | |
| SHORT TERM PROVISIONS ----- | | |
| Provision for Taxation | 44,000 | 151,496 |
| TOTAL | 44,000 | 151,496 |

PAGARIA ENERGY LIMITED**Notes forming part of Financial Statements for the year ended 31st March,2013**

NOTE :-8

FIXED ASSETS

| Sr No | TANGIBLE ASSETS | Rate of Dep in % | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------------|-------------------------|------------------|----------------------|------------------------|-------------------------|-----------------------|----------------------|----------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | | | As At 1st April,2012 | Additions/ Adjustments | Deductions/ Adjustments | As At 31st March,2013 | As At 1st April,2012 | For the Year | Deductions/ Adjustments | As At 31st March,2013 | As At 31st March,2013 | As At 31st March,2012 |
| 1 | FURNITURE AND FIXTURES | 6.33% | 573,538 | 1,590,420 | - | 2,163,958 | 275,168 | 30,149 | - | 305,317 | 1,858,641 | 298,370 |
| 2 | VEHICLES | 9.50% | 1,174,933 | - | - | 1,174,933 | 1,174,933 | - | - | 1,174,933 | - | - |
| 3 | OFFICE EQUIPMENTS | 4.75% | 415,359 | 747,300 | - | 1,162,659 | 153,241 | 22,744 | - | 175,985 | 986,674 | 262,118 |
| 4 | COMPUTERS & ACCESSORIES | 6.21% | 1,254,000 | 787,780 | - | 2,041,780 | 847,848 | 108,203 | - | 956,051 | 1,085,729 | 406,152 |
| | TOTAL | | 3,417,830 | 3,125,500 | - | 6,543,330 | 2,451,190 | 161,096 | - | 2,612,286 | 3,931,044 | 966,640 |
| Previous Year | | | 3,417,830 | - | - | 3,417,830 | 2,312,505 | 138,685 | - | 2,451,190 | 966,640 | |

PAGARIA ENERGY LIMITED

Notes forming part of Financial Statements for the year ended 31st March,2013

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-9 | | |
| NON-CURRENT INVESTMENTS(Valued at cost unless stated otherwise) ----- | | |
| Investment in Equity instruments of Other Companies -Quoted and Trade ----- | | |
| 21,500 (P.Y: 21,500) Equity shares of JPT Securities Ltd of Rs. 10/- each, fully paid-up | 186,400 | 186,400 |
| Investment in Equity instruments of Related Parties Companies -Quoted and Non -Trade ----- | | |
| 152,000(P.Y: 152,000) Equity shares of MFL Housing Ltd. of Rs. 10/- each, fully paid-up* | 152,000 | 152,000 |
| 100,000 (P.Y: 100,000) Equity shares of MFL Stock Broking Ltd. Of Rs. 10/- each, fully paid-up* | 110,000 | 110,000 |
| <i>* Not Traded in Stock Exchange</i> | | |
| Investment in Equity instruments of Other Companies -Unquoted ----- | | |
| 10,000(P.Y: 10,000) Equity shares of Care & Cure International Ltd. of Rs.10/- each, fully paid-up | 100,000 | 100,000 |
| 77,500 (P.Y: 77,500) Equity shares of Microchip Electronics Pvt.Ltd. of Rs. 10/- each, fully paid-up | 775,000 | 775,000 |
| NIL(P.Y: 30,000) Equity shares of Gaurav Metals Pvt. Ltd. of Rs.10/- each, fully paid-up | - | 300,000 |
| Investment in Equity instruments of Related Parties Companies -Unquoted ----- | | |
| 27,500(P.Y: 27,500) Equity shares of Pratap Tiles Pvt. Ltd. of Rs.10/- each, fully paid-up | 275,000 | 275,000 |
| 3,000(P.Y: 3,000) Equity shares of Indian Astrology .Com Pvt. Ltd. of Rs.10/- each, fully paid-up | 50,000 | 50,000 |
| NIL(P.Y: 17,000) Equity shares of Mewar Infoline. Com Pvt. Ltd. of Rs.10/- each, fully paid-up | - | 1,700,000 |
| TOTAL | 1,648,400 | 3,648,400 |
| Aggregate amount of Quoted Investment | | |
| - Cost | 448,400 | 448,400 |
| - Market Value | 483,965 | 618,125 |
| <i>(To the extent available)</i> | | |
| Aggregate amount of Unquoted Investment | 1,200,000 | 3,200,000 |

PAGARIA ENERGY LIMITED

Notes forming part of Financial Statements for the year ended 31st March,2013

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-10 | | |
| LONG TERM LOANS AND ADVANCES ----- | | |
| Unsecured, Considered good ----- | | |
| Advances given to Related Parties | 30,785,305 | 47,242,984 |
| Advances given to Other Parties | 1,451,125 | 2,561,745 |
| # Amount due from Director | 750,000 | 750,000 |
| # Maximum amount Outstanding during the year | 750,000 | 750,000 |
| TOTAL | 32,236,430 | 49,804,729 |
| NOTE :-11 | | |
| OTHER NON-CURRENT ASSETS ----- | | |
| Unsecured, Considered good ----- | | |
| Long Term Trade Receivables | 401,500 | 3,479,350 |
| TOTAL | 401,500 | 3,479,350 |
| NOTE :-12 | | |
| TRADE RECEIVABLES ----- | | |
| Unsecured, Considered good ----- | | |
| Other Trade Receivables | 5,796,236 | 6,835,881 |
| TOTAL | 5,796,236 | 6,835,881 |
| NOTE :-13 | | |
| CASH AND CASH EQUIVALENTS ----- | | |
| (As Certified by the Management) | | |
| Balances with Banks | | |
| -In Current Accounts | 3,243,613 | 41,041 |
| -In Fixed Deposit Account | - | 1,016,700 |
| Cash on Hand | 13,046 | 117,513 |
| TOTAL | 3,256,659 | 1,175,254 |

PAGARIA ENERGY LIMITED**Notes forming part of Financial Statements for the year ended 31st March,2013**

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-14 | | |
| SHORT TERM LOANS AND ADVANCES ----- | | |
| Unsecured, Considered good ----- | | |
| Advances given to Other Parties | 8,726,775 | - |
| Security Deposit -Office | 2,500,000 | - |
| Advances to Staff | 1,850,000 | - |
| Advances to Supplier | 1,650,000 | - |
| TOTAL | 14,726,775 | - |
| NOTE :-15 | | |
| OTHER CURRENT ASSETS ----- | | |
| Interest Accrued on FDR | - | 213,016 |
| TDS Receivables | 7,348 | 43,838 |
| Share Application money -Related Parties | - | 7,700,000 |
| Share Application money -Other Parties | 2,425,000 | 5,315,000 |
| TOTAL | 2,432,348 | 13,271,854 |

PAGARIA ENERGY LIMITED

Notes forming part of Financial Statements for the year ended 31st March,2013

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|--|--|--|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-16 | | |
| REVENUE FROM OPERATION(GROSS) ----- | | |
| Sale of Traded Goods | 14,750,279 | 17,537,279 |
| Sale of Services -Consultancy Charges | | 923,050 |
| TOTAL | 14,750,279 | 18,460,329 |
| NOTE :-17 | | |
| OTHER INCOME ----- | | |
| Interest Income | 266,036 | - |
| Misc Income | 85,240 | |
| TOTAL | 351,276 | - |
| NOTE :-18 | | |
| PURCHASES OF STOCK-IN TRADE/FINISHED GOODS ----- | | |
| Purchase of Traded Goods | 11,292,233 | 15,135,644 |
| TOTAL | 11,292,233 | 15,135,644 |
| NOTE :-19 | | |
| EMPLOYEE BENEFITS EXPENSES ----- | | |
| Salaries and Wages | 707,200 | 676,056 |
| Staff Welfare Expenses | 14,587 | 16,893 |
| TOTAL | 721,787 | 692,949 |
| NOTE :-20 | | |
| DEPRECIATION AND AMORTISATION EXPENSES ----- | | |
| Depreciation for the year on Tangible Assets | 161,096 | 138,685 |
| TOTAL | 161,096 | 138,685 |

PAGARIA ENERGY LIMITED

Notes forming part of Financial Statements for the year ended 31st March,2013

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|--|--|
| | Amt in Rs. | Amt in Rs. |
| NOTE :-21 | | |
| OTHER EXPENSES ----- | | |
| Advertisement Expenses | 58,582 | 74,966 |
| AGM Expenses | 48,000 | 40,000 |
| Auditors Remuneration # | 56,180 | 44,944 |
| Bank Charges | 31,093 | 250 |
| Books & Periodicals | 4,785 | 4,566 |
| Business Promotion expenses | 18,905 | 20,902 |
| Consultancy Fees | 674,160 | 475,870 |
| Conveyance Expenses | 19,775 | 35,686 |
| Depository Annual Charges | 14,660 | 14,462 |
| Directors Remuneration | 660,000 | 660,000 |
| Directors Sitting Fees | 10,000 | 10,000 |
| Electricity Expenses | 12,458 | 8,330 |
| Filing Fees-ROC | 22,500 | - |
| General Expenses | 87,904 | 22,918 |
| Interest paid on Income Tax | 62,001 | - |
| Repair & Maintenance Expenses | 51,082 | 29,349 |
| Listing Fees | 25,381 | 39,542 |
| Postage & Courier Expenses | 2,605 | 15,795 |
| Printing & Stationary | 24,690 | 27,415 |
| Professional Fees | 123,500 | 687,318 |
| Rent | 630,000 | - |
| Share Transfer Charges | 27,014 | 26,919 |
| Telephone Expenses | 42,204 | 30,659 |
| Travelling Expenses | 69,080 | 95,486 |
| TOTAL | 2,776,559 | 2,365,377 |
| Auditors Remuneration # ----- | | |
| (inclusive of Service Tax) | | |
| As Auditors - Statutory Audit Fees | 33,708 | 28,090 |
| For Taxation Matters | 11,236 | 11,236 |
| For Other Services | 11,236 | 5,618 |
| TOTAL | 56,180 | 44,944 |

Note: - 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

Annexed to and forming part of the Balance Sheet as at 31st March, 2013 and of the Statement of Profit & Loss for the year ended on that date.

1. Accounting System:

- a) Financial statements are prepared in accordance with the generally accepted accounting principles including mandatory applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant presentational requirement /provisions of the Companies Act 1956, under historical cost convention, on accrual basis and ongoing concern concept, unless otherwise stated. The Accounting policies adopted during the current year, in the preparation of these financial statements, are consistent with that of the previous year.
- b) All Expenses, Revenue from Operations and Other Income are accounted for on Accrual basis.
- (c) Dividend Income and Interest on Bank FDR's is accounted for as and when received.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3. Tangible Fixed Assets and Depreciation on Tangible Fixed Assets:

- (a) Fixed Assets are stated at cost less accumulated depreciation and impairment in value, if any.
- (b) Costs comprise acquisition price or construction cost and other attributable costs, if any for bringing the assets to its intended use.
- (c) Depreciation on Fixed Assets is provided on Straight Line Method on pro-rata basis as per rates prescribed in Schedule XIV to the Companies Act, 1956.

4. Investments:

- (a) Investments that are intended to be held for more than a year, from the date of acquisition are classified as Long Term Investments.
- (b) Long Term Investments are valued at Cost.
- (c) Provision for diminution in the value of Long Term Investments is made only if such a decline is, in the opinion of management, other than temporary.
- (d) Current Investments are carried at lower of cost or fair value, which ever is lower.

Note: - 21 (contd...)

5. Provision for Current and Deferred Tax::

Tax expense comprises Current tax and Deferred tax.

- a) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961, after considering allowances and exemptions.
- b) Minimum alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance sheet, if there is convincing evidence that the company will pay normal tax in future and the resultant asset can be measured reliably.
- c) Deferred tax resulting from “timing difference” between taxable and accounting income for the reporting year that originate in one year and are capable of reversal in one or more subsequent years, is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.
- d) Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

6. Retirement Benefits:

During the year under review, none of the employees have completed Continuous service period of 5 years and there is not any un-availed leave of any employees working with the Company. Accordingly, no provision is required to be made in respect of Gratuity, Leave encashment and Other Retirement benefits.

7. Impairment of assets:

- (a) An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets.
- (b) An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.
- (c) In the opinion of the management, there is no impairment of assets as on Balance Sheet date.

8. Provisions, Contingent Liabilities and Contingent Assets:

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Note: - 21 (contd...)

- (b) In the opinion of the management, there are no contingent liabilities as on Balance Sheet date and nor any events occurred after the Balance Sheet date that affects the financial position of the Company.
9. During the financial year 2012-13, there are not any transactions with any suppliers /parties who are covered under 'The Micro Small and Medium Enterprises Development Act, 2006'.

10. Key Management Personnel

The Key management personnel are the directors, whose names are mentioned in the corporate governance report.

11. Related Party Disclosures:

The List of related parties and nature including amount of their transaction have been taken place during the year are given in the Annexure attached

12. There are not any particulars which are required to be furnished pursuant to Clause VIII of part II of the Schedule VI of the Companies Act, 1956.
13. The Major Components of Deferred Tax Liability arising on account of timing difference are::

Depreciation :: Rs.103,300/- (P.Y Rs. 25,067/-)

14. The Company is operating in Single business segment, therefore requirement with regard to segmental reporting as per AS-17 is not applicable to the Company. The Company operates mainly in Indian Market and there is no reportable geographical segment.

15. Earning Per Share:

Earnings per share are calculated by dividing the profit attributable to the equity shareholders by the number of equity shares outstanding during the year, as under:

| Particulars ===== | 2012-13 ===== | 2011-12 ===== |
|---|-------------------------|-------------------------|
| Net Profit for the year attributable to the equity shareholders (Rs.) | 17,580 | 87,607 |
| Number of equity shares outstanding (in Nos.) | 4,349,670 | 4,349,670 |
| Basic & diluted EPS (F.V of Rs.10 each) (Rs.) | 0.004 | 0.02 |

16. In the Opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in the Balance Sheet and all the known liabilities have been provided for.

Related Party Disclosure ::
(Ref Note no.11)

| Name | Relationship | Nature of transaction | Maximum amount o/s during the year | Opening Balance | Received /Sold during the year | Given/Paid during the year | Closing balance |
|----------------------------------|-----------------------------|-------------------------|------------------------------------|-----------------|--------------------------------|----------------------------|-----------------|
| Bhawar Lal Gadiya | Director's Relative | Loans & Advances Taken | 11,000 | 11,000 | | | 11,000 |
| Zebra Consultancy Pvt Ltd | Sister/Associated Concern | Loans & Advances Taken | 20,000 | 200,000 | | 200,000 | - |
| Sri Anand Vinayak Coal field Ltd | Sister/Associated Concern | Loans & Advances Taken | 512,754 | 512,754 | | 185,000 | 327,754 |
| Indian Astrology .Com Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 204,538 | 204,538 | 204,538 | | - |
| Mewar Developers Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 10,768,141 | 10,768,141 | 10,768,141 | | - |
| A.K.Gadiya | Director | Loans & Advances Given | 750,000 | 750,000 | 750,000 | | - |
| Mewar Edu Soc ,Chittor | Director Interested Concern | Loans & Advances Given | 900,000 | 900,000 | 900,000 | | - |
| Mewar University, Chittor | Director Interested Concern | Loans & Advances Given | 500,000 | 500,000 | 500,000 | | - |
| Nigania Consultants Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 5,135,000 | 5,135,000 | 5,135,000 | | - |
| Pagaria Power Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 2,485,305 | 1,485,305 | | 1,000,000 | 2,485,305 |
| Zebra Consultancy Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 800,000 | - | | 800,000 | 800,000 |
| RSP Business Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 15,000,000 | 15,000,000 | | | 15,000,000 |
| Zebra Infrastructure Pvt Ltd | Sister/Associated Concern | Loans & Advances Given | 12,500,000 | 12,500,000 | | | 12,500,000 |
| India Astrology .Com P. Ltd | Sister/Associated Concern | Share Application Money | 1,650,000 | 1,650,000 | 1,650,000 | | - |
| Mewar Farms P. Ltd. | Sister/Associated Concern | Share Application Money | 6,050,000 | 6,050,000 | 6,050,000 | | - |
| Indian Astrology .Com Pvt Ltd | Sister/Associated Concern | Investments | 50,000 | 50,000 | | | 50,000 |
| Mewar Infoline. Com Pvt. Ltd. | Sister/Associated Concern | Investments | 1,700,000 | 1,700,000 | 1,700,000 | | - |
| Pratap Tiles Pvt. Ltd. | Sister/Associated Concern | Investments | 275,000 | 275,000 | | | 275,000 |
| Rajesh Kumar Pagaria | Managing Director | Director's Remuneration | | | | 660,000 | 660,000 |
| | | Director's Sitting Fees | | | | 10,000 | 10,000 |

Note: - 21 (contd...)

17. Debit and Credit Balances are being subject to confirmation and reconciliation thereof and the same have been taken as per the balances appearing in the books. The consequent necessary adjustments, either of a revenue nature or otherwise if any, will be made as and when these accounts are confirmed.
18. The figures appearing in the Financial Statements have been rounded off to nearest rupee.
19. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- =====

Signatures to Notes 1 to 21

**As per our attached report on even date
For S.R.Ghedia & Associates
(Chartered Accountants)**

**Sunil Jain
(Partner)
M. No. 059181**

**Place : Mumbai
Date : 30th May, 2013**

**FOR AND ON BEHALF OF THE BOARD
For Pagaria Energy Limited**

**Rajesh Kumar Pagaria Jaydeb Mondal
(Managing Director) (Director)**

PAGARIA ENERGY LIMITED

Regd Office: 9/18, Bazar gali, Vishwas Nagar, Shahdara, Delhi-110032

=====

ATTENDANCE SLIP

=====

I hereby record my presence at the 22nd Annual General Meeting held at 9/18, Bazar gali, Vishwas Nagar, Shahdara, Delhi-110032 on Friday, 27th September, 2013, at 10.00 A.M.

1. L. F. No.
 2. Depository: NSDL/CDSL
 3. DP ID.
 4. Client ID * * For shares held in electronic form
 5. FULL NAME OF SHAREHOLDER (IN BLOCK LETTERS)
 6. NO. OF EQUITY SHARES HELD:
 7. SIGNATURE OF THE SHAREHOLDER OR PROXY ATTENDING:
- (PLEASE GIVE FULL NAME OF THE 1ST JOINT HOLDER) MR./MRS./MISS
- (TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING)
- NOTE: PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.
-

PAGARIA ENERGY LIMITED

Regd Office: 9/18, Bazar gali, Vishwas Nagar, Shahdara, Delhi-110032

=====

FORM OF PROXY

=====

I/We _____ of _____ in the District of _____ being a member/ members of the above named Company hereby appoint _____ of _____ in the District of _____ or failing him _____ of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/use on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday, 27th September, 2013, at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2013

Signature _____

| |
|--------------------------------------|
| AFFIX Re. 1/- REVENUE STAMP |
|--------------------------------------|

L.F. No. _____

* Depository: NSDL/CDSL _____

* DP. ID _____

* Client ID _____

* For Shares held in Electronic Form

No. of Share(s) held _____

Notes : (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. (2) A proxy need not be a member. (3) The complete form should be deposited at the Registered Office of the Company at 9/18, Bazar gali, Vishwas Nagar, Shahdara, Delhi-110032 not less than 48 hours before the time of holding the meeting.