

PAGARIA ENERGY LIMITED

23rd ANNUAL REPORT

2013-14

CORPORATE INFORMATION

Board of Directors : Mr. Rajesh Kumar Pagaria Managing Director
Mr. Ranjit Singh Pagaria Director
Mr. Jaydeb Mondal Director
Mr. Manash Bose Director

Registered Office : 9/18, Bazar Gali
Vishwas Nagar,
Shahdara
Delhi-110032

Bankers : ICICI Bank
Ing Vysya Bank
Oriental Bank of Commerce
United Bank of India

Auditors : M/s H R Agarwal & Associates
Chartered Accountants
Kolkata

**Registrar & Share
Transfer Agents** : Link In time India (P) Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area,
Phase-I, PVR
Naraina
New Delhi - 110028

NOTICE

NOTICE is hereby given that the 23rd 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 Tuesday, 30th September, 2014 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, 2014, together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Manash Bose (DIN: 02698179) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

“Resolved that pursuant to the provisions of Section 139 (2) and 142 (1) of the Companies Act, 2013, M/s H. R. Agarwal & Associates(Firm Regn No.: 323029E), Chartered Accountants, Kolkata, be and are hereby appointed as the Statutory Auditors of the Company for a period of five (5) years subject to ratification by members at every Annual General Meeting commencing from the conclusion of this , to hold such office from the conclusion of this Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting on such remuneration as may be determined by the Board of Directors of the company on a year to year basis.”

SPECIAL BUSINESS:

4. To Appoint Mr. Sanjay Kumar Bhansali as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT, pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under and Clause 49 of the Listing Agreement, Mr. Sanjay Kumar Bhansali (DIN: 06886599) Independent Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 28th Annual General Meeting in the calendar year 2019, not liable to retire by rotation.”

5. To Appoint Mr. Jaydeb Mondal (DIN: 02974803) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act,2013, and the rules made there under and Clause 49 of the Listing Agreement, Mr. Jaydeb Mondal Independent Director, from whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying his intentions for the Directorship of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to the conclusion of 28th Annual General Meeting in the calendar year 2019, not liable to retire by rotation.”

On behalf of the Board of Directors
For **Pagaria Energy Limited**

Registered Office:
9/18, Bazar Gali
Vishwas Nagar, Shahdara
Delhi – 110 032
CIN: L67120DL1991PLC043677

Rajesh Kumar Pagaria
(Managing Director)

Date:14th August, 2014

NOTES:

1. A copy of this notice has been placed on the website of the Company www.pagariaenergy.com
2. The notice will be sent to all the members of the company, whose names will appear on the register of members/ record of Depositors as on 06th day of September, 2014
3. **A member is entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on poll on his behalf. A proxy need not to be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting i.e. by 10:00 AM of 28th September, 2014**
4. Shareholders holding shares in physical form are requested to advice immediately any change of Address to Company's Registrar and Share Transfer Agents, Link In time India (P) Limited.
5. Register of Members and the Share Transfer Books of the Company shall remain closed from 22th September, 2014 to 29th September, 2014 (both days inclusive).
6. Members who are holding Company's shares a Dematerialized form are requested to bring details of their client ID and DP ID Nos. for easier identification of attendance at the 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.

8. Voting through electronic means

The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. If a member has opted for e-voting, then he/she should not vote physically and vice-a-versa.

Instructions for members for e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website
- (ii) Click on "Shareholders" tab.

(iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts

for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

1. The e-voting period commences on 22nd September, 2014 (9:00 AM) and ends on 24th September, 2014 (6:00 PM). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 06th September, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 06th September, 2014
4. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Hari Ram Agarwal(Mem No. 057625), Partner, H.R.Agarwal & Associates, Practicing Chartered Accountant not later than 5.00 p.m. on 06th September, 2014. Ballot Form received thereafter will be treated as invalid.
6. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website www.pagariaenergy.com within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m (except Sunday and Public Holiday) up to the date of the Annual General Meeting of the Company.

Registered Office:
9/18, Bazar Gali
Vishwas Nagar, Shahdara
Delhi – 110 032
CIN: L67120DL1991PLC043677

Date:14th August, 2014

On behalf of the Board of Directors
For **Pagaria Energy Limited**

Rajesh Kumar Pagaria
Managing Director

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:

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

Name	Mr. Jaydeb Mondal	Mr. Manash Bose	Mr. Sanjay Bhansali
Date of Birth	02/01/1978	11/09/1981	25/02/1964
Date of Appointment	07/06/2010	07/06/2010	14/08/2014
Directorships held in other Companies	<ul style="list-style-type: none"> - Bird Aviation Ltd. - Sri Anand Vinayak Coalfields Ltd. 	<ul style="list-style-type: none"> - Bengal Barge P. Ltd. - Shivshankar Vanijya P. Ltd. - Super Entertainment P. Ltd. - Zebraa Consultancy P. Ltd. - Zebraa Mining P. Ltd. 	NIL
Membership/ Chairmanship of Committees across Public Companies	Nil	NIL	NIL
Brief Profile covering experience, achievements, etc	He is B. Com (Hons.) with 6 years experience in Accounts, Taxation, etc.	He is B.Com (Hons.) with 14 years experience in Accounts, Taxation etc.	He is B. Com (Hons.) with 13 years of experience in Coal Field.
Shares Held in the Company	Nil	Nil	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, 2014	31 st March, 2013
Total Income	161.87	151.02
Profit before Tax	1.09	1.50
Profit after Tax	0.07	0.18

(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 2013-14

III. Other information:

(1) Reasons of loss or inadequate profits

The profit of the Company for the year ended 31/03/2014 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.

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On behalf of the Board of Directors
For **Pagaria Energy Limited**

Rajesh Kumar Pagaria
(Managing Director)

Date: 14th August, 2014

DIRECTORS' REPORT (contd....)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statements of Accounts and the Auditors Report of your Company for the financial year ending 31st March 2014.

FINANCIAL HIGHLIGHTS:

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

(Rs. In Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total Income	161.87	151.02
Profit before tax	1.09	1.50
Less : Provision for Taxation	1.02	1.32
Profit after tax	0.07	0.18
Add: Balance in P&L Account B/F	7.81	7.63
Balance carried to Balance Sheet	7.88	7.81

DIVIDEND:

In order to strengthen the financial position of the company the Board of Directors have decided not to recommend any dividend for the Financial Year ended 31st March, 2014 and plough back the profits of the company in its business.

PERFORMANCE:

The total income for the financial year under review is Rs. 161.87 Lacs against Rs. 151.02 Lacs in previous year. During the year, the Company has earned Profit after Tax of Rs.0.07 Lacs in comparison to the previous year Profit after Tax of Rs. 0.18 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. Manash Bose 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.

DIRECTORS' REPORT (contd....)

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.

AUDITORS & AUDITORS OBSERVATION:

M/s. H.R. AGARWAL & ASSOCIATES has confirmed that appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013.

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 2013-14 from the Practicing 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 134 of the Companies Act, 2013, 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 along with 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, 2014 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, 2013, 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 73 of the Companies Act, 2013 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 134 of the Companies Act, 2013.

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 :14th August, 2014

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 134 of the Companies Act, 2013 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/ up gradation 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 :14th August, 2014

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.

Registered Office:
9/18, Bazar Gali
Vishwas Nagar, Shahdara
Delhi – 110 032

On behalf of the Board of Directors
For **Pagaria Energy Limited**

CIN: L67120DL1991PLC043677
Date: 14th August, 2014

Rajesh Kumar Pagaria
(Managing Director)

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	7	Nil	Nil
Mr. Ranjit Singh Pagaria	Promoter Director, Non-executive	6	Nil	Nil
Mr. Ashok Kumar Gadiya upto 15/11/2013	Non-executive, Independent	7	Nil	Nil
Mr. Ashok Kumar Singhal upto 15/11/2013	Non executive, Independent	6	Nil	Nil
Mr. Jaydeb Mondal	Non-executive, Independent	2	Nil	Nil
Mr. Manash Bose	Non-executive, Independent	6	Nil	Nil
Mr. Sanjay Kumar Bhansali	Non-executive, Independent	NIL	Nil	Nil

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, 4 board meetings were held on 30/05/2013, 14/8/2013, 15/11/2013 and 15/02/2014.

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

Name of Director	No. of Board Meeting	Attendance at Last
Mr. Rajesh Kumar Pagaria	4	Yes
Mr. Ranjit Singh Pagaria	4	Yes
Mr. Ashok Kumar Gadiya	2	No
Mr. Ashok Kumar Singhal	1	No
Mr. Jaydeb Mondal	4	Yes
Mr. Manash Bose	4	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.

iii. 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.

iv. 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:

4. 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 177 of the Companies Act, 2013, as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- 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.

i. 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.

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

ii. Meeting and attendance during the year

During the year, four Audit committee meetings were held on 30/05/2013, 14/8/2013, 15/11/2013 and 15/02/2014.

5. 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 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 2013-2014.

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 was appointed as a Managing Director of the Company.

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.

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	Rs.219,000/-	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, Managing Director of the Company, is the Compliance Officer.

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

As on 31/03/2014, 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
2013-2014	9/18, Bazar Gali, Vishwas Nagar, Shahdara, Delhi - 110 032	30/09/2014	10.00 A.M.	NIL
2012-2013	9/18, Bazar Gali, Vishwas Nagar, Shahdara, Delhi - 110 032	27/09/2013	10.00 A.M.	NIL
2011-2012	Kamal Banquette, C-18 First Floor, Lajpat Nagar-II, New Delhi-110024	29/09/2012	10.00 A.M.	NIL

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

During 2013-14 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.

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

Rs. 250,000/- was paid during the year for non-compliance relating to the year prior to 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 2013-14.

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 regularly published 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

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 : 30th September, 2014
Time : 10:00 A.M.
Venue : 9/18, Bazar Gali, Vishwas Nagar, Shahdara,
Delhi-110 032

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

Quarterly Results

First Quarter : On or before 14th August 2014
Second Quarter : On or before 14th November, 2014
Third Quarter : On or before 14th February, 2015
Fourth Quarter : On or before 30th May, 2015

iii. Date of Book Closure : 22/9/2014 to 29/9/2014 (both days inclusive)

iv. Dividend Payment Date: The Company did not declare any dividend during the financial year 2013-2014

v. Listing on Stock Exchanges and Stock Codes
Equity Shares

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

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 2013	6.60	6.30	19,622.68	18144.22
May 2013	6.30	5.90	20443.62	19451.26
June 2013	6.30	5.90	19860.19	18467.16
July 2013	5.80	5.80	20351.06	19126.82
August 2013	5.80	5.80	19569.20	17448.71
September 2013	5.80	5.80	20739.69	18166.17
October 2013	5.80	5.25	21205.44	19264.72
November 2013	4.99	2.76	21321.53	20137.67
December 2013	2.71	2.66	21483.74	20568.70
January 2014	2.84	2.45	21409.66	20343.78
February 2014	2.33	1.92	21140.51	19963.12
March 2014	2.01	1.95	22467.21	20920.98

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

viii. Share Transfer System

The shares of the Company being in compulsory demat list are transferable through the depository system. Shares in physical & dematerialized form are processed through Registrar & Transfer Agent of the Company, i.e., M/s. Link In time 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 In time 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, 2014 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	1531	62.059	180,465	4.149
2501-5000	371	15.039	152,590	3.50
5001-10000	235	9.526	198,848	4.57
10001-20000	115	4.662	177,337	4.07
20001-30000	53	2.148	135,112	3.10
30001-40000	388	1.540	134,531	3.09
40001-50000	21	0.851	100,387	2.30
500001-100000	47	1.905066	326,729	7.51
100001 & above	56	2.270	2,944,071	67.685
Total	2467	100	4,349,670	100

Shareholding Pattern

The pattern of shareholders as on 31st March, 2014 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	884,320	20.49
2 Foreign	-	-	-
Total (A)	891,120	884,3020	20.49
B. Public Shareholding			
1 Institutions	-	-	-
2 Non-Institutions	34,58,950	30,93,439	79.51
Total (B)	34,58,950	30,93,439	79.51
C. Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
Total (C)	-	-	-
TOTAL (A+B+C)	43,50,070	43,50,070	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, 2014 over 39, 77, 759 shares, consisting of 91.45% 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. Hari Ram Agarwal, Practicing Chartered Accountant 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 31/03/2014.

For **Pagaria Energy Limited**

Place: New Delhi
Date : 14th August,, 2014

Rajesh Kumar Pagaria
(Managing Director)

Auditor's Certificate on Corporate Governance

To the Members of Pagaria Energy Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Pagaria Energy Limited, for the year ended 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

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.

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.

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 **H R Agarwal & Associates**
Chartered Accountants
Firm Registration no. 323029E

CA. HARI RAM AGARWAL
Partner
M. No.: FCA 057625

Place : Kolkata
Date: 14th August,, 2014

Independent Auditor's Report to the Members of Pagaria Energy Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 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.

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:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014; and
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. 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"), as amended, 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 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, 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 Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ;

 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For H R Agarwal & Associates

Chartered Accountants

Firm's registration number: 323029E

(CA. Hari Ram Agarwal)

Partner

Membership number: FCA 057625

Place: Kolkata

Date: 30th May, 2014

Annexure to Independent Auditors' Report

The Annexure referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirement" of our report to the members of PAGARIA ENERGY LIMITED ("the Company") for the year ended 31st March 2014. We report that:

- i) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets on the basis of available information
- (b) The fixed assets of the company have been physically verified by the management during the year in a phased periodical manner, 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 physical verification.
- (c) The Company has not disposed of any substantial/major part of fixed assets during the year therefore the question of affecting the going concern principle of the company do not arises.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order, are not applicable.
- (b) The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the requirements of clauses (iii) (e) (f) and (g) of paragraph 4 of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act have been so entered.
- (b) The transactions made in pursuance of contracts or arrangements entered in the register under section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) The company has not accepted any deposits from the public which falls within the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. Therefore the Provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The maintenance of cost records has been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and such accounts and cost records have been made and maintained.
- ix) (a) The company is 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, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.

(b) There are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess outstanding on account of any dispute.
- x) The company has no accumulated losses as at 31st March, 2014 and the company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to any financial institutions or banks.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi / mutual benefit fund /society. Accordingly, Clauses (xiii) (a) to (d) of paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) According to the information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The term loans were applied for the purpose for which the loans were obtained.
- xvii) In our opinion and according to the information and explanations given to us, there are no Funds raised on a short term basis which have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

- xix) The Company has not issued any debentures during the year.
- xx) The company has not raised any funds by way of public issue during the year.
- xxi) No fraud on or by the company has been noticed or reported during the year.

For **H R Agarwal & Associates**

Chartered Accountants

Firm's registration number: 323029E

(CA. Hari Ram Agarwal)

Partner

Membership number: FCA 057625

Place: Kolkata

Date: 30th May, 2014

Balance Sheet as at 31 March 2014

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	43,496,700.00	43,496,700.00
(b) Reserves and surplus	2	17,686,551.00	17,679,651.00
		61,183,251.00	61,176,351.00
2 Non Current liabilities			
(a) Deferred Tax Liability	3	271,342.00	223,980.00
(b) Other Long Term liabilities	4	4,386,364.00	939,354.00
		4,657,706.00	1,163,334.00
3 Current liabilities			
(a) Trade Payables	5	23,667.00	189,799.00
(b) Other current liabilities	6	759,989.00	1,855,908.00
(c) Short Term Provisions	7	63,607.00	44,000.00
		847,263.00	2,089,707.00
TOTAL		66,688,220.00	64,429,392.00
B ASSETS			
1 Non Current assets			
(a) Fixed Assets			
(i) Tangible Assets	8	3,683,719.00	3,931,044.00
(b) Non-Current Investments	9	100,000.00	1,648,400.00
(c) Long-Term Loans and Advances	10	34,085,305.00	32,236,430.00
		37,869,024.00	37,815,874.00
2 Current assets			
(a) Trade Receivables	11	3,846,780.00	6,197,736.00
(b) Cash and Cash Equivalents	12	130,114.00	3,256,659.00
(c) Short-term loans and advances	13	24,698,549.00	14,726,775.00
(d) Other Current Assets	14	143,753.00	2,432,348.00
		28,819,196.00	26,613,518.00
TOTAL		66,688,220.00	64,429,392.00

Significant Accounting Policies

21.1

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **H.R.AGARWAL & ASSOCIATES**

Chartered Accountants

(Hari Ram Agarwal, FCA)

Partner

Membership No. 057625

Place: Kolkata

Date: 30th May, 2014

Rajesh Kumar Pagaria

(Managing Director)

Jaydeb Mondal

(Director)

Statement of Profit & Loss for the year ended on 31st March, 2014

(Amount in Rupees)

Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I	Revenue from Operations (gross)	15	14,676,798.00	14,750,279.00
II	Other income	16	1,510,601.00	351,276.00
III	Total revenue (I+II)		16,187,399.00	15,101,555.00
IV.	Expenses			
	Purchases of Stock-in-trade	17	13,521,023.00	11,292,233.00
	Employee Benefits Expenses	18	332,500.00	721,787.00
	Depreciation and Amortization Expenses	19	247,325.00	161,096.00
	Other Expenses	20	1,978,041.00	2,776,559.00
	Total Expenses		16,078,889.00	14,951,675.00
V	Profit before tax (IIIIV)		108,510.00	149,880.00
VI	Tax expense:			
	(1)Current Tax		54,247.00	29,000.00
	(2)Deferred tax		47,362.00	103,300.00
			101,609.00	132,300.00
VII	Profit for the Period(VVI)		6,901.00	17,580.00
VIII	Earnings per Equity Share of Rs.10/ each):			
	(a) Basic		0.0016	0.004
	(b) Diluted		0.0016	0.004

Significant Accounting Policies

21.1

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **H.R.AGARWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 323029E

(Hari Ram Agarwal, FCA)

Partner

Membership No. 057625

Rajesh Kumar Pagaria

(Managing Director)

Jaydeb Mondal

(Director)

Place: Kolkata

Date: 30th May, 2014

Cash Flow Statement for the year ended 31st March ,2014

(Amount in Rupees)

	Particulars	2013-2014	2012-2013
(A)	Cash Flow From Operating Activities		
	Net Profit before Tax	108,510.00	149,880.00
	Adjustments for ::		
	Interest/Misc Income	1,510,601.00	351,276.00
	Depreciation/Amortization	247,325.00	161,096.00
	Operating Profit Before Working Capital Changes	-1,154,766.00	-40,300.00
	Adjustments for ::		
	Other Long Term Liabilities	3,447,009.62	-13,172,811.00
	Trade Payables	-166,131.59	-528,045.00
	Other Current Liabilities	-1,095,919.00	-1,065,244.00
	Long-Term Loans and Advances	-1,848,875.00	17,568,299.00
	Other Non Current Assets	-	3,077,850.00
	Trade Receivables	2,350,956.30	1,039,645.00
	Short Term Loans & Advances	-9,971,774.00	-14,726,775.00
	Other Current Assets	2,288,595.00	10,839,506.00
	Cash Generated From Operations	-6,150,904.67	2,992,125.00
	Payment of Tax	-1,070.00	-136,496.00
	Net Cash Inflow/Outflow From Operations	-6,151,974.67	2,855,629.00
(B)	Cash Flow From Investing Activities		
	Sale of Non -Current Investments	1,548,400.00	2,000,000.00
	Purchases of Fixed Assets	-	-3,125,500.00
	Interest Income	1,510,601.00	351,276.00
	Net Cash (used in) Investing Activities (B)	3,059,001.00	-774,224.00
(C)	Cash Flow From Financing Activities (C)	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	-3,092,974.55	2,081,405.00
	Cash & Cash Equivalents as the Beginning of the year	3,256,659.00	1,175,254.00
	Cash & Cash Equivalents as the End of the year	130,114.16	3,256,659.00

As per our report of even date attached

For and on behalf of the Board of Directors

For **H.R.AGARWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 323029E

(Hari Ram Agarwal, FCA)

Partner

Membership No. 057625

Rajesh Kumar Pagaria

(Managing Director)

Jaydeb Mondal

(Director)

Place: Kolkata

Date: 30th May, 2014

Notes forming part of Financial Statements as at 31st March ,2014

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
1: SHARE CAPITAL		
Authorized		
25,000,000 Equity Shares of Rs. 10/- each	250,000,000	250,000,000
Issued, Subscribed and Fully Paid Shares		
4,349,670 Equity Shares of Rs.10/- each fully paid-up	43,496,700	43,496,700
	43,496,700	43,496,700.00
Notes to Share Capital		
(i) Reconciliation of Equity shares outstanding		
Equity Shares		
At the Beginning of the year		
-Number of shares	4,349,670	4,349,670
-Amount	43,496,700	43,496,700
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		
<p>The Company has only one class of equity shares having 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,2014.</p> <p>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.</p>		
(iii)Details of Shareholders holding more than 5% shares in the Company ::		
Name of Share Holders		
Rajesh Kumar Pagaria		
In Nos	619100	619100
In %	14.23%	14.23%
Sri Anand Vinayak Coalfields Limited		
In Nos	265220	265220
In %	6.10%	6.10%

Notes forming part of Financial Statements as at 31st March ,2014

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
2: RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last financial statements (A)	15,351,005	15,351,005
General Reserve		
Balance as per last financial statements (B)	1,547,672	1,547,672
Surplus/ (Deficit) in Statement of Profit and Loss		
Balance as per last financial statements	780,973	763,394
Add : Profit for the year	6,901	17,580
(C)	787,874	780,974
(A+B+C)	17,686,551	17,679,651
3: DEFERRED TAX LIABILITIES		
Opening Balance	223,980	223,980
Add: Related to Fixed Assets	47,362	-
	271,342	223,980
4: OTHER LONG TERM LIABILITIES (Unsecured, Considered good)		
Trade Payables-Capital Goods	-	600,600
Trade Payables-Other	1,658,610	-
Advances taken from Related Parties	2,727,754	338,754
Advances taken from Others	-	-
	4,386,364	939,354
5: TRADE PAYABLES		
Due to Micro Enterprises & Small Enterprises*	-	-
Due to Others	23,667	189,799
	23,667	189,799

* Based on the information/ documents available with the company, no creditor is covered under Micro, Small And Medium Enterprise Development Act, 2006 as a result, no interest provisions/ payments have been made by the company to such creditors and no disclosure thereof are made in these financial statements.

6: OTHER CURRENT LIABILITIES		
Audit Fees Payables	28,909	56,180
Other Liabilities	731,080	1,799,728
	759,989	1,855,908
7: SHORT TERM PROVISIONS		
Provision for Taxation	42,930	44,000
Provision for Taxation (Asst Year 2014-2015)	20,677	-
	63,607	44,000

Notes forming part of Financial Statements as at 31st March,2014

8: FIXED ASSETS

Sr No	TANGIBLE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As At 1st April,2013	Addition	Deduction	As At 31st March,2014	As At 1st April,2013	For the Year	As At 31st March,2014	As At 31st March,2014	As At 31st March,2014
1	FURNITURE AND FIXTURES	2,163,958	-	-	2,163,958	305,317	117,652	422,969	1,740,988.61	1,858,640.61
2	OFFICE EQUIPMENTS	1,162,659	-	-	1,162,659	175,985	62,249	238,234	924,424.97	986,673.97
3	COMPUTERS & ACCESSORIES	2,041,780	-	-	2,041,780	956,051	67,424	1,023,475	1,018,305.21	1,085,729.21
TOTAL		5,368,397	-	-	5,368,397	1,437,353	247,325	1,684,678	3,683,719	3,931,043.79
Previous Year		2,242,897	3125500		5,368,397	1,276,257	161,096	1,437,353	3,931,044	966,640.00

Notes forming part of Financial Statements as at 31st March ,2014

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
9: NON-CURRENT INVESTMENTS		
Investment in Equity instruments of Other Companies Quoted and Trade		
NIL (P.Y: 21,500) Equity shares of JPT Securities Ltd of Rs. 10/- each, fully paid-up	-	186,400.00
Investment in Equity instruments of Related Parties Companies Quoted and Non Trade		
NIL (P.Y: 152,000) Equity shares of MFL Housing Ltd. of Rs. 10/- each, fully paid-up*	-	152,000.00
NIL (P.Y: 100,000) Equity shares of MFL Stock Broking Ltd. Of Rs. 10/- each, fully paid-up*	-	110,000.00
* Not Traded in Stock Exchange		
Investment in Equity instruments of Other Companies Unquoted		
10,000 Equity shares of Care & Cure International Ltd. of Rs.10/- each, fully paid-up	100,000.00	100,000.00
NIL (P.Y: 77,500) Equity shares of Microchip Electronics Pvt.Ltd. of Rs. 10/- each, fully paid-up	-	775,000.00
Investment in Equity instruments of Related Parties Companies Unquoted		
NIL (P.Y: 27,500) Equity shares of Pratap Tiles Pvt. Ltd. of Rs.10/- each, fully paid-up	-	275,000.00
NIL (P.Y: 3,000) Equity shares of Indian Astrology .Com Pvt. Ltd. of Rs.10/- each, fully paid-up	-	50,000.00
	-	
	100,000.00	1,648,400.00
Aggregate amount of Quoted Investment		
- Cost	-	448,400.00
- Market Value	-	483,965.00
Aggregate amount of Unquoted Non Current Investment - At Cost	100,000.00	1,200,000.00

Notes forming part of Financial Statements as at 31st March ,2014

(Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
10: LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances given to Related Parties	30,785,305.00	30,785,305.00
Advances given to Other Parties	3,300,000.00	1,451,125.00
	34,085,305.00	32,236,430.00
11: TRADE RECEIVABLES		
(Unsecured, Considered good)		
Outstanding for a period exceeding 6 months	401,500.00	401,500.00
Other Trade Receivables	3,445,279.70	5,796,236.00
	3,846,779.70	6,197,736.00
12: CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	6,611.95	3,243,613.00
Cash on Hand	123,502.21	13,046.00
	130,114.16	3,256,659.00
13: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Advances given to Other Parties	16,123,549.00	8,726,775.00
Security Deposit -Office	2,500,000.00	2,500,000.00
Advances to Staff	1,825,000.00	1,850,000.00
Advances to Supplier	4,250,000.00	1,650,000.00
	24,698,549.00	14,726,775.00
14: OTHER CURRENT ASSETS		
Income Tax	40,630.00	-
TDS Receivables	103,123.00	7,348.00
Share Application money -Other Parties	-	2,425,000.00
	143,753.00	2,432,348.00

Notes forming part of Financial Statements for the year ended 31st March ,2014

(Amount in Rupees)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
15: REVENUE FROM OPERATIONS		
Sale of Traded Goods	14,676,797.50	14,750,279.00
	14,676,797.50	14,750,279.00
16: OTHER INCOME		
Interest Income	1,422,201.00	266,036.00
Misc Income	88,400.00	85,240.00
	1,510,601.00	351,276.00
17: PURCHASES OF STOCKIN TRADE/FINISHED GOODS		
Purchase of Traded Goods	13,521,022.50	11,292,233.00
	13,521,022.50	11,292,233.00
18: EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	332,500.00	707,200.00
Staff Welfare Expenses	-	14,587.00
	332,500.00	721,787.00
19: DEPRECIATION		
Depreciation for the year on Tangible Assets	247,325.00	161,096.00
	247,325.00	161,096.00

Notes forming part of Financial Statements for the year ended 31st March ,2014

(Amount in Rupees)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
20: OTHER EXPENSES		
Advertisement Expenses	58,650.00	58,582.00
AGM Expenses	25,000.00	48,000.00
Auditors Remuneration #	28,909.00	56,180.00
Bank Charges	5,029.67	31,093.00
Books & Periodicals	2,450.00	4,785.00
Business Promotion expenses	16,820.00	18,905.00
Consultancy Fees	60,944.00	674,160.00
Conveyance Expenses	45,845.00	19,775.00
Depository Annual Charges	14,660.00	14,660.00
Directors Remuneration	219,000.00	660,000.00
Directors Sitting Fees	-	10,000.00
Electricity Expenses	14,360.00	12,458.00
Filing Fees-ROC	14,000.00	22,500.00
General Expenses	84,390.00	87,904.00
Handling Charges	506,080.00	-
Interest paid on Income Tax	-	62,001.00
Repair & Maintenance Expenses	45,690.00	51,082.00
Listing Fees	16,854.00	25,381.00
Penalty	250,000.00	-
Postage & Courier Expenses	11,577.00	2,605.00
Printing & Stationary	37,065.00	24,690.00
Professional Fees	68,196.62	123,500.00
Rent	350,000.00	630,000.00
Share Transfer Charges	-	27,014.00
Telephone Expenses	28,390.00	42,204.00
Travelling Expenses	73,570.00	69,080.00
Website Development Charges	561.00	-
	1,978,041.29	2,776,559.00
#Auditors Remuneration (inclusive of Service Tax)		
As Auditors - Statutory Audit Fees	28,909.00	33,708.00
For Taxation Matters	-	11,236.00
For Other Services	-	11,236.00
	28,909.00	56,180.00

21. Company Information

Pagaria Energy Limited (the 'Company') is a public limited company domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed and traded on The Delhi Stock Exchange and also traded under the nationwide platform of BSE Ltd. It is mainly engaged in the business of trading of Coal and Coal related items.

21.1: Significant Accounting Policies

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, in the preparation of these financial statements, are consistent with that of the previous.

(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, whichever is lower.

5. Provision for Current and Deferred Tax

- a. Tax expense comprises Current tax and Deferred tax.
- b. 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.
- c. 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.
- d. 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 the tax rates and laws that are enacted or substantively enacted as enacted as on the balance sheet date.
- e. 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.
- 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 2013-14 there are not any transactions with suppliers/ parties who are covered under "The Micro Small and Medium Enterprise Development Act, 2006.
10. The Key management personnel are the directors, whose names are mentioned in the Corporate Governance Report.
11. The Major components of Deferred Tax Liability arising on account of timing difference are
Depreciation: Rs.153, 274/- (P.Y Rs. 103,300/-)
12. 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.

13. 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	2013-2014	2012-2013
Net Profit for the year attributable to the equity Shareholders	6901	17580
No. of Equity shares Outstanding	4349670	4349670
Basic & Diluted EPS. (F.V. of Rs. 10 each)	0.0016	0.004

14. In the opinion of the Board, all the current assets, loans and advances have a value on the 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.

15. Related Party Disclosure

A. List of Related Parties

i) Key Managerial Personnel

Rajesh Kumar Pagaria, Managing Director
Ranjit Singh Pagaria , Non Executive Director
Jaydeb Mondal, Non Executive Director
Manash Bose, Non Executive Director

ii) Enterprises in which Key Managerial Personnel have significant influence:

Bengal Barge P. Ltd.
Bhawana Impex P. Ltd.
Bird Aviation Ltd.
Kargil Steel P. Ltd.
RSP Business P. Ltd.
Shivshankar Vanijya P. Ltd.
Sri Anand Vinayak Coal Filed Ltd.
Super Entertainment P. Ltd.
Zebra Consultancy P. Ltd.
Zebra Infrastructure P. Ltd.
Zebra Mining P. Ltd.
Pagaria Power P Ltd.
Pagaria Properties P. Ltd.

B. The List of related parties and nature including amount of their transaction have been taken place during the year are given below:

(Amount in Rs.)

Name	Nature of Transaction	2013 - 2014		2012- 2013	
		Transaction Value	Outstanding Amount carried in the Balance Sheet	Transaction Value	Outstanding Amount carried in the Balance Sheet
Bhawar Lal Gadiya	Loans & Advances Taken	11,000	-	-	11,000
Sri Anand Vinayak Coal Fields Ltd.	Loans & Advances Taken	24,00,000	27,27,754	1,85,000	3,27,754
Indian Astrology Co. P. Ltd.	Investments	50,000	-	-	50,000
Pratap Tiles P. Ltd.	Investments	2,75,000	-	-	2,75,000
Rajesh Kumar Pagaria	Director's Remuneration	2,19,000	-	6,60,000	6,60,000

16. 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.
17. The figures appearing in the Financial Statements have been rounded off to nearest rupee.
18. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per our report of even date attached
For **H.R.AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 323029E

For and on behalf of the Board of Directors

(Hari Ram Agarwal, FCA)
Partner
Membership No. 057625

Rajesh Kumar Pagaria
(Managing Director)

Jaydeb Mondal
(Director)

Place: Kolkata
Date: 30th May, 2014