

SIL INVESTMENTS LIMITED

81st Annual Report
2014-2015

BOARD OF DIRECTORS

Mr. C.S. Nopany, Chairman

Mr. Sanjay Goenka

Mr. Subroto Lahiri

Mrs. Shalini Nopany, Managing Director

Mr. S.K. Khandelia, Director-in-Charge

Mr. S.S. Maheshwari

AUDITORS

M/s. Singhi & Co.

Chartered Accountants

402 & 403, Pragati House

47-48, Nehru Place

New Delhi - 110 019

BANKERS

Punjab National Bank

State Bank of Bikaner and Jaipur

REGISTERED OFFICE

Pachpahar Road,

Bhawanimandi - 326 502

(Rajasthan)

| CONTENTS | PAGE NO. |
|---|----------|
| Directors' Report | 2 |
| Auditors' Report | 39 |
| Balance Sheet | 42 |
| Statement of Profit & Loss | 43 |
| Cash Flow Statement | 44 |
| Notes to Accounts | 45 |
| Auditors' Report on Consolidated Financial Statements | 59 |
| Consolidated Balance Sheet | 62 |
| Consolidated Profit & Loss Statement | 63 |
| Consolidated Cash Flow Statement | 64 |
| Consolidated Notes to Financial Statement | 65 |
| Statement relating to Subsidiary Companies | 76 |

DIRECTORS' REPORT

To the members of

SIL INVESTMENTS LIMITED

Your Directors are pleased to present their Eighty First Annual Report on the business of your Company alongwith the audited financial statements for the year ended 31st March, 2015.

FINANCIAL RESULTS

Financial Results of the Company for the year under review alongwith the figures for previous year are as follows :

Highlights of Performance

- Net Income for the FY 2014-15 was Rs.2733.48 Lakhs as compared to Rs.2809.45 Lakhs in FY 2013-14;
- Profit before Tax for the FY 2014-15 was Rs.1570.05 Lakhs as compared to Rs.1386.96 Lakhs in FY 2013-14;
- Profit after tax for the FY 2014-15 was Rs.1282.21 Lakhs as compared to Rs.1181.67 Lakhs in FY 2013-14.

| Particulars | (Rs. in lakhs) | |
|--|-----------------------------------|-----------------------------------|
| | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
| Income from operations & Investment (Including other Income) | 2733.48 | 2809.45 |
| Gross Profit | 1578.37 | 1393.39 |
| Less: Exceptional Item | | |
| Depreciation | 8.32 | 6.43 |
| Taxation: | | |
| - Current | 275.00 | 208.00 |
| - Earlier years (net) | 4.93 | - |
| - Deferred (net) | 7.91 | (2.71) |
| Profit after Tax | 1282.21 | 1181.67 |
| Add: Balance brought forward from the previous year | 6045.80 | 5285.69 |
| Profit available for appropriation | 7328.01 | 6467.36 |
| Appropriations: | | |
| Proposed Dividend | 132.45 | 132.45 |
| Corporate Dividend Tax | 26.96 | 22.51 |
| Transfer to the General Reserve | 32.10 | 29.60 |
| Transfer to the Reserve Fund | 257.00 | 237.00 |
| Balance in statement of Profit and Loss | 6879.50 | 6045.80 |
| TOTAL | 7328.01 | 6467.36 |

The Company proposes to transfer an amount of Rs. 32.10 Lakhs to the General Reserves and Rs. 257.00 Lakhs to the

Reserve Fund. An amount of Rs. 6879.50 Lakhs is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

Your Directors are pleased to recommend a dividend of Re 1.25 per share for the year ended 31st March, 2015, subject to shareholders' approval at the forthcoming Annual General Meeting. The total amount of dividend to be paid to the shareholders will be Rs. 159.41 Lakhs (inclusive of Dividend Tax).

SUBSIDIARIES

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, (including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries), are available on our website www.silinvestments.in. These documents will also be available for inspection during business hours at our registered office.

Further, pursuant to the provisions of the Accounting Standard 21(AS-21) prescribed under the Companies (Accounting Standards) Rules -2006, the Listing Agreements and as prescribed by the Securities and Exchange Board of India, Consolidated Financial Statements presented by the Company include financial information of subsidiary companies, which forms a part of the Annual report. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC 1 is attached to the Accounts. The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company at <http://silinvestments.in/pdfs/PolicyonDeterminingMaterialSubsidiaries.pdf>.

PUBLIC DEPOSITS

The Company has neither invited nor accepted/renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 during the year under review. There are no unclaimed deposits, unclaimed /unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on 31st March, 2015.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions") stood at 57.82%, which is above the regulatory minimum of 15%. Your Company's asset size is Rs. 258.83 Crores. The Company every year obtains a certificate from M/s. Singhi & Co., Chartered Accountants, the Auditors of the Company, pursuant to Non Banking Financial Companies Auditors' Report

(Reserve Bank) Directions, 2008, confirming compliance of the conditions with respect to Systemically Important Non-Deposit taking Non-Banking Financial Companies.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was Rs. 10,59,58,600/- comprising of 1,05,95,860 Equity Shares of Rs.10/- each. During the year under review, the Company has not issued any further shares to the members or general public.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 124 of the Companies Act, 2013, the declared dividend which remained unclaimed for a period of seven years has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 125 of the said Act.

DIRECTORS

The company's Board of Directors comprises six members, five of whom are Non-executive Directors and one Managing Director. The Non-executive Directors are eminent professionals with a vast experience of industry, finance and law.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review, Five Board Meetings and Four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Agreement.

At its Eightieth Annual General Meeting held on 23rd August, 2014, your Company had appointed the existing Independent Directors viz., Mr. Sanjay Goenka, Mr. Subroto Lahiri, and Mr. S.S. Maheshwari as Independent Directors under the Act for a term of five years with effect from 23rd August, 2014. All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors has re-appointed Smt. Shalini Nopay as Managing Director on 28th January, 2015 for a period of five years from January 25, 2015 to January 24, 2020 subject to the approval of the Shareholders at their forthcoming Eighty First Annual General Meeting of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Company (Appointment & Remuneration of Managerial Personnel), Rules, 2014 and all other applicable laws, the Board of Directors has appointed Mr. Lokesh Gandhi as the Company Secretary and Compliance Officer (KMP) of the Company w.e.f. 1st November, 2014. Mr. Brajmohan Prasad ceased to be Company Secretary and Compliance Officer of the Company w.e.f. 31st October, 2014.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner of evaluation has been explained in the Corporate Governance Report.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. S.K.Khandelia retire by rotation and is eligible for re-appointment at the forthcoming Eighty First Annual General Meeting. A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting and being re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Notes to the Notice of the Annual General Meeting. The Board of Directors of the Company commends the appointment.

Remuneration Policy

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and is also available on the Company's Website. The Policy contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, etc. The policy is available on the website of the Company at the weblink: <http://silinvestments.in/pdfs/RemunerationPolicy.pdf>.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. that 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A detailed statement of such related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review on a quarterly basis. The Form No. AOC-2 is annexed to this report.

The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the weblink: <http://silinvestments.in/pdfs/PolicyonRelatedPartyTransactions.pdf>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://silinvestments.in/pdfs/WhistleBlowerPolicy.pdf>.

AUDITORS REPORT

The Notes on Accounts and the observations of the Auditors in their Report on the Accounts of the Company are self-explanatory and in the opinion of the Directors, do not call for any further clarifications.

AUDITORS

Statutory Auditor

The Company's Auditors, M/s. Singhi & Co., Chartered Accountants, Delhi (Reg No. 302049E) who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Internal Auditors

The Board of Directors upon the recommendation of the Audit Committee of the Board on 13th May, 2015 has appointed M/s J. N. Khandelwal & Co., Chartered Accountants (Reg. No. 073744) as Internal Auditors of the Company. They have confirmed their eligibility and has granted consent to act as Internal Auditors of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. R. Chouhan & Associates, Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the year under review. The Audit Report annexed along with observations of the Auditor is self-explanatory and, does not call for any further clarification.

PARTICULARS OF EMPLOYEES

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1)

of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure V". Further, during the year 2014-15, no employee was in the receipt of remuneration as is required to be disclosed under Section 197 of Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Also, pursuant to Clause 32 of the Listing Agreement, the particulars of Loans/advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

RISK MANAGEMENT

As required under clause 49 of the Listing Agreement, the Company has established a well documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, business risks or reporting risks. Strategic risks are those which are associated with the long term interests of the Company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Audit Committee and the Board of Directors review the Risk Management Strategy of the company to ensure effectiveness of the Risk management policy and procedures. Board of Directors of the company is regularly apprised on the key risk assessment areas and a mitigation mechanism is recommended.

During the year, the Board has reviewed the risk assessment and a risk minimization procedure commensurate to the risks has been adopted; and is in place.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has adequate internal control system commensurate with its size and nature of business. Conforming to the requirements of the regulatory authorities such as the RBI and the SEBI and consistent with the requirements of the Listing agreements with the Stock Exchanges, the company has institutionalized an elaborate system of control processes designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and

regulations. The Internal Auditors are mandated to carry out periodical audit and report on areas of non-compliances/ weaknesses. Corrective actions in case of reported deficiencies, if any, are taken actively to further strengthen the internal control systems. These reports are reviewed by the Audit Committee of the Board of Directors for follow-up action, and instructions are issued for taking necessary measures.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with regard to conservation of energy and technology absorption, in terms of the Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are not applicable to the Company as the Company has no manufacturing activity. Particulars with regard to Foreign Exchange Earnings and Outgo are given in Notes on Accounts and form part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company was granted certificate of registration as an NBFC-ND-SI w.e.f. 22.05.2009 by RBI, Jaipur. Since then, company has been operating successfully in this space, under overall superintendence and regulation of the regulatory authority.

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section "Annexure- I" forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. The Company fully complies with the governance practices as enunciated in the Listing Agreement. As per the revised Clause 49 of the Listing Agreement with stock exchanges, and the requirements set out by the Securities and Exchange Board of India, the Company has implemented all the stipulations prescribed. The Company has adopted a Code of Conduct, which is applicable to the Board members and senior management, in accordance with the recently enacted statutory changes. The Company fully complies with the governance practices as enunciated in the Listing Agreement. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements forms a part of this report as "Annexure II". The requisite Certificate from the Statutory Auditors of the Company, M/s Singhi & Co., Chartered Accountants, confirming compliance with the conditions of Corporate

Governance as stipulated under the aforesaid Clause 49, is annexed to the Report on Corporate Governance. The General Shareholders Information annexed to the Report forms a part of the Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company had formed a Corporate Social Responsibility ("CSR") Committee in conformity with Section 135 of the Companies Act, 2013 and Rules made thereunder to oversee the CSR Activities initiated by the Company during the financial year under review. The Company is in the process of identifying suitable projects for its CSR spend. In the future the Company will participate in projects for promotion of sports, cultural and social activities, construction of roads and drains etc. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The CSR Committee had adopted a CSR Policy for the Company which provides a broad framework with regard to implementation of CSR Activities carried out by the Company in accordance with Schedule VII of the Companies Act, 2013 which may be accessed on the Company's website at the link: <http://silinvestments.in/pdfs/CSR%20Policy.pdf>. A report on CSR activities as prescribed under the Companies Act, 2013 and Rules made thereunder is annexed herewith as "Annexure III".

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaints were filed with the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure IV".

COMPLIANCE OF ACCOUNTING STANDARDS.

As per requirements of the Listing Agreement with Stock Exchanges and Accounting Standards of the Institute of Chartered Accountant of India, your Company has made proper disclosures in financial statements in respect of Consolidated Financial Statements, Related Party Transactions and Deferred Taxation. The applicable Accounting Standards Rules have been duly adopted in pursuance to the provision of Section 129 and section 133 of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated financial statements based on the Financial Statements received from Subsidiaries, as approved by their respective Board of Directors have been prepared in accordance with the Accounting Standard-21 (AS-21) on 'Consolidated Financial Statements read with Accounting Standard-23 (AS-23) on 'Accounting for Investments in Associates' notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as applicable.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including financial institutions and banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

Place : Kolkata
Dated: 13th May, 2015

C. S. Nopany
Chairman

ANNEXURE- I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company is pleased to present Management Discussion and Analysis Report (to the extent applicable to the company) covering overall performance and outlook of its activities.

MACRO ECONOMIC OVERVIEW

Indian Economy:

The Country seems to be witnessing a slow but clearly perceptible pick-up in growth. The table below gives the growth of real Gross Value Added (GVA), the newly calculated measure of national income prepared by the Central Statistical Organisation (CSO) of the Government of India.

| % Growth of real GVA | April-June (Q1) | July-September (Q2) | October - December (Q3) | Full year (estimate) |
|----------------------|-----------------|---------------------|-------------------------|----------------------|
| FY2014 | 7.2 | 7.5 | 6.6 | 6.6 |
| FY2015 | 7.0 | 7.8 | 7.5 | 7.5 |

From the data it looks as if growth has been gradually increasing from the second quarter of FY2015. If these numbers are correct, India should be witnessing 7.5% growth of real GVA (at constant 2011-12 prices) for the year that has just concluded — a 90 basis points (bps) increase in the growth rate versus the previous year.

Considering that Indian GDP will continue to remain in the range of 8.00% to 8.50% for the FY 2015-16 and India having the world's largest population below 40 years (estimated at over 200 million) with significant purchasing power, business opportunities will touch new echelons. However, sustaining high growth is likely to be the overarching concern in 2015-16, although the risk of inflation will remain, mainly because of a weak rupee.

The Reserve Bank of India (RBI) cut policy rates by 25 bps in January 2015 followed by another 25 bps in March 2015, and has also eased liquidity with a reduction in Statutory Liquidity Ratio (SLR) in three tranches of 50 bps in June 2014, August 2014 and February 2015.

Despite the easing of liquidity and reduction in policy rates, FY2015 was a difficult one for the banking sector. Credit growth at 9.5% was the lowest in the last 18 years. Low credit growth coupled with high non-performing assets (NPAs) resulted in banks being reluctant to pass on the benefits of the eased liquidity and rate cuts. It

was only in March 2015 that a few banks reduced their lending rates. However, unseasonal rains in February and March 2015 have badly affected the winter (rabi) crop; and a prediction of a poor monsoon could dampen optimism regarding the economy.

It remains to be seen whether the slew of initiatives announced by the Central Government like 'Make in India' programme, coal and telecom auctions, increased FDI limits in certain sectors, a financial inclusion effort through its Pradhan Mantri Jan Dhan Yojana and India's improved rating outlook gives a fillip to the performance of the banking and financial sector in the coming year.

The government has set its targets to achieve its ambitious goal of "Make in India" for Indian as well as Foreign Institutions. To encourage the Corporates to manufacture or produce their products in India, there are many important government policies and reforms in the pipeline such as land acquisition reform, new manufacturing policy, FDI, among others. To put this dream of Make in India into reality, there would be a huge Capital demand from the Corporates. This demand of Capital in India can be predominantly fulfilled by Banking Institutions and Non-Banking Financial Institutions (mostly Investment Companies), etc. Therefore, these reforms would also open the gates for the Non-Banking Financial Institutions to prosper taking Indian Economy to new heights.

ABOUT SIL INVESTMENTS LIMITED

Financial Performance-Overview

SIL is a registered NBFC since 22nd May, 2009 in the category of Non-deposit Taking Systemically Important NBFC (ND-SI). Company's standalone performance is discussed in the Directors' Report. The mainstay of Company's operations continued to be Investments in various Companies, under which steady dividend income flows into the Company coupled with sustained appreciation in capital. During the year under review Company has earned income in the form of dividends, rent income, interest on ICD lending activity and profit on sale of investments.

SIL focuses on two broad categories: (i) Commercial Finance & (ii) Investments. The Company's product suites are given below.

| Verticals | Product |
|--------------------|---|
| Commercial Finance | Inter-Corporate Deposits |
| Investments | Investments mainly in the Listed entities |

SIL loan/Investment book continued to remain strong due to its cautious stance on growth and robust risk management. Prudent asset liability management (ALM) and a judicious mix of borrowings from NBFCs Lender, have helped SIL drop its cost of borrowings in FY2015.

As of 31 March 2015, SIL total borrowings stood at Rs. 7975 crore. Its capital adequacy remains at a healthy 57.82%. Tier I capital adequacy stood at 55.91%.

Financial Performance

SIL financial performance for FY 2014-15 vis-à-vis the previous year is given in the Directors' Report.

Asset Liability Management (ALM)

SIL had a total borrowing of Rs. 7975 crore as on 31 March 2015. The Company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset-liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet. The Company continues to very closely monitor liquidity in the market and as a part of its ALCO strategy, maintains a liquidity management desk to reduce its liquidity risk. The liquidity buffer is stepped up whenever signs of tight liquidity in the system is noticeable.

FULFILMENT OF THE RBI'S NORMS AND STANDARDS

SIL Investments Limited fulfils and often exceeds norms and standards laid down by the RBI relating to the recognition and provisioning of non-performing assets, capital adequacy, statutory liquidity ratio, etc. The capital adequacy ratio of the Company is 57.82 %, which is well above the RBI norm of 15%.

Consolidated financial statements:

The summary of the consolidated financial performance for FY2014-15 consolidating the results of its Subsidiaries Companies is given below:

| SIL Consolidated financials | Rs. in Lakhs | |
|--|--------------|-----------|
| Particulars | FY2014-15 | FY2013-14 |
| Total Income | 2902.34 | 2944.79 |
| Finance Costs | 1020.87 | 1311.62 |
| Net Income | 1881.47 | 1633.17 |
| Operating Expenses | 312.11 | 180.03 |
| Profit Before Tax | 1569.36 | 1453.14 |
| Profit After Tax (after adjustment of Minority Interest) | 1228.49 | 1189.13 |

INVESTMENTS

The investment portfolio of the Company in quoted investments as on March 31, 2015 was Rs.8083.65 Lakhs, at cost.

RISKS AND CONCERNS

SIL is exposed to specific risks that are particular to its businesses and the environment within which it operates, which include market risk, interest rate volatility, execution risk, and economic cycle.

- The company has significant quoted investments which are exposed to fluctuations in stock prices. These investments represent a substantial portion of the Company's core capital, and are vulnerable to fluctuations in the stock markets. Any decline in these quoted investments may severely impact its financial position and results of operations.
- Credit risk is a risk arising from default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans and interest. This risk is comprehensively addressed by the company both at the strategic level and at the client level.
- Liquidity Risk: Asset/Liability Management: The company is exposed to liquidity risk principally as a result of lending to its customers for periods which may differ from those of its funding sources. Financial firms are now increasingly focused on asset-liability risk. Asset-liability risk is a leveraged form of risk. The capital of most financial institutions is small relative to the firm's assets or liabilities, so small percentage changes in assets or liabilities can translate into large percentage changes in capital.

The problem was not that the value of assets might fall or that the value of liabilities might rise. It was that capital might be depleted by narrowing of the difference between assets and liabilities—that the values of assets and liabilities might fail to move in tandem. The Company is alive to the dynamics of this problem and has in place a control structure for closely monitoring incipient signs of risk in this area and to unleash necessary corrective measures, if needed. SIL's treasury actively manages asset liability positions in accordance with the overall guidelines laid down by the Management in the Asset Liability Management (ALM) framework.

- The company can be adversely affected by volatility in interest rates in India, which could cause its

margins to decline and profitability to shrink. Earnings from interest income is steadily becoming one of the important businesses of the Company. It is therefore exposed to interest rate risk, principally as a result of lending to its customers at interest rates, in amounts, and for periods which may differ from those of its funding sources. The company is hedged to some extent against this risk through the reset clause in its advances portfolio.

- While the Indian economy has shown sustained growth over the last several years, a slowdown could cause the business of the company to suffer. SIL manages such risks by maintaining a conservative financial profile and following prudent business and risk management practices.
- The risk appetite is enunciated by the Board from time to time. Company has in place specially mandated Committees such as ALCO, Risk Management Committee, besides the Audit Committee.

INTERNAL CONTROL SYSTEMS

SIL Investments Limited has an independent internal control system which is commensurate with the size and scale of the Company. It evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. Conforming to the requirements of the regulatory authorities such as the RBI and the SEBI and consistent with the requirements of the Listing agreements with the Stock Exchanges, the company has institutionalized an elaborate system of control processes designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. The Internal Auditors are mandated to carry out periodical audit and report on areas of non-compliances/ weaknesses. Corrective actions in case of reported deficiencies, if any, are taken actively to further strengthen the internal control systems. These reports are reviewed by the Audit Committee of the Board of Directors for follow-up action, and instructions are issued for taking necessary measures.

FUTURE OUTLOOK

The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. Your Company has investments in financially sound companies and has immovable properties in the State of Maharashtra, U.P. etc. and Company will continue to earn good dividend and rent income. However, the income from the advances/lending business is steadily growing, contributing significant volume to the overall business of the Company. The Management is optimistic about the future outlook of the Company. Further, more promising areas of activity are being explored on a sustained basis. The company will expand its activities, consistent with its status as a NBFC-ND-SI.

CAUTIONARY STATEMENT

Statement in the Management's Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax regime, economic developments within India and abroad, financial markets, etc.

The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of SIL Investments Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/ loss for the year. The narrative on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

ANNEXURE-II TO THE DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****A. Company's Philosophy on Corporate Governance**

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the community, customers, employees, Government and other societal segments. SIL's philosophy is to conduct business at highest ethical standards for growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. This philosophy is built on a rich legacy of fair, transparent and effective governance and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The company believes that a sound governance discipline also enables the Board to direct and control the affairs of the company in an effective manner and maximize stakeholder value, including the society at large. This is an ongoing process with SIL and we continuously endeavor to improve upon our practices in line with the changing demands of the business. SIL adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. To keep it in step with the changing regulatory norms in our country where SIL Investments Limited does business, the SIL Code of Conduct has been modified on 15th May 2014. These modifications have reinforced the code and enabled it to reflect the diverse business, cultural and other factors that have a bearing on the health of brand 'SIL'.

Company's governance structures and systems are the foundation which provides and nurtures ramping up of healthy and sustainable growth of human resources, through empowerment and motivation. In this, your company is guided by its vision, mission and the code on Corporate Governance.

Keeping in view the company's size, reach and complexity of operations, and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors which is made up of appropriate size, bouquets of experience and commitment to discharge their responsibilities;
- Timely and adequate flow of information to the Board and its Committees for meaningful and focused discussion at the meetings;
- Independent verification of company's financial reporting from time to time and on quarterly basis;
- A sound system of internal Controls within the Risk Management framework to mitigate perceived risk factors;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- Compliance with applicable laws, rules, regulations and guidelines;
- Transparency and defined accountability;
- Equitable and fair treatment to all the stakeholders including employees, customers, shareholders and investors.

The Board of Directors plays an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value. The Governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

B. Board of Directors

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the company; formulates and reviews management policies and ensures their effectiveness. The Director-in- Charge of the Company along with the Managing Director manages the business of the company under the overall superintendence, guidance and control of the Board, assisted by a competent team.

Composition

The company's Board of Directors comprises six members, five of whom are Non-executive Directors and one Managing Director. Cumulatively, they account for more than 83 per cent of the Board's strength as against the minimum requirement of 50 percent as per the Listing Agreement. The Non-executive Directors are eminent professionals with a vast experience of industry, finance and law. The Board is headed by Non-executive Chairman and it has more than the required number of Independent Directors. All the directors possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company. Except Mr. C.S.Nopany and Mrs Shalini Nopany, being related to each other in the capacity of husband and wife, none of the other Directors are inter se related to each other. Except the Managing Director and Independent Director, all directors are liable to retire by rotation. The Board composition fully satisfies the requirements of the Listing Agreement. The Board of Directors of the Company has appointed one of its Members as the Director-in-Charge who has the responsibility to implement and oversee all legal compliance as envisaged under the Companies Act, 2013. He is assisted by the Company Secretary and Compliance Officer appointed under the Act and also under the Listing Agreement.

Board Membership Criteria

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualification, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the company, and ability to contribute to Company's growth.

Board Independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement and Section 149(6) of the Companies Act 2013. The Board comprises more than the required number of Independent Directors. In view of promulgation of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, which came into force from 1st April, 2014 and 1st October, 2014 respectively, an Independent Director has to be appointed for a fixed term of not exceeding five years and he/she shall not be liable to retire by rotation. Therefore, the Company at its 80th Annual General meeting of the Company held on 23rd August, 2014 has appointed / re-appointed all the independent directors for a fixed term of five consecutive years in order to comply with the aforesaid provisions. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors, apart from Mr. C. S. Nopany, Chairman and Mr. S.K.Khandelila are Independent.

As required under the Act, the Independent Directors held their separate meeting to assess the functioning of the Board and to evaluate the performance of the Chairman and the executive Directors.

Training of Board Members

All newly inducted non-executive directors on the Board are introduced to Company culture through appropriate orientation, presentations, made by various executive directors and senior management to provide an overview of the Company's operations and to familiarize them with our operations. They are also introduced to our organization structure, board procedures, matters reserved for Board, our major risks and risk management strategy.

Number of Board Meetings

During the year under review five board meetings were held on 15th May, 2014; 25th July, 2014; 29th October, 2014; 05th December, 2014 and 28th January, 2015. The meetings were held as per the requirements of business; and at intervals within the legally permitted limits. The Board meets once in every quarter, inter alia, to review the quarterly results and other items on the agenda. Additional meetings are held as and when necessary. Senior executives are invited to provide additional inputs at the Board meeting, if necessary.

Directors' Attendance at Board Meetings and Details of Directorships / Committee Positions Held

The composition of the Board of Directors, their attendance at the Board meetings during the year and at the

last Annual General Meeting and the number of other Directorships/Board level committee positions held by them in other Indian public companies as on 31.03.2015 is as follows:

| Name of Director | Attendance at last AGM | No. of Board meetings attended | Category of Director | Other Director-Ships | No. of other Companies Board's Committee(s) | |
|----------------------|------------------------|--------------------------------|----------------------|----------------------|---|--------|
| | | | | | Chairperson | Member |
| Mr. C.S.Nopany | No | 4 | NED | 08 | 02 | 0 |
| Mrs. Shalini Nopany* | No | 4 | ED (M.D) | 05 | 0 | 01 |
| Mr. Sanjay Goenka | Yes | 4 | I/NED | 01 | 0 | 0 |
| Mr. Subroto Lahiri | No | 5 | I/NED | 02 | 0 | 0 |
| Mr. S.K.Khandelia | No | 1 | NED | 0 | 0 | 0 |
| Mr. S. S. Maheshwari | Yes | 1 | I/NED | 0 | 0 | 0 |

NED – Non Executive, Director, I-Independent, ED- Executive Director

*Mrs. Shalini Nopany was re-appointed as Managing Director by the Board on 28.01.2015 w.e.f. 25.01.2015 subject to the approval of the Shareholders at the AGM.

The number of Directorships, Committee Memberships / Chairmanships of all Directors is within the respective limits prescribed under the Companies Act, 2013 and the Listing Agreement.

None of the directors except Mr. C. S. Nopany and Mrs. Shalini Nopany are related to each other.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises/ assures the Board on Compliance and Governance principles and ensures appropriate recording and circulation of minutes of the Meetings amongst the Directors.

INFORMATION TO THE BOARD

A detailed agenda folder is sent to each director in advance of the Board Meetings. As a policy, all major decisions involving investments, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and directions. *Inter alia*, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers.

- Quarterly, half yearly and annual results of the Company
- Minutes of the Audit and other Committees of the Board
- Information relating to recruitment and remuneration of senior level officers just below the Board level.
- Materially important legal or taxation matters.
- Status of financial obligations to and by the Company
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or listing agreement related requirements or in relation to any shareholder services

Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

Separate Independent Directors' Meeting

As required under the Companies Act, 2013 and Listing Agreement, the Independent Directors meet at least once in a year without the presence of Executive Directors or Management representatives. The Independent Directors at their meeting held on 28th January, 2015, *inter alia*, discussed:-

- the performance of non-Independent Directors and the Board as a whole.
- the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Director

- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Board Evaluation

As per the mandate of the Companies Act, 2013 and Listing Agreement, the Nomination and Remuneration Committee evaluates the Board, the Committees of the Board and Individual Directors, including the Chairman of the Board. The evaluation of the performance of the Board as whole, the Board Committees and the Directors shall be carried out on an annual basis.

C. Details of Remuneration Paid to Directors

The Managing Director receives salary, allowances and perquisites, while all the Non-Executive Directors receive sitting fees and allowances (if applicable), and annual commission within the prescribed limits as set out in the Companies Act, 2013.

There has been no materially relevant pecuniary transaction or relationship between the company and its Non-Executive Directors during the year.

A) Remuneration paid/payable to Non-Executive Directors of the company.

The Non-Executive Directors are paid sitting fees for attending each Meeting of the Board of Directors and Committees thereof. The company also pays to its non-executive director's commission upto 1% of the net profits for all directors put together, with the maximum ceiling of Rs. 50,000/- to each director.

The total commission payable to all the non-executive directors for the financial year 2014-15 will be Rs. 2, 50,000/- for which provision was made in the books of accounts. The commission shall be paid after the adoption of annual accounts of the company for the year ended 31st March, 2015 by the shareholders at the forthcoming AGM. Commission to all the Non-Executive Directors of the company is determined after taking into account their valuable contribution and guidance in the various business initiatives and decisions at the Board level and also profitability of the company. The details of commission payable and sitting fees (including for committee meetings) paid to the directors during the year 2014-2015 is as follows:

| S. No. | Name of Director | Commission (Rs.) | Sitting Fees (Rs.) |
|--------|----------------------|------------------|--------------------|
| 1 | Mr. C.S.Nopany | 50000 | 25000 |
| 2 | Mr. Sanjay Goenka | 50000 | 50000 |
| 3 | Mr. Subroto Lahiri | 50000 | 40000 |
| 4 | Mr. S.K.Khandelia | 50000 | 30000 |
| 5 | Mr. S. S. Maheshwari | 50000 | 17500 |

(B) Remuneration paid/payable to the Managing Director of the Company for the year ended 31st March, 2015, is as under:-

| Managing Director | Salary etc. | Perquisites | Retirement Benefits | Total (Rs.) |
|---------------------|-------------|-------------|---------------------|-------------|
| Mrs. Shalini Nopany | 20,37,865 | - | - | 20,37,865 |

D. Committees of the Board

Pursuant to Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013, the Board of Directors constituted various committees of the directors with adequate delegation of powers to properly discharge businesses of the Company.

These committees are:

- I Audit Committee
- II Stakeholders' Relationship Committee
- III Nomination and Remuneration Committee

- IV Finance & Corporate Affairs Committee
- V Assets Liabilities Committee
- VI Corporate Social Responsibility Committee
- VII Risk Management Committee

The details of these committees are as follows:

I. Audit Committee

Composition

The Audit Committee comprises of three Non-executive Directors and is headed by Mr. Sanjay Goenka, an independent Non-executive Director. The other members of the Committee are Mr. Subroto Lahiri and Mr. S.S. Maheshwari

Terms of Reference

The terms of reference of the Audit Committee comprise the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, reliable and sufficient.
- Reviewing with the management and statutory auditors the quarterly/annual financial statements before submission to the Board, and focusing primarily on :
 - Any changes in the accounting policies and procedures
 - Compliance with accounting standards
 - Adequacy of the internal control system, including management information system.
 - Compliance with listing agreements with the stock exchanges and conformity with their requirements concerning financial statements.
 - Major accounting entries based on the exercise of prudential judgment by management
 - Any related party transactions of the company of a material nature that may potentially conflict with the interests of the company
- Reviewing the company's financial and risk management policies.
- Recommending the appointment and removal of statutory and internal auditors and determination of the audit fees and also grant approval for payment for any other services.
- Reviewing the scope and adequacy of the internal audit functions and deciding upon the scope of work of the Internal Auditors, discussing with internal auditors significant audit findings and follow up actions initiated thereon.
- Any other matter that may be referred to the Committee from time to time.
- The Audit Committee reviews every quarter the Report on Corporate Governance under clause 49 of the Listing Agreement and Reconciliation of Share Capital Audit Report of the Practising Company Secretaries.
- Audit Committee also reviews every half year Clause 47C Certificate, issued by the Practising Company Secretary.

Meetings and Attendance

During the year under review four meetings of the committee were held on 15th May, 2014; 25th July, 2014; 29th October, 2014 and 28th January, 2015. The composition of the committee and the attendance of the members at the meetings was as follows:

| Name of the Member | Status | Category | No. of Meetings Attended |
|---------------------------|---------------|---------------------------|---------------------------------|
| Mr. Sanjay Goenka | Chairman | Non-executive Independent | 4 |
| Mr. Subroto Lahiri | Member | Non-executive Independent | 4 |
| Mr. S. S. Maheshwari | Member | Non-executive Independent | 0 |

The constitution of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirements in respect of Clause 49 of the Listing Agreement (as amended

from time to time) are also reviewed by the Committee. The management makes a presentation before the Audit Committee by way of rejoinders, on the observations and recommendations of the Statutory and Internal Auditors to strengthen controls and compliance. The internal auditors and statutory auditors are permanent invitees at the Audit Committee meetings. The Company Secretary is the ex-officio Secretary of the Committee.

II. Stakeholders' Relationship Committee

Composition

The Stakeholders' Relationship Committee comprises of three Non-executive Directors and is headed by Mr. C.S.Nopany, Chairman of the Board. The other members of the Committee are Mr. S.K. Khandelia and Mr. S.S. Maheshwari. The Constitution of the Stakeholders' Relationship Committee meets the requirements of Section 178 of the Companies Act, 2013.

Terms of Reference

The Committee oversees the redressal of shareholder and investor complaints/ requests for transfer/ transmission of shares, subdivision and consolidation of share certificates, the issue of duplicate share certificates, requests for demat & remat of shares, non-receipt of the declared dividend and non-receipt of the Annual Report. It also recommends measures for improvement in investor services. The Committee keeps a close watch on the performance of M/s. Sharepro Services (India) Pvt. Ltd., the Registrar & Share Transfer Agents (RTA) of the company. The Company Secretary, designated as the Compliance Officer of the company, acts as the ex-officio Secretary of the Committee. Besides the above the Committee also reviews the shareholding pattern, which is submitted to the Stock Exchanges. The Board from time to time also invests the Committee with the power to take timely action on regulatory compliances with respect to (but not limited to) bonus issue, shares placement, issue of shareholders notices, book closure, record date, etc. The Committee meets as often as is necessary for resolution of important matters within its mandate. There were no investor complaints pending at the end of the financial year.

Meetings and Attendance

During the year under review, five meetings of the committee was held on 14th April, 2014; 14th July, 2014; 1st September, 2014; 18th October, 2014 and 12th January, 2015. The composition of the committee and the attendance of the members at the meeting was as follows:

| Name of the Member | Status | Category | No. of Meetings Attended |
|----------------------|----------|---------------------------|--------------------------|
| Mr. C. S. Nopany | Chairman | Non-executive Director | 0 |
| Mr. S. K. Khandelia | Member | Non-executive Director | 5 |
| Mr. S. S. Maheshwari | Member | Non-executive Independent | 5 |

Minutes of the meeting of the Stakeholders' Relationship Committee are approved by the Chairman of the Meeting and are noted by the Board at its next meeting.

Investors' Complaints Received and Resolved During the Year

During the year under review the company received 17 complaints/letters from the shareholders which were duly attended. The average period of redressal of grievances is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2015.

III. Nomination and Remuneration Committee:

The company has constituted the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and the Corporate Governance Code, as a mandatory requirement.

Composition

The Nomination and Remuneration Committee comprises of three Non-executive Directors and is headed by Mr. Sanjay Goenka and other members of the Committee are Mr. Subroto Lahiri and Mr. S.S. Maheshwari. The Constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013

Terms of Reference

The Committee is empowered to determine the compensation package of the Managing Director, Secretary and other senior management personnel.

Meetings and Attendance

During the year under review, two meeting of the committee were held on 29th October, 2014 and 12th January, 2015. The composition of the committee and the attendance of the members at the meetings was as follows:

| Name of the Member | Status | Category | No. of Meetings Attended |
|---------------------|----------|---------------------------|--------------------------|
| Mr. Sanjay Goenka | Chairman | Non-executive Independent | 2 |
| Mr. Subroto Lahiri | Member | Non-executive Independent | 2 |
| Mr. S.S. Maheshwari | Member | Non-executive Independent | 0 |

IV. Finance & Corporate Affairs Committee**Composition**

The Finance and Corporate Affairs Committee comprises of three Non-executive Directors and one Managing Director and is headed by Mr. C.S. Nopany, Chairman of the Board. The other members of the Committee are Mrs Shalini Nopany, Mr. Sanjay Goenka and Mr. S.K.Khandelia.

Terms of Reference

The Committee is authorised to decide upon matters relating to borrowing, Inter corporate loans/ deposits, opening and closing of bank accounts and to take appropriate timely action and decide upon various matters related thereto, in terms of the powers delegated to it by the Board. The Committee is also empowered to approve the Unaudited Quarterly Financial results to be submitted to the Stock Exchanges as provided under Clause 41 of the Listing agreement.

Meetings and Attendance

During the year under review, six meetings of the committee were held on 2nd April, 2014; 16th May, 2014; 26th August, 2014; 06th December, 2014; 19th February, 2015 and 14th March, 2015.

The composition of the committee and the attendance of the members at the meetings was as follows:

| Name of the member | Status | Category | No. of meetings attended |
|---------------------|----------|---------------------------|--------------------------|
| Mr. C. S. Nopany | Chairman | Non-executive Director | 1 |
| Mrs. Shalini Nopany | Member | Executive Director | 1 |
| Mr. Sanjay Goenka | Member | Non-executive Independent | 6 |
| Mr. S.K.Khandelia | Member | Non-executive Director | 5 |

The FCAC is also entrusted with the work of overseeing the operations of the Treasury Division of the Company. Minutes of the Finance and Corporate Affairs Committee are approved by the Chairman of the Meeting and are noted by the Board in the next meeting of the Board.

V. Assets Liabilities Committee:**Composition**

The Assets Liabilities Committee comprises of one Non-executive Director and CFO of the company and is headed by Mr. S. K. Khandelia, Non-executive Director and other member of the Committee is Mr. Sunil Sharma.

Terms of Reference

The Committee is empowered to analyze and review of Monthly Returns and Short Term Dynamic Liquidity.

Meetings and Attendance

During the year under review, four meeting of the committee were held on 21st May, 2014; 07th August, 2014; 03rd November, 2014 and 25th February, 2015.

The composition of the committee and the attendance of the members at the meetings was as follows:

| Name of the member | Status | Category | No. of meetings attended |
|--------------------|----------|------------------------|--------------------------|
| Mr. S.K. Khandelia | Chairman | Non-executive Director | 4 |
| Mr. Sunil Sharma | Member | CFO | 4 |

Minutes of the Assets Liabilities Committee are approved by the Chairman of the Committee and are noted by the Board in the next meeting of the Board

VI Corporate Social Responsibility Committee

Composition

The Corporate Social Responsibility Committee comprises of two non-executive directors and a managing director and is headed by Mr. C.S.Nopany, Chairman of the Board. The other members of the committee are Mrs. Shalini Nopany and Mr. S.K.Khandelia.

Terms of Reference

The terms of reference of the CSR Committee includes the following (but shall not be limited to) :

- formulate and recommend to the Board, a Corporate Social Responsibility Policy (with such changes therein from time to time as it may deem fit) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

Meetings and Attendance

During the year under review, one meeting of the committee was held on 7th July, 2014.

The composition of the committee and the attendance of the members at the meetings was as follows:

| Name of the member | Status | Category | No. of meetings attended |
|---------------------------|---------------|------------------------|---------------------------------|
| Mr. C. S. Nopany | Chairman | Non-executive Director | 1 |
| Mrs. Shalini Nopany | Member | Executive Director | 1 |
| Mr. S.K.Khandelia | Member | Non-executive Director | 0 |

A report on CSR activities as prescribed under the Companies Act, 2013 and Rules made thereunder is annexed to the Board Report.

VII Risk Management Committee

Composition

The Risk Management Committee comprises of one Non-executive Director and CFO of the company and is headed by Mr. S. K. Khandelia, Non-executive Director and other member of the Committee is Mr. Sunil Sharma.

Terms of Reference

The Committee is empowered to review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;

Meetings

During the year under review, the minutes of Assets Liabilities Committee was circulated among the members of the Risk Management Committee.

E. Company Policies

I. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer / Chief Ethics Counsellor for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company are subject to the review by the Audit Committee. The Whistle Blower Policy is available on the website of the Company at <http://silinvestments.in/pdfs/WhistleBlowerPolicy.pdf>.

II. Remuneration Policy

The Board on the recommendation of the Nomination & Remuneration Committee framed a Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their remuneration.

The Policy contains, *inter-alia*, directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, etc. The Remuneration policy is available on the website of the Company at the weblink: <http://silinvestments.in/pdfs/RemunerationPolicy.pdf>

III. Policy on Related Party Transactions

In line with requirement of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website at <http://silinvestments.in/pdfs/PolicyonRelatedPartyTransactions.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflict of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of a repetitive nature and / or entered in the ordinary course of business and are at arm's length.

IV. Corporate Social Responsibility Policy

The Board at its meeting held on 25th July, 2014 upon recommendation of Corporate Social Responsibility Committee has approved and adopted a CSR Policy for the Company. The policy is formulated as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder and it is available at Company's website at <http://silinvestments.in/pdfs/CSR%20Policy.pdf>. The CSR Policy outlines the Company's philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community in and around its area of operations and other parts of the country.

V. Material Subsidiary Policy

In line with requirement of Clause 49 of Equity Listing Agreement, your Company has formulated a Policy on Material Subsidiaries which is also available at Company's website at <http://silinvestments.in/pdfs/PolicyonDeterminingMaterialSubsidiaries.pdf>. This policy came into effect from October 1, 2014. The objective of this policy is to determine the Material Subsidiaries of SIL Investments Limited and to provide the governance framework for such subsidiaries

F. Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section and forms a part of the Directors' Report in this Annual Report, and includes discussion on various matters specified under Clause 49(VIII)(D) of the Listing Agreement.

G. Disclosures

(i) Related Party Transactions

Details of related party transactions that is the transactions between the company and the Promoters, Management, Directors or their relatives etc. are disclosed in the Note No. 22.05 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board Meetings, and the interested Directors neither participate in the discussion, nor vote on such matters.

(ii) Accounting treatment in preparation of financial statements

The Company has followed the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

(ii) Risk Management

As required under clause 49 of the Listing Agreement, the Company has established a well documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, business risks or reporting risks. Strategic risks are those which are associated with the long term interests of the Company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Audit Committee and the Board of Directors review the Risk Management Strategy of the company to ensure effectiveness of the Risk management policy and procedures. Board of Directors of the company

is regularly apprised on the key risk assessment areas and a mitigation mechanism is recommended. During the year, the Board has reviewed the risk assessment and a risk minimization procedure, and appropriate risk mitigation procedures commensurate to the risks has been adopted.

(iii) Corporate Ethics

As a responsible corporate citizen, the company consciously follows corporate ethics in business and corporate interactions. Company has framed codes and policies providing guidance for carrying business in an ethical manner. Some of these policies are:

- a) Code for prevention of Insider Trading;
- b) Code of Conduct;
- c) Whistle Blower policy. The company has established and implemented a Whistle Blower policy under which none of the company's personnel has been denied access to the Audit Committee.
- d) Code for Corporate disclosure;

The codes have been revised in conformity with the statutory changes, appropriately.

(iv) Listing Agreement Compliance

The company complies with all the requirements of the Listing Agreement including the mandatory requirements of the clause 49 of the Agreement.

(v) Insider trading

The company adopted the code of internal procedures and conduct framed under the SEBI (Prohibition of Insider Trading) Regulation, 2015 which, inter alia, prohibited the trading in shares by an 'insider' when in possession of unpublished price sensitive information.

(vi) Code of conduct and ethics

The company laid down a Code of Conduct for the entire Board of Directors and senior management to avoid a conflict of interest. The Directors and senior management have affirmed compliance with Code of Conduct for the year 2014-2015. As required, a declaration to this effect is attached to this report. The Code of Conduct is available on the company's website www.silinvestments.in.

There was no material, financial and commercial transactions in which the senior management had a personal interest, leading to a potential conflict of interest during the year under review.

(vii) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of Clause 41(ii) and 49(IX) of the Listing Agreement, a certificate duly signed by CEO and CFO of the company, regarding the Financial Statements for the year ended 31st March, 2015, was placed at the Board Meeting of the company held on 13th May, 2015.

A declaration by the CEO under Clause 49 of the Listing Agreement regarding the due observance of compliance of the Company's Code of Conduct is annexed to this Report.

H. SHAREHOLDER INFORMATION

(i) Means of communication

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.silinvestments.in containing the basic information about the company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual audited financial results of the company are sent to the Stock Exchanges immediately after they had been approved by the Board. The results are normally published in Business Standard / Financial Express in English and Rajasthan Patrika / Dainik Bhaskar in Hindi.

The results are hosted on the website of the company at www.silinvestments.in.

Further, the company disseminates to the stock exchanges that is BSE and NSE wherein the equity shares of the Company are listed, all mandatory information and price sensitive /such other information which in its opinion are material and/or have a bearing on its performance /operations and issue press releases wherever necessary for the information of the public at large. For the benefit of the shareholders a separate email id has been created for shareholder correspondence viz. investor.grievances@silinvestments.in.

(ii) General Body Meetings**(a) Annual General Meetings of the Company**

Details of the last three Annual General Meetings of the company are as under:

| AGM | Financial Year | Date | Time | Venue | Special business/s If any, passed |
|------|----------------|-----------------|------------|--|--|
| 80th | 2013-2014 | August 23, 2014 | 10.30 a.m | Registered Office: Pachpahar Road Bhawanimandi (Raj) | 1. Appointment of the following directors as Independent Director for a term of 5 years :- i. Mr. Sanjay Goenka ii. Mr. S.S.Maheshwari iii. Mr. Subroto Lahiri 2. Powers for borrowing under Section 180(1)(c) of the Companies Act, 2013. |
| 79th | 2012-2013 | August 10, 2013 | 10.30 a.m. | Registered Office: Pachpahar Road Bhawanimandi (Raj) | None |
| 78th | 2011-2012 | August 11, 2012 | 10.30 a.m | Registered Office: Pachpahar Road Bhawanimandi (Raj) | None |

The 81st Annual General Meeting of the company is proposed to be held on 31st August, 2015 at 10.30 a.m. at the Registered Office of the company.

(b) Postal Ballot:

During the financial year 2014-2015, the Company conducted Postal Ballot for passing the following Special Resolutions:-

- 1) To approve creation of charge on the total assets of the Company to secure its borrowings.
- 2) To alter the Articles of Association of the Company, by adopting new set of Articles of Association containing regulations conforming to the Companies act, 2013.

In the Postal Ballot conducted pursuant to Clause 35B of the Listing Agreement, the Company had also offered e-voting facility, through National Securities Depository Limited, as an alternative, to enable the shareholders to cast their votes electronically.

The Board had appointed Mr. Rajendra Chouhan, Practising Company Secretary, as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on 17th October, 2014. Details of the voting pattern were as under:

| Sr. No. | Description of Resolutions | Total Number of Valid Votes Received | Votes Cast (No. of Shares & %) | |
|---------|--|--------------------------------------|-----------------------------------|---------------|
| | | | For | Against |
| 1. | Creation of charge on the total assets of the Company to secure its borrowings | 8328281 | 8325581 (99.968%) | 2700 (0.032%) |
| 2. | Adoption of New Articles of Association in place of existing Articles of Association | 8328263 | 8327863 (99.995%) | 400 (0.005%) |

Accordingly the said Special Resolutions were approved by the shareholders, with requisite and overwhelming majority.

(iii) Disclosures regarding Directors seeking re-appointment

Mr. S.K.Khandelia, a Director of the company retires by rotation at this Annual General Meeting and is eligible for re-appointment.

The Board of Directors at its meeting held on 28th January, 2015 has re-appointed Mrs. Shalini Nopany as Managing Director of the Company for a period of 5 years w.e.f. 25th January, 2015 in accordance with the provisions laid down in Section 197 and Schedule V of the Companies Act, 2013 subject to the approval of the Shareholders in the Forthcoming Annual General Meeting.

Brief particulars of the directors being re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board

Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the listing agreement with the stock exchanges in India, are provided in the notes to the notice of the annual general meeting.

(iv) General Shareholders' information

(i) 81st Annual General Meeting:

| | |
|-------|--|
| Date | 31st August, 2015 |
| Day | Monday |
| Time | 10.30 a.m. |
| Venue | At Registered Office Pachpahar Road, Bhawanimandi 326 502 (Raj.) |

(ii) Last date for receipt of Proxies

Saturday, 29th August, 2015 (before 10.30 a.m. at the Registered Office of the Company)

(iii) Record date: 11th July 2015 for entitlement of dividend.

(iv) Book closure

The register of members and share transfer books of the company shall remain closed from Tuesday, 25th August, 2015 to Monday, 31st August, 2015 (both days inclusive).

(v) Tentative financial calendar:

| | | |
|--|----------------------|-------------------------------------|
| Next financial year | | 1st April, 2015 to 31st March, 2016 |
| Audited Annual Results (2014-15) | | 13th May, 2015 |
| Publication of Audited Results (2014-15) | With Stock Exchanges | 13th May, 2015 |
| | In Press | 14th May, 2015 |
| Mailing of Annual Report | | end-July, 2015 |
| First Quarter Results & Limited Review | | end-July, 2015 |
| Second Quarter Results & Limited Review | | end-October, 2015 |
| Third Quarter Results & Limited Review | | end-January, 2016 |
| Audited Annual Results (2015-16) | | mid-May, 2016 |

(vi) Dividend

Payment date (tentative): 5th September, 2015.

The Board of Directors at their meeting held on 13th May, 2015, have recommended a Dividend of Rs. 1.25/- per share for the year ended 31st March, 2015, subject to shareholders' approval at the forthcoming Annual General Meeting. If approved the dividend will be paid to the shareholders on or after 5th September, 2015 but within 30 working days from the date of Annual General Meeting. The company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders located in places where in such facilities/system is in existence.

(vii) Listing on Stock Exchanges and stock codes:

The names of the Stock Exchanges on which the Company's equity shares are listed with the respective stock codes are as under:

| S. No. | Name of the Stock Exchange | Stock Code |
|--------|--|------------|
| 1. | National Stock Exchange of India Ltd., Mumbai | SILINV |
| 2. | Bombay Stock Exchange Ltd., Mumbai | 521194 |
| 3 | The Calcutta Stock Exchange Association Ltd., Kolkata* (*Applied for delisting, confirmation awaited) | 29783 |

Listing fees for the year 2015-16 have been paid to the Stock Exchanges within the stipulated time.

(viii) Corporate Identification Number

Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs Government of India is L17301RJ1934PLC002761.

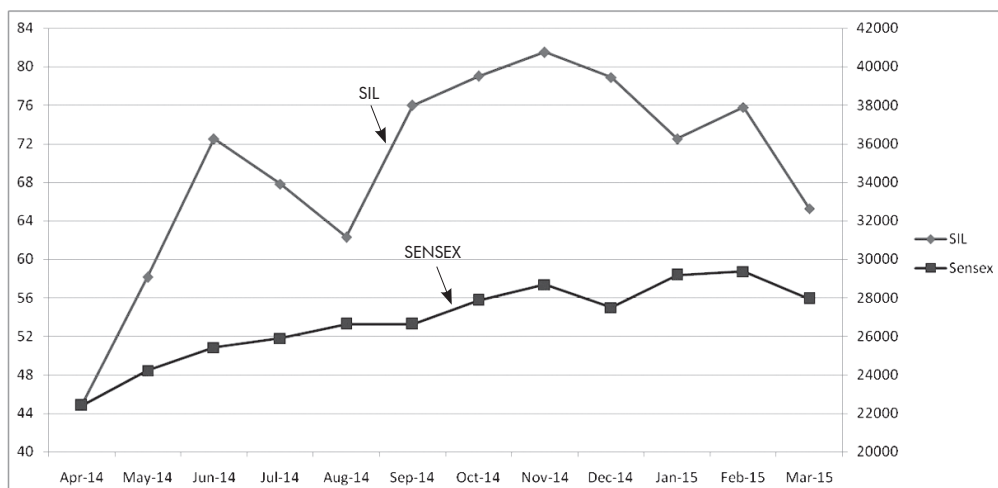
(ix) Stock Data / Market price data

High/low market price of the company's equity share traded on stock exchanges where the company's shares are listed during the last financial year are as follows:

| Month | Bombay Stock Exchange Ltd., Mumbai | | National Stock Exchange of India Ltd., Mumbai | |
|-----------------|------------------------------------|-------|---|-------|
| | High | Low | High | Low |
| April, 2014 | 50.00 | 44.90 | 47.55 | 44.00 |
| May, 2014 | 65.90 | 42.85 | 61.00 | 42.35 |
| June, 2014 | 81.30 | 55.50 | 81.00 | 55.30 |
| July, 2014 | 84.95 | 62.10 | 79.00 | 68.45 |
| August, 2014 | 73.00 | 59.50 | 73.00 | 63.10 |
| September, 2014 | 78.75 | 61.65 | 77.20 | 60.80 |
| October, 2014 | 85.80 | 66.55 | 89.50 | 64.00 |
| November, 2014 | 89.80 | 72.35 | 86.75 | 68.05 |
| December, 2014 | 87.00 | 75.25 | 84.85 | 66.25 |
| January, 2015 | 80.00 | 70.15 | 84.00 | 70.00 |
| February, 2015 | 78.50 | 63.00 | 76.85 | 63.00 |
| March, 2015 | 79.00 | 60.00 | 76.00 | 60.20 |

Stock Performance :

SIL Share Price and BSE Sensex Movement.

**(x) Shareholding Pattern**

Details of shareholding by ownership as on 31st March, 2015 was as under:

| S. No. | Category | No. of Folios | % of Folios | No. of Shares Held | % of Share-Holding |
|--------|--|---------------|---------------|--------------------|--------------------|
| 1. | Promoters* | 10 | 0.27 | 6648160 | 62.74 |
| 2. | Financial Institutions, Banks and Mutual funds | 11 | 0.29 | 6059 | 0.06 |
| 3. | Private Corporate Bodies/ Associates | 137 | 3.62 | 1961984 | 18.52 |
| 4. | Indian Public* | 3550 | 93.84 | 1958961 | 18.49 |
| 5. | FIs | 0 | 0 | 0 | 0 |
| 6. | NRI, Foreign Nationals and OCBs | 75 | 1.98 | 20696 | 0.19 |
| | TOTAL | 3783 | 100.00 | 10595860 | 100.00 |

*as per Clause 40A of the Listing Agreement

(xi) Distribution of shareholding:

The distribution of shareholding as on 31st March, 2015 was as follows:

| S.No. | No. of Equity Shares | No. of Shareholders | % of total Shareholders | No. of Shares held | % of total shares |
|-------|----------------------|---------------------|-------------------------|--------------------|-------------------|
| 1. | 1 to 100 | 2074 | 54.83 | 97968 | 0.92 |
| 2. | 101 to 500 | 1157 | 30.58 | 308385 | 2.91 |
| 3. | 501 to 1000 | 238 | 6.29 | 181835 | 1.72 |
| 4. | 1001 to 5000 | 239 | 6.32 | 524687 | 4.95 |
| 5. | 5001 to 10000 | 30 | 0.79 | 212688 | 2.01 |
| 6. | 10001 to 100000 | 33 | 0.87 | 870034 | 8.21 |
| 7. | 100001 to 500000 | 5 | 0.13 | 1037951 | 9.80 |
| 8. | 500001 to above | 7 | 0.19 | 7362312 | 69.48 |
| | TOTAL | 3783 | 100.00 | 10595860 | 100.0 |

(xii) Dematerialization of shares and liquidity:

The equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has applied for delisting of its shares at Calcutta Stock Exchange Ltd, Kolkata and the confirmation of the same is awaited. The Company entered into an agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. As a result, 96.93% of the total equity share capital of the company was held in a dematerialized form with NSDL and CDSL as on 31.03.2015.

The company has paid the requisite fees to all these authorities for the year 2015-16

(xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

As on date there are no outstanding warrants or any convertible instruments. The company has not issued GDR/ADR.

(xiv) Share transfer system

Share transfers were registered and returned normally within 7 days from the date of receipt if the documents were clear in all respects. The Secretary of the company was authorised to approve the transfer of shares in addition to the Stakeholders' Relationship Committee.

(xv) Address for Shareholders' Correspondence

Shareholders are requested to correspond with the Registrar and Share Transfer Agents at the below given address on all matters relating to transfers, dematerialization of shares, payment of dividend and any other query relating to the equity shares of the Company.

(xvi) Registrar and Transfer Agent

The company appointed M/s. Sharepro Services (India) Pvt.Ltd. as its Registrar & Share Transfer Agent (RTA) for handling share registry (physical and electronic modes). Accordingly, all correspondence, shares for transfer, transmission, demat/ remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Sharepro Services (India) Pvt.Ltd.
Samhita Complex,
Gala No. 52 to 56, Building No. 13A-B
Near Sakinaka Telephone Exchange,
Andheri – Kurla Road, Sakinaka,
Mumbai 400072
Tel. 022-67720300/400; Fax: 022-28591568

(xvii) Compliance Officer's Details:

Mr. Lokesh Gandhi
Company Secretary & Compliance Officer
Seated at Mumbai Office at:
Solaris-1, D Wing, 4th Floor,
Opp L&T Gate No-6, Saki Vihar Road,
Powai, Andheri-East, Mumbai-400 072
Tel : 022-4219 8800 / 4219 8834
Fax : 022-4219 8830/31
E-mail ID: lokeshgandhi@silinvestments.in

(xviii) Investor Relations:

In order to facilitate investor servicing, the company has designated an e-mail id- investor.grievances@silinvestments.in mainly for registering complaints by investors.

I. COMPLIANCE**(i) Statutory Compliance, Penalties and Strictures**

The company has continued to comply with the requirements of the stock exchanges, SEBI, RBI and other statutory authorities on all the relevant matters during the last three years. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange, SEBI, RBI or any other statutory authorities for any violation related to the Capital market / any other related matter or relating to conditions of Licensing by the RBI, during the last three years.

(ii) Listing Agreement Compliance

The company complies with all the requirements of the Listing Agreement including the mandatory requirements of the clause 49 of the Agreement.

(iii) Audit Qualification:

The Company is in the regime of unqualified financial statement.

(iv) Training of Board Members

The Board members are provided with necessary documents/ brochures and reports to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company and business strategy. Certain training programmes will suitably be arranged for Directors during the current financial year.

(v) Adoption of Non-Mandatory requirements

The company has not adopted any non-mandatory requirements except relating to the maintenance of the office of the Non-executive Chairman by sharing the common expenses with other entities .

(vi) Auditors' Certificate on Corporate Governance

The company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement, which together with this Report on Corporate Governance is annexed to the Director's Report and shall be sent to all the shareholders of the Company and the Stock Exchanges along with the Annual Report of the Company.

(vii) Auditors' Certificate on Compliance with the Prudential Norms under Non Banking Finance (Non- Deposit Accepting) Directions, 2007

The company obtains every year a Certificate from its Statutory Auditors about the adequacy of the Net Owned Fund and the compliance with the Prudential Norms as applicable to non-deposit taking NBFCs and that the company is not accepting /not holding public deposits under Non Banking Finance (Non-Deposit Accepting) Directions, 2007.

(viii) Disclosure Under Clause 53 of the Listing Agreement Regarding Certain Agreements With The Media Companies.

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered into with media companies and /or their associates which has resulted in/will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the company entered into any other back to back treaties/contracts/agreements / MoUs or similar instruments with media companies and/or their associates.

J. INVESTOR SAFEGUARDS AND OTHER INFORMATION**(i) Dematerialization of Shares**

Shareholders are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc and also to ensure safe and speedy transaction in respect of the shares held.

(ii) National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS) mandate

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders/Members holding shares in physical form may register their NECS/ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS/ECS mode.

(iii) Timely Encashment of Dividends

In respect of the shareholders who have either not opted for NECS/ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's Share Transfer Agents thereafter for revalidation of dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividends owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

(iv) Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2007-2008 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below:

| Financial Year Ended | Date of Declaration of Dividend | Amount remaining unclaimed /unpaid as on 31.03.2015 | Last date for claiming unpaid Dividend amount (on or before) | Last date for transfer to IEPF |
|----------------------|---------------------------------|---|--|--------------------------------|
| 31.03.2008 | 27.09.2008 | 165288.00 | 26.09.2015 | 26.10.2015 |
| 31.03.2009 | 28.08.2009 | 161046.00 | 27.08.2016 | 27.09.2016 |
| 31.03.2010 | 06.08.2010 | 184555.00 | 05.08.2017 | 05.09.2017 |
| 31.03.2011 | 06.08.2011 | 262528.00 | 05.08.2018 | 05.09.2018 |
| 31.03.2012 | 11.08.2012 | 332947.50 | 10.08.2019 | 10.09.2019 |
| 31.03.2013 | 10.08.2013 | 275930.00 | 09.08.2020 | 09.09.2020 |
| 31.03.2014 | 23.08.2014 | 480128.75 | 22.08.2021 | 22.09.2021 |

Members are once again requested to utilize this opportunity and get in touch with Company's Registrar and Share transfer Agents M/s Sharepro Services (India) Pvt. Ltd. at their communication address for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claims shall lie against the said funds or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim.

(v) Update Address/Bank Details

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address/bank details with the respective DPs and in case of physical shares, the update details have to be intimated to the Registrar and Share Transfer Agents.

(vi) Consolidate Multiple Holdings (in respect of physical holdings)

Members are requested to consolidate their shareholdings under multiple folios to eliminate receipt of multiple communications and this would ensure that future correspondence / corporate benefits could be sent to consolidated folio.

(vii) Registered email address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notice/ documents including Annual Report comprising Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report etc in electronic mode (hereinafter 'documents'), provided the Company has obtained email address of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no, no of shares held to the Registrar and Share transfer Agents, M/s Sharepro Services (India) Pvt Ltd.

In respect of shares held in electronic form, the email address along with DP ID/Client ID and other shareholder details as mentioned above, should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

(viii) Addresses for Investor correspondence:

SIL Investments Limited
Pachpahar Road
Bhawanimandi-326 502 (Rajasthan)
Telephones: 07433-222052/222082/222090
Fax: 07433-222354
E-mail: lokeshgandhi@silinvestments.in;
investor.grievances@silinvestments.in;
hoffice@sutlej-rtm.co.in

Sharepro Services (India) Pvt.Ltd.
Samhita Complex, Gala No. 52 to 56,
Building No. 13A-B Near Sakinaka Telephone Exchange,
Andheri – Kurla Road, Sakinaka,
Mumbai 400 072
Tel. 022-67720300/400; Fax: 022-28591568
E-mail: sharepro@shareproservice.com

DECLARATION OF COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To
SIL Investments Limited
Pachpahar Road
Bhawanimandi-326 502
(Rajasthan)

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2015

Place: Mumbai
Dated: 28th April, 2015

S. K. Khandelia
Director-In-Charge

AUDITORS' CERTIFICATE

TO

THE MEMBERS OF SIL INVESTMENTS LIMITED

We have examined the compliance of conditions of corporate governance by SIL Investments Ltd. for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of 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 Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Camp: Kolkata
Dated: 13th May, 2015

S. N. Sharma
Partner
Membership No.014781

ANNEXURE-III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy ad projects or programs.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is <http://silinvestments.in/PDF/Policy/CSR%20Policy.pdf>

2. The composition of the CSR Committee:

- | | | |
|-------|---------------------|----------|
| (i) | Mr. C. S. Nopany | Chairman |
| (ii) | Mrs. Shalini Nopany | Member |
| (iii) | Mr. S.K.Khandelua | Member |

3. Average net profit of the company for the last three financial years: 1110.06 Lakhs
4. Prescribed CSR Expenditure (2 percent of the amount as in item 3 above): Rs.22.20 Lakhs
5. Details of CSR spend during the financial year.
 - (a) Total amount to be spent for the financial year : Rs.22.20 Lakhs
 - (b) Total amount spent during the financial year : Nil
 - (c) Amount unspent, if any : Rs. 22.20 Lakhs
 - (d) Manner in which the amount spent during the financial year is detailed below.

(Rs. In Lakhs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|-------------------------------------|---|--|---|--|---|--|
| Sr. No | CSR project or activity identified. | Sector in which the Project is covered. | Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken. | Amount outlay (budget) project programs wise (Rs. in Lakhs) | Amount spent on the projects or programs Sub-subheads (1) Direct expenditure on projects or programs. Overheads: (Rs. in Lakhs) | Cumulative expenditure upto the reporting period (Rs. in Lakhs) | Amount spent: Direct or through implementing agency (Rs. in Lakhs) |
| - | - | - | - | - | - | - | - |

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Reasons for Amount unspent: The Company is in the process of identifying suitable projects for its CSR spend. The Company will participate in projects for promotion of sports, cultural and social activities, construction of roads and drains etc. for the benefit of the people at large in the area of its activity.

7. Responsibility Statement of the CSR Committee: The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

| | |
|---------------|-------------------|
| Sd/- | Sd/- |
| Chairman | Managing Director |
| CSR Committee | |

ANNEXURE-IV TO THE DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|---|
| i) | CIN:- | L17301RJ1934PLC002761 |
| ii) | Registration Date: | 22/11/1934 |
| iii) | Name of the Company: | SIL Investments Limited |
| iv) | Category / Sub-Category of the Company: | Company limited by shares |
| v) | Address of the Registered office and contact details: | Pachpahar Road, Bhawanimandi, Rajasthan - 326 502, India Tel: 07433-222082, 222052, 222090, 222115 Fax: 07433-222354 |
| vi) | Whether listed company Yes / No: | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any – | Sharepro Services (India) Pvt.Ltd. Samhita Warehousing Complex, Gala No. 52 to 56, Building No. 13A-B, Near Sakinaka Telephone Exchange, Off Andheri – Kurla Road, Sakinaka, Andheri (E), Mumbai 400072 Tel: 022-67720300/400; Fax: 022-28591568 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Commercial Finance and Investments | 64990 | 93.03% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|-----------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | RTM Investment & Trading Co. Ltd. | U65993WB1987PLC041842 | Subsidiary Company | 84.79 | 2(87) |
| 2 | SCM Investment & Trading Co. Ltd. | U67120WB1986PLC041678 | Subsidiary Company | 80.52 | 2(87) |
| 3 | SIL Properties Ltd. | U45400WB1995PLC098911 | Subsidiary Company | 23.53 | 2(87) |
| 4 | RTM Properties Ltd. | U70109WB1994PLC065782 | Subsidiary Company | 23.53 | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 6648160 | - | 6648160 | 62.74 | 6648160 | - | 6648160 | 62.74 | 0.00 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 6648160 | | 6648160 | 62.74 | 6648160 | | 6648160 | 62.74 | 0.00 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1) + (A)(2) | 6648160 | - | 6648160 | 62.74 | 6648160 | - | 6648160 | 62.74 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 2252 | 3807 | 6059 | 0.06 | 2252 | 3807 | 6059 | 0.06 | 0.00 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 2252 | 3807 | 6059 | 0.06 | 2252 | 3807 | 6059 | 0.06 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1879411 | 119147 | 1998558 | 18.86 | 1842737 | 119147 | 1961884 | 18.52 | -0.34 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1019587 | 194664 | 1214251 | 11.46 | 1000448 | 192445 | 1192893 | 11.26 | -0.20 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 710631 | - | 710631 | 6.71 | 766068 | - | 766068 | 7.23 | 0.52 |
| c) Others (specify) | | | | | | | | | |
| i) NRI | 8821 | 9280 | 18101 | 0.17 | 11416 | 9280 | 20696 | 0.19 | 0.02 |
| ii) Trust | 100 | - | 100 | - | 100 | - | 100 | - | 0.00 |
| Sub-total (B)(2):- | 3618550 | 323091 | 3941641 | 37.20 | 3620769 | 320872 | 3941641 | 37.20 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 3620802 | 326898 | 3947700 | 37.26 | 3623021 | 324679 | 3947700 | 37.26 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 10268962 | 326898 | 10595860 | 100.00 | 10271181 | 324679 | 10595860 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|--------|--|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Uttar Pradesh Trading Co Ltd | 2019339 | 19.06 | - | 2019339 | 19.06 | - | - |
| 2 | New India Retailing and Investment Ltd | 1156550 | 10.91 | - | 1156550 | 10.91 | - | - |
| 3 | Hargaon Investment & Trading Co Ltd | 1140931 | 10.77 | - | 1140931 | 10.77 | - | - |
| 4 | Yashovardhan Investment & Trading Co Ltd | 991224 | 9.35 | - | 991224 | 9.35 | - | - |

| | | | | | | | | |
|----|---------------------------------|----------------|--------------|----------|----------------|--------------|----------|----------|
| 5 | Ronson Traders Limited | 648249 | 6.12 | - | 648249 | 6.12 | - | - |
| 6 | OSM Investment & Trading Co Ltd | 417421 | 3.94 | - | 417421 | 3.94 | - | - |
| 7 | Champaran Marketing Co Ltd | 199773 | 1.88 | - | 199773 | 1.88 | - | - |
| 8 | Sidh Enterprises Ltd | 55116 | 0.52 | - | 55116 | 0.52 | - | - |
| 9 | Sonali Commercial Ltd | 18957 | 0.18 | - | 18957 | 0.18 | - | - |
| 10 | Uttam Commercial Ltd | 600 | 0.01 | - | 600 | 0.01 | - | - |
| | Total | 6648160 | 62.74 | - | 6648160 | 62.74 | - | - |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | No Change during the year | | | |
| 2. | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | |
| 3. | At the End of the year | | | | |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE | 752439 | 7.10 | 752439 | 7.10 |
| 2 | EARTHSTONE HOLDING (TWO)PRIVATE LIMITED | 653580 | 6.17 | 653580 | 6.17 |
| 3 | NAVJEEWAN MEDICAL INSTITUTE | 190461 | 1.80 | 190461 | 1.80 |
| 4 | VINODCHANDRA MANSUKHLAL PAREKH | 115987 | 1.09 | 115987 | 1.09 |
| 5 | PILANI INVESTMENT & INDUSTRIES CORP. LTD | 114309 | 1.08 | 114309 | 1.08 |
| 6 | LEENA VIVEK NAIK | 70022 | 0.66 | 70022 | 0.66 |
| 7 | SATISH MADANLAL GUPTA | 85836 | 0.81 | 54479 | 0.51 |
| 8 | ARIHANT CAPITAL MARKET LTD | 59567 | 0.56 | 50556 | 0.48 |
| 9 | SANJEEV VINODCHANDRA PAREKH | 46504 | 0.44 | 46504 | 0.44 |
| 10 | JITENDRA MANSUKHLAL PAREKH | 42783 | 0.40 | 42783 | 0.40 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | Nil | | | |
| 2 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Nil | | | |
| 3 | At the End of the year | Nil | | | |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness (in Rs.) |
|--|----------------------------------|-----------------|----------|-----------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 900,000,000 | - | - | 900,000,000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 2,788,622 | - | - | 2,788,622 |
| Total (i+ii+iii) | 902,788,622 | - | - | 902,788,622 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 170,000,000 | - | - | 170,000,000 |
| • Reduction | 272,500,000 | - | - | 272,500,000 |
| • Interest accrued paid | 2,788,622 | - | - | 2,788,622 |
| Net Change | 105,288,622 | - | - | 105,288,622 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 797,500,000 | - | - | 797,500,000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 488,219 | - | - | 488,219 |
| Total (i+ii+iii) | 797,988,219 | | | 797,988,219 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. no. | Particulars of Remuneration | Name of MD/WT/ Manager | Total Amount (in Rs.) |
|---------|---|--|-----------------------|
| | | Mrs. Shalini Nopany Managing Director | |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,911,290 | 1,911,290 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission | | |
| | - as % of profit | | |
| | - others, specify... | 126,575* | 126,575* |
| 5. | Others, please specify | - | - |
| | Total (A) | 2,037,865 | 2,037,865 |
| | Ceiling as per the Act | 5% of the net profits of the Company | |

* Provision made for 31.03.2015

B. Remuneration to other directors:

| Sl. no | Particulars of Remuneration | Name of Directors | | | | | Total Amount (in Rs.) |
|---|--|---------------------------------------|--------------------|--------------------|-----------------|--------------------|-----------------------|
| | | Mr. Sanjay Goenka | Mr. S.S.Maheshwari | Mr. Subroto Lahiri | Mr. C.S. Nopany | Mr. S.K. Khandelia | |
| 1. Independent Directors | | | | | | | |
| | Fee for attending board / committee meetings | 50,000 | 17,500 | 40,000 | - | - | 107,500 |
| | Commission | 50,000 | 50,000 | 50,000 | - | - | 150,000 |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | 100,000 | 67,500 | 90,000 | | | 257,500 |
| 2. Other Non-Executive Directors | | | | | | | |
| | Fee for attending board / committee meetings | - | - | - | 25,000 | 30,000 | 55,000 |
| | Commission | - | - | - | 50,000 | 50,000 | 100,000 |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | 75,000 | 80,000 | 155,000 |
| | Total (B) = (1 + 2) | 100,000 | 67,500 | 90,000 | 75,000 | 80,000 | 412,500 |
| | Total Managerial Remuneration (A+B) | | | | | | 24,50,365 |
| | Overall ceiling as per the Act | 11% of the net profits of the Company | | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT D

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total (in Rs.) |
|---------|---|---|---|----------------------------|------------------|
| | | Mr. Lokesh Gandhi Company Secretary* | Mr. Brajmohan Prasad Company Secretary** | Mr. Sunil Sharma C.F.O. | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 716,147 | 4,19,439 | - | 11,35,586 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | 716,147 | 4,19,439 | - | 11,35,586 |

* Appointed Company Secretary w.e.f. 01.11.2014

** Ceased to be Company Secretary w.e.f. 31.10.2014

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2014-15, there was no Penalties/Punishments/Compounding of offences under Companies Act, 2013.

ANNEXURE-V TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

| Sr. No. | Name of Director / KMP | Remuneration of Director/ KMP for FY 2014-15 (Rs. In lakhs)# | Designation | Percentage increase in Remuneration | Ratio of Remuneration of each Director to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company (% of Net Profit before Tax) |
|---------|------------------------|--|--|-------------------------------------|--|---|
| 1. | Mr. C. S. Nopany | 0.50 | Non-Executive Chairman | 0 | 0.12 | Profit before Tax Increased by 13.20% and Profit After Tax Increased by 8.51% in financial year 2014-15 |
| 2. | Mrs. Shalini Nopany | 20.38 | Executive Director (M.D) | 13.22 | 4.86 | |
| 3. | Mr. Sanjay Goenka | 0.50 | Non-Executive Independent Director | 0 | 0.12 | |
| 4. | Mr. Subroto Lahiri | 0.50 | Non-Executive Independent Director | 0 | 0.12 | |
| 5. | Mr. S.K.Khandelia | 0.50 | Non-Executive Director | 0 | 0.12 | |
| 6. | Mr. S.S.Maheshwari | 0.50 | Non-Executive Independent Director | 0 | 0.12 | |
| 7. | Mr. Sunil Sharma | - | Chief Financial Officer | - | - | |
| 8. | Mr. Lokesh Gandhi | 7.16* | Company Secretary & Compliance Officer | N.A | N.A | |
| 9. | Mr. Brajmohan Prasad | 4.19** | Company Secretary & Compliance Officer | N.A | N.A | |

#Non-Executive Directors remuneration represents Commission and excludes Sitting Fees.

* Mr Lokesh Gandhi was appointed w.e.f 27th August, 2014 and was designated as Company Secretary and Compliance Officer of the Company w.e.f 1st November, 2014.

**Mr. Brajmohan Prasad ceased to be Company Secretary and Compliance Officer of the Company w.e.f 31st October, 2014.

2. The median remuneration of employees of the Company during the financial year was Rs.4.19 lakhs .
3. In the financial year, there was an increase in the median remuneration of employees – Not applicable.

The average increase in median remuneration was in line with the performance of the Company. However, the concerned employees being employed for only a part of the F.Y. 2014-15, the increase in median remuneration cannot be ascertained.

4. There were two permanent employees on the rolls of Company as on March 31, 2015.

5. Relationship between average increase in remuneration and company performance:-

The Profit before Tax for the financial year ended March 31, 2015 increased by 13.20% whereas the increase in median remuneration was not applicable.

6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 30.68% from Rs. 24.28 lakhs in 2013-14 to Rs. 31.73 lakhs in 2014-15 whereas the Profit before Tax increased by 13.20% to Rs. 1570.05 lakhs in 2014-15 (Rs.1386.96 lakhs in 2013-14).

7. a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was Rs. 6685.99 lakhs (Rs. 4842.31 lakhs as on March 31, 2014)
- b) Price Earnings ratio of the Company was 5.21 as at March 31, 2015 and was 4.10 as at March 31, 2014

- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year – the Company has not come out with any public offer in the last several years. Since the de-merger, approved by the Hon'ble High Court of Rajasthan Bench at Jaipur vide its Order dated 12th May, 2006, the share price movement of the Company is as under:- the Company's equity shares were quoted at Rs.92.80 on 14/12/2006 as against Rs. 73.20 on 13/05/2015. The percentage decrease in the Market Value of equity shares since the date of its existence till the date of report is 21.12%.
- 8. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was not applicable whereas the increase in the managerial remuneration for the same financial year was 13.20%.
- 9. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- 10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- 11. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
SIL Investments Limited
CIN L17301RJ1934PLC002761
Pachpahar Road, Bhawanimandi,
Jhalwar, Rajasthan

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SIL Investments Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st MARCH, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SIL Investments Limited ("the Company") for the financial year ended on 31st MARCH, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The following Other Laws as applicable to the company
 - (a) Non Banking Finance (Non-Deposit Accepting) Directions, 2007
 - (b) RBI Act, 1934 and modifications thereof
 - (c) Income Tax Act, 1961 and Indirect Tax Laws.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The company had filed application for delisting of securities with Calcutta Stock Exchange. Further action being awaited from the Calcutta Stock Exchange in this matter.
2. Company has not made any expenses under CSR activity.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and
- As informed by the management, there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
- I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report during the audit period the company has undertaken specific actions regarding:

- (i) Major decisions taken by the members in pursuance to section 180 (1) (a) and (c) of the Companies Act, 2013

I further report during the audit period, there were no instances of:

- (i) Public / Right / Preferential issue of shares / debentures / sweat equity or any other securities.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations

For **R. CHOUHAN & ASSOCIATES**

Rajendra Chouhan – Proprietor
Company Secretary In Practise

FCS No. 5118

C P No.: 3726

Place : Mumbai

Date : 05.05.2015

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:-** The Company has not entered into any transaction which is not on arms length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis:-**

| Name of the Party with which the Contract is entered into | Principal terms and conditions | | | Date of approval | Amount paid as advance |
|---|---|-----------------------|------------------|------------------|------------------------|
| | Tenor | Amount (Rs. in Lakhs) | Rate of interest | | |
| (a) sale, purchase or supply of any goods or materials | | | Nil | | |
| (b) selling or otherwise disposing of, or buying, property of any kind | | | Nil | | |
| (c) leasing of property of any kind | | | Nil | | |
| (d) availing or rendering of any services | | | Nil | | |
| (e) appointment of any agent for purchase or sale of goods, materials, services or property | | | Nil | | |
| (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company | | | Nil | | |
| (g) Underwriting the subscription of any securities or derivatives thereof, of the company. | | | Nil | | |
| (h) Loans:- i) To Subsidiaries ii) To Other Entities | The transactions are not covered under section 188 (1) of the Companies Act, 2013. Appropriate approvals have been taken for related party transactions. The same have been also disclosed and dealt with appropriately as required under Clause 49 VII of the Listing Agreement. | | | | |

For and on behalf of the Board of Directors

Place : Kolkata
Date : 13.05.2015

C.S. Nopany
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of SIL Investments Limited,

Report on the Financial Statements

We have audited the accompanying standalone financial statements of SIL INVESTMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the financial statement).

Management's Responsibility for the Standalone financial statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs. 1247.49 Lakhs as the same in the opinion of the management is not permanent in nature. However, there is

no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments (refer note .22.04 to the financial statements).

- b. Re-appointment of Managing Director w.e.f 25th January, 2015 and Remuneration of Rs. 4.45 Lakhs for the period 25.01.2015 to 31.03.2015 and Commission Rs.1.27 Lakhs is subject to approval of the Shareholder in the ensuing Annual General Meeting (refer note 22.05 D(a)(3 &4) to the financial statements).

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order ,2015 ('the Order '),issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013.

- (e) The shortfall in the value of certain long term investments and re-appointment of managing director and the remuneration as described in sub-paragraph (a) and (b) under the emphasis of matters paragraph above, in our opinion, shall have no adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The standalone financial statements disclose in impact of pending litigation on the financial position of the Company – Refer Note no.14(A) to the standalone financial statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivatives contract.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner

Camp: Kolkata
Dated: 13th May, 2015

Membership No. 14781

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: SIL INVESTMENTS LIMITED)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets of the Company have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company has no inventory. Accordingly clause 3(i) of the order is not applicable.
- (iii) The Company has granted loan to companies covered in the register maintained under Section 189 of the Companies Act, 2013 and receipt of the principal amount & interest are regular.
- (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 investments and fixed assets and for the sale of investments. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposit from the public. Therefore clause 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013.
- (vii) a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including, income-tax, service tax and other statutory dues applicable to it with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they became payable. Provident fund, employees state insurance, sales-tax, wealth tax, duty of customs, duty of excise, value added tax, and cess are not applicable to the company.
- b. According to the records of the Company, there are no dues outstanding of sales tax, wealth tax, duty of customs, duty of excise, value added tax, service tax and cess on account of any dispute except demand for Income Tax Rs.201.85 Lakhs relating to assessment year 2012-13 which is under appeal and lying with Commissioner of Income Tax (Appeal) Delhi.
- c. The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such funds within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has no dues to financial institutions, banks and debenture holders
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the information and explanations given to us, the company has not obtained any term loan during the year.
- (xii) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma
Partner
Membership No. 14781

Camp: Kolkata
Dated: 13th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015**(Rs. in lakhs)**

| Particulars | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|--|----------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds: | | | |
| Share Capital | 1 | 1060.65 | 1060.65 |
| Reserves and Surplus | 2 | 16553.39 | 15430.59 |
| | | 17614.04 | 16491.24 |
| Non-Current Liabilities: | | | |
| Deferred Tax Liabilities (Net) | 3 | 54.12 | 46.22 |
| Other Long-term Liabilities | 4 | 3.45 | 3.45 |
| Long-term Provisions | 5 | 8.48 | 6.35 |
| | | 66.05 | 56.02 |
| Current Liabilities : | | | |
| Short-term Borrowings | 6 | 7975.00 | 9000.00 |
| Other Current Liabilities | 7 | 34.30 | 52.68 |
| Short-term Provisions | 5 | 193.28 | 193.47 |
| | | 8202.58 | 9246.15 |
| TOTAL | | 25882.67 | 25793.41 |
| ASSETS | | | |
| Non-Current Assets : | | | |
| Fixed Assets - Tangible Assets | 8 | 199.45 | 211.32 |
| Non-Current Investments | 9 | 12555.77 | 12566.12 |
| Long-term Loans & Advances | 10 | 23.79 | 0.04 |
| | | 12779.01 | 12777.48 |
| Current Assets: | | | |
| Current Investments | 11 | 55.81 | 3.22 |
| Cash and Bank balances | 12 | 65.70 | 34.93 |
| Short-term Loans and Advances | 10 | 12663.44 | 12724.46 |
| Other Current Assets | 13 | 318.71 | 253.32 |
| | | 13103.66 | 13015.93 |
| TOTAL | | 25882.67 | 25793.41 |
| Contingent Liabilities and Commitments | 14 | | |
| Summary of significant accounting policies and other notes on accounts | 22 | | |

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| | | | (Rs. in lakhs) |
|---|----------|--|--|
| Particulars | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
| REVENUE : | | | |
| Revenue from Operations and Investments | 15 | 2542.88 | 2754.11 |
| Other Income | 16 | 190.60 | 55.34 |
| TOTAL REVENUE | | 2733.48 | 2809.45 |
| EXPENSES : | | | |
| Finance Costs | 17 | 1020.58 | 1311.62 |
| Employee Benefits Expense | 18 | 32.38 | 23.98 |
| Other Expenses | 19 | 102.15 | 80.46 |
| TOTAL | | 1155.11 | 1416.06 |
| Profit before depreciation and tax | | 1578.37 | 1393.39 |
| Depreciation | 20 | 8.32 | 6.43 |
| Profit before tax | | 1570.05 | 1386.96 |
| Tax Expense | | | |
| Current Tax | 21 | 279.93 | 208.00 |
| Deferred Tax | | 7.91 | (2.71) |
| Profit after Tax | | 1282.21 | 1181.67 |
| Basic & Diluted Earnings Per Equity Share (of Rs.10 each) | 22.07 | 12.10 | 11.15 |
| Summary of significant accounting policies and other notes on accounts | 22 | | |

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | | (Rs. In lakhs) |
|--|--|--|
| PARTICULARS | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| a. Net Profit before Tax | 1570.05 | 1386.96 |
| Adjustment for : | | |
| Depreciation | 8.32 | 6.43 |
| Contingent Provision made / (written back) against standard assets | (0.01) | (3.87) |
| Dividend on Long Term / Current Investments | (750.21) | (776.46) |
| Loss / (Profit) on Sale of Long Term / Current Investments | (1.61) | (5.42) |
| Excess provision / Liabilities written back | - | (0.01) |
| (Profit) on Sale of Fixed Assets | (148.79) | - |
| b. Operating Profit before working capital changes | 677.75 | 607.63 |
| Adjustment for : | | |
| Trade and other Receivables | (70.54) | 46.18 |
| Trade Payables | (19.37) | (60.03) |
| Loans to Subsidiary Companies (Net) | 69.00 | 997.00 |
| Loans to Bodies Corporate (Net) | - | 500.00 |
| Borrowing from Bodies Corporate (Net) | (1025.00) | (2100.00) |
| c. Cash Generated from Operations | (368.16) | (9.22) |
| Direct Taxes (paid) / Refund (Net) | (287.24) | (201.46) |
| Net Cash (used in)/from Operating Activities (A) | (655.40) | (210.68) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Long Term / Current Investments | 1428.97 | 719.10 |
| Dividend on Long Term / Current Investments | 750.21 | 776.46 |
| Purchase of Fixed Assets | (23.75) | - |
| Purchase of Investments | (1469.59) | (1144.77) |
| Sale of Fixed Assets | 152.34 | - |
| Net Cash used in Investing Activities (B) | 838.18 | 350.79 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividend paid and Tax on Distributed Profits | (154.96) | (154.96) |
| Net cash (used in) from Financing Activities (C) | (154.96) | (154.96) |
| Net increase/(decrease) in cash and cash Equivalents [(A)+(B)+(C)] | 27.82 | (14.85) |
| Cash and Cash Equivalents (Opening Balance) | 19.26 | 34.11 |
| Cash and Cash Equivalents (Closing Balance)* | 47.08 | 19.26 |
| (for components of cash & cash Equivalents - refer note - 12) | | |
| * Break-up as under :- | | |
| Cash Balance in hand | 0.01 | 0.01 |
| Balance with Banks | | |
| i) in Current Account | 47.07 | 19.25 |
| Total | 47.08 | 19.26 |
| Other bank Balances shown under appropriate activities | 18.62 | 15.67 |
| Cash & Bank Balances as per note - 12 | 65.70 | 34.93 |

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on "Cash Flow Statement".
- Previous year figure have been regrouped/restated wherever necessary.

In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelwa
S.S. Maheshwari
Directors

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

| (Rs. in lakhs) | | |
|--|---------------------------|---------------------------|
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 1 : Share Capital | | |
| Authorised | | |
| 1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs 10/- each | 1200.00 | 1200.00 |
| | 1200.00 | 1200.00 |
| Issued, subscribed and fully paid-up shares | | |
| 1,05,95,860 (Previous year 1,05,95,860) Equity Shares of Rs. 10/- each fully paid-up. | 1059.59 | 1059.59 |
| Add: Forfeited shares (No.of shares 35390)(Amount originally paid up) | 1.06 | 1.06 |
| | 1060.65 | 1060.65 |

Terms/ Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

Reconciliation of the number of Equity Shares outstanding:

| | | |
|--|-----------------|----------|
| Equity shares outstanding at the beginning of the year | 10595860 | 10595860 |
| Equity shares allotted during the year | — | — |
| Equity shares outstanding at the end the of the year | 10595860 | 10595860 |

Shareholder holding more than 5 percent equity shares of the Company:

| Sl. No. | Name of shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---------|---|------------------------|-----------------------|------------------------|-----------------------|
| | | Number of Shares held | Percentage of holding | Number of Shares held | Percentage of holding |
| 1 | Uttar Pradesh Trading Co.Ltd. | 2019339 | 19.06 | 2019339 | 19.06 |
| 2 | New India Retailing and Investment Ltd. | 1156550 | 10.92 | 1156550 | 10.92 |
| 3 | Hargaon Investment & Trading Co., Ltd. | 1140931 | 10.77 | 1140931 | 10.77 |
| 4 | Yashovardhan Investment & Trading Co.Ltd. | 991224 | 9.35 | 991224 | 9.35 |
| 5 | Birla Institute of Technology and Science | 752439 | 7.10 | 752439 | 7.10 |
| 6 | Earthstone Holding (Two) Pvt. Ltd. | 653580 | 6.17 | 653580 | 6.17 |
| 7 | Ronsan Traders Ltd. | 648249 | 6.12 | 648249 | 6.12 |

| (Rs. in lakhs) | | |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 2 : Reserves and Surplus | | |
| (i) Securities Premium Reserve | | |
| Balance as per last financial statement | 2817.31 | 2817.31 |
| (ii) Reserve Fund | | |
| Balance as per last financial statement | 1521.00 | 1284.00 |
| Add :Additions during the year | 257.00 | 237.00 |
| Closing Balance | 1778.00 | 1521.00 |
| (iii) General Reserve | | |
| Balance As per last financial statement | 5046.48 | 5016.88 |
| Add: Additions during the year | 32.10 | 29.60 |
| Closing Balance | 5078.58 | 5046.48 |

| (Rs. in lakhs) | | |
|--|---------------------------|---------------------------|
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 2 : Reserves and Surplus (Contd.) | | |
| (iv) Statement of Profit & Loss - Balance | | |
| Balance as per last financial statements | 6045.80 | 5285.69 |
| Add: Profit for the year | 1282.21 | 1181.67 |
| | <u>7328.01</u> | <u>6467.36</u> |
| Less: Allocation & Appropriation | | |
| Proposed Dividend @ | 132.45 | 132.45 |
| Corporate Dividend Tax | 26.96 | 22.51 |
| Transfer to Reserve Fund | 257.00 | 237.00 |
| Transfer to General Reserve | 32.10 | 29.60 |
| Total | <u>448.51</u> | <u>421.56</u> |
| Closing Balance | <u>6879.50</u> | <u>6045.80</u> |
| Total Reserve and Surplus (i to iv) | <u>16553.39</u> | <u>15430.59</u> |

@ The Board of Directors have recommended dividend of Rs.1.25(Previous year Rs.1.25) per Equity Share of Rs.10/- each for the year ended 31st March, 2015. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 3: Deferred Tax Liabilities (Net)

Deferred Tax Liability on account of:

| | | |
|--------------|--------------|--------------|
| Depreciation | 56.87 | 48.28 |
| | <u>56.87</u> | <u>48.28</u> |

Deferred Tax Assets on account of:

| | | |
|--|-------------|-------------|
| Accrued expenses deductible on payment basis | 2.75 | 2.06 |
| | <u>2.75</u> | <u>2.06</u> |

| | | |
|--|--------------|--------------|
| Deferred Tax Liability/(Assets) (Net) | <u>54.12</u> | <u>46.22</u> |
|--|--------------|--------------|

Note 4: Other Long Term Liabilities

| | | |
|------------------|-------------|-------------|
| Security Deposit | 3.45 | 3.45 |
| | <u>3.45</u> | <u>3.45</u> |

Note 5: Provisions

(Rs. in lakhs)

| Particulars | Long- term | | Short - term | |
|---|------------------|------------------|------------------|------------------|
| | As at | As at | As at | As at |
| | 31st March, 2015 | 31st March, 2014 | 31st March, 2015 | 31st March, 2014 |
| Provision for Employee Benefits | 8.48 | 6.35 | - | - |
| Proposed Dividend | - | - | 132.45 | 132.45 |
| Corporate Dividend Tax | - | - | 26.96 | 22.51 |
| Contingent Provisions ag. Standard Assets | - | - | 31.97 | 31.98 |
| Provision for taxation (Net of Advance Tax) | - | - | 1.90 | 6.53 |
| | <u>8.48</u> | <u>6.35</u> | <u>193.28</u> | <u>193.47</u> |

(Rs. in lakhs)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------|---------------------------|---------------------------|
|-------------|---------------------------|---------------------------|

Note 6: Short-term Borrowings**Secured (Short-term Loan)**

| | | |
|--|----------------|---------|
| From Bodies Corporate (Repayable on demand) | 7975.00 | 9000.00 |
|--|----------------|---------|

Secured by Pledge of 1,84,25,000 Equity Shares
(Previous year 3,14,80,000 Equity Shares) of Chambal
Fertilizers & Chemicals Ltd.; 20,70,500 Equity Shares
(Previous year 29,75,000 Equity Shares) of Zuari Global Ltd.;
1,57,5000 Equity Shares (Previous year 28,50,000 Equity Shares)
of Zuari Agro Chemicals Ltd.; 12,000 Equity Shares (Previous year
12,000 Equity Shares) of ITC Limited; 10,000 Equity Shares
(Previous year 10,000 Equity Shares) of Reliance Industries Ltd. and
30,000 Equity Shares (Previous year 3,000 Equity Shares) of State
Bank of India
(Rate of Interest @ 11.00% to 12.85%p.a.)

| | |
|----------------|----------------|
| 7975.00 | 9000.00 |
|----------------|----------------|

Note 7: Other Current Liabilities

| | | |
|--|--------------|-------|
| Interest Accrued but not due on borrowings | 4.88 | 27.89 |
| Unpaid Dividend | 18.62 | 15.52 |
| Statutory dues | 4.21 | 3.99 |
| Directors' Commission | 3.39 | 2.25 |
| Others | 3.20 | 3.03 |
| | 34.30 | 52.68 |

Note 8 - Fixed Assets

(Rs. in lakhs)

| Description | GROSS BLOCK COST / BOOK VALUE | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|----------------------------------|----------|-------------|------------------------------|------------------------------|---|-------------|------------------------------|------------------------------|------------------------------|
| | As at 31st March, 2014 | Addition | Deduction | As at 31st March, 2015 | As at 31st March, 2014 | For the Year ended 31st March, 2015 | Deduction | As at 31st March, 2015 | As at 31st March, 2015 | As at 31st March, 2014 |
| Tangible Assets | | | | | | | | | | |
| - Buildings | 252.56 | - | 9.81 | 242.75 | 72.35 | 3.66 | 6.26 | 69.75 | 173.00 | 180.21 |
| - Office Equipments | 2.86 | - | - | 2.86 | 0.39 | 0.99 | - | 1.38 | 1.48 | 2.47 |
| - Furniture & Fixtures | 34.55 | - | - | 34.55 | 5.91 | 3.67 | - | 9.58 | 24.97 | 28.64 |
| Total | 289.97 | - | 9.81 | 280.16 | 78.65 | 8.32 | 6.26 | 80.71 | 199.45 | 211.32 |
| Previous Year | 289.97 | - | - | 289.97 | 72.22 | 6.43 | - | 78.65 | 211.32 | 217.75 |

Note: Buildings include cost of Ownership premises in Co-operative Housing Societies.

| (Rs. in lakhs) | | | | |
|--|------------------|-------------------------------|------------------------------|------------------------------|
| Particulars | Shares (Nos.) | Face Value Shares (Rs.) | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 9: Non-Current Investments | | | | |
| (Valued at Cost) | | | | |
| Long Term Investment (Non-Trade) | | | | |
| A QUOTED (Fully paid-up) | | | | |
| Zuari Global Ltd. | 3208000 * | 10 | 362.40 | 362.40 |
| | (3208000) | | | |
| Chambal Fertilisers & Chemicals Ltd. | 31813455 * | 10 | 5223.44 | 5223.44 |
| | (31813455) | | | |
| Digjam Limited | 45 | 10 | 0.06 | 0.06 |
| | (45) | | | |
| Upper Ganges Sugar & Inds. Ltd. | 1547016 | 10 | 1816.72 | 1816.72 |
| | (1547016) | | | |
| Sutlej Textiles and Industries Ltd. | 75000 | 10 | 5.01 | 5.01 |
| | (75000) | | | |
| CIMMCO Limited | 658 | 10 | 0.59 | 0.59 |
| | (658) | | | |
| Zuari Agro Chemicals Ltd. | 3208000 * | 10 | 434.96 | 434.96 |
| | (3208000) | | | |
| Balrampur Chini Mills Limited | 30000 | 1 | 13.12 | 13.12 |
| | (30000) | | | |
| Electrosteel Steels Ltd. | - + | 10 | | 10.35 |
| | (215000) | | | |
| ITC Limited | 15000 * | 1 | 46.00 | 46.00 |
| | (15000) | | | |
| Reliance Industries Limited | 11250 * | 10 | 86.68 | 86.68 |
| | (11250) | | | |
| Shree Renuka Sugars Limited | 35000 | 1 | 7.62 | 7.62 |
| | (35000) | | | |
| State Bank of India | 42500* @ | 1 | 87.05 | 87.05 |
| | (4250) | 10 | | |
| | | | 8083.65 | 8094.00 |

*Refer Note No.6 for Pledge of Shares.

+ Equity shares sold during the year

@Sub-division of shares.

| Particulars | Shares (Nos.) | Face Value Shares (Rs.) | (Rs. in lakhs) | |
|-------------|------------------|-------------------------------|------------------------------|------------------------------|
| | | | As at 31st March, 2015 | As at 31st March, 2014 |

Note 9: Non-Current Investments (Contd...)**B. UNQUOTED (Fully paid-up)****i) In Equity Shares of Subsidiary Companies:**

| | | | | |
|-----------------------------------|------------------------|----|----------------|---------|
| RTM Investment & Trading Co.Ltd.# | 19516787 (19516787) | 10 | 2190.83 | 2190.83 |
| SCM Investment & Trading Co.Ltd. | 15509199 (15509199) | 10 | 1870.07 | 1870.07 |
| SIL Properties Limited | 1978597 (1978597) | 10 | 197.86 | 197.86 |
| RTM Properties Limited* | 1978597 (1978597) | 10 | 197.86 | 197.86 |

*Wholly owned

Wholly owned upto 17.03.2015

| | |
|----------------|---------|
| 4456.62 | 4456.62 |
|----------------|---------|

ii) In Equity Shares of other Companies:

| | | | | |
|---|--------------------|-----|--------------|-------|
| Birla Buildings Limited | 15000 (15000) | 10 | 1.50 | 1.50 |
| Eastern Economic Limited | 400 * (400) | 100 | 0.20 | 0.20 |
| Mackenzies Limited | 1 * (1) | 100 | - | - |
| Mafatlal Engg. & Inds. Ltd. | 700 * (700) | 100 | 0.61 | 0.61 |
| GMB Investments Pvt. Ltd. | 140000 (140000) | 10 | 14.00 | 14.00 |
| | | | 16.31 | 16.31 |
| * Less: Provision for diminution in value | | | -0.81 | -0.81 |
| | | | 15.50 | 15.50 |

iii) 6% Redeemable Non-Cummulative Non-Convertible

| | | | | |
|---|-------|---|----------------|---------|
| Preference Shares of Nirma Limited | 112 * | 1 | - | - |
| * Redeemed during the year | | | 4472.12 | 4472.12 |

AGGREGATE VALUE OF INVESTMENTS (Refer Note 22.04)

| | | | | |
|---|--|--|-----------------|----------|
| Aggregate of: | | | 12555.77 | 12566.12 |
| Quoted Investments | | | 8083.65 | 8094.00 |
| Unquoted Investment | | | 4472.12 | 4472.12 |
| | | | 12555.77 | 12566.12 |
| Aggregate Market Value of Quoted Investments | | | 32839.52 | 20165.05 |

Note: Figures in brackets represents previous year's no. of shares.

| Particulars | (Rs. in lakhs) | | | |
|-------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Long- term | | Short - term | |
| | As at 31st March,2015 | As at 31st March,2014 | As at 31st March,2015 | As at 31st March,2014 |

Note 10: Loans And Advances

(Unsecured, Considered Good unless otherwise stated)

| | | | | |
|---|--------------|------|-----------------|----------|
| Loan to Subsidiary Companies | - | - | 4569.75 | 4638.75 |
| Loan to Bodies Corporate* | - | - | 7900.00 | 7900.00 |
| Capital Advance | 23.75 | - | - | - |
| Security Deposit | 0.04 | 0.04 | - | - |
| Advance Recoverable in Cash or in kind | | | | |
| Considered Good | - | - | 16.37 | 12.34 |
| Others Loan and Advances | | | | |
| Income Tax Refund Receivable | - | - | 133.75 | 32.94 |
| Advance Tax (Net of provisions for Taxation) | - | - | 42.31 | 140.43 |
| Prepaid Expenses | - | - | 1.26 | - |
| Total | 23.79 | 0.04 | 12663.44 | 12724.46 |

**including to related party Rs.1500 Lakhs (Previous year Rs.1500 Lakhs)

| Particulars | Units (Nos.) | NAV Unit (Rs.) | (Rs. in lakhs) | |
|-------------|-----------------|----------------------|---------------------------|--------------------------|
| | | | As at 31st March, 2015 | As at 31st March,2014 |

Note 11: Current Investments**Unquoted (Fully paid-up) (Non-Trade)****Investments in Mutual Fund**

(at cost or Fair Value, whichever is lower)

| | | | | |
|---|-----------|-------------|--------------|------|
| UTI Mutual Fund - Treasury Advantage Fund | 5567.747 | 1002.3211 | 55.80 | 3.21 |
| Institutional Plan (Daily Dividend) Reinvest option | (321.085) | (1002.3211) | | |
| HDFC Liquid Fund Premium Plan Growth | 24.191 | 28.0438 | 0.01 | 0.01 |
| | (24.191) | (25.7260) | | |
| Aggregate Market value of Unquoted Investments | | | 55.81 | 3.22 |

| Particulars | (Rs. in lakhs) | |
|-------------|---------------------------|--------------------------|
| | As at 31st March, 2015 | As at 31st March,2014 |

Note 12: Cash & Bank Balances**a) Cash and Cash equivalents**

| | | |
|----------------------|--------------|-------|
| Cash Balance on Hand | 0.01 | 0.01 |
| Balance with Banks | | |
| in Current Account | 47.07 | 19.25 |

b) Earmarked Balances with Bank

| | | |
|--------------------------------|--------------|-------|
| i) Unpaid Dividend | 18.62 | 15.52 |
| ii) Employees Security Deposit | - | 0.15 |
| | 65.70 | 34.93 |

Note 13: Other Current Assets

| | | |
|---|---------------|--------|
| Interest accrued and due on Intercompany Loans (Including from subsidiary companies Rs.157.81 Lakhs & related party Rs.30.55 Lakhs - previous year from subsidiary companies Rs.164.24 Lakhs & related party Rs.16.91 Lakhs) | 318.71 | 253.32 |
| | 318.71 | 253.32 |

(Rs. in lakhs)

Note 14: Contingent Liabilities and Commitments

As at
31st March, 2015 As at
31st March, 2014

| | | |
|--|--------|---|
| A) Contingent Liabilities (not provide for) Demand for Income Tax, under appeal | 201.85 | - |
| B) Commitments: Estimated amount of contract remaining to be executed on Capital Account [Net of advance Rs.23.75 Lakhs (previous year Rs. Nil)] and not provide for. | 213.75 | - |

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lakhs)

| Particulars | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|-------------|---|---|
|-------------|---|---|

Note 15: Revenue from Operations and Investments

| | | |
|--|----------------|----------------|
| Interest from subsidiaries on Loans and Deposits | 658.65 | 747.21 |
| Interest from other Companies on Loans and Deposits | 1132.41 | 1225.02 |
| Dividend on Non-Current Investments - other than trade | 742.62 | 772.52 |
| Dividend on Current Investments | 7.59 | 3.94 |
| Profit on sale of Current Investments | - | 0.14 |
| Profit on Sale of Non-Current Investments (Net) | 1.61 | 5.28 |
| | <u>2542.88</u> | <u>2754.11</u> |

Note 16: Other Income

| | | |
|--|---------------|--------------|
| Rent | 40.80 | 38.46 |
| Interest from Income Tax Department | - | 12.94 |
| Interest on Bank Deposit | - | 0.01 |
| Income relating to previous year (Net) | - | 0.05 |
| Contingent Provisions against Standard Assets written back | 0.01 | 3.87 |
| Miscellaneous Income | 1.00 | - |
| Sundry Credit balance written back | - | 0.01 |
| Profit on Sale of Fixed Assets | 148.79 | - |
| | <u>190.60</u> | <u>55.34</u> |

Note 17: Finance costs

| | | |
|-----------------------------------|----------------|----------------|
| Interest Expenses | 1012.35 | 1269.53 |
| Interest to Income Tax Department | 2.03 | - |
| Other Borrowing costs | 6.20 | 42.09 |
| | <u>1020.58</u> | <u>1311.62</u> |

Note 18: Employee Benefits Expense

| | | |
|------------------------|--------------|--------------|
| Salaries, etc. | 31.59 | 23.23 |
| Staff welfare expenses | 0.79 | 0.75 |
| | <u>32.38</u> | <u>23.98</u> |

| Particulars | (Rs. in lakhs) | |
|--|---|---|
| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
| Note 19: Other Expenses | | |
| Insurance | 0.92 | 0.39 |
| Rates and Taxes | 0.17 | 0.11 |
| Repairs and Maintenance: | | |
| Buildings | 4.14 | 4.37 |
| Others | 0.16 | 0.06 |
| Travelling Expenses | 55.54 | 42.72 |
| Advertisement Expenses | 5.11 | 4.51 |
| Legal & Professional Fee | 12.77 | 16.36 |
| Miscellaneous Expenses | 12.72 | 7.14 |
| Auditor's Remuneration: | | |
| As Audit Fee | 0.39 | 0.39 |
| In other Capacity, for | | |
| Certifications and other matters | 0.20 | 0.14 |
| Expenses Relating to previous year (Net) | 3.97 | - |
| Directors' Commission & Fees | 6.06 | 4.27 |
| | <u>102.15</u> | <u>80.46</u> |

Note 20: Depreciation

| | | |
|--|-------------|-------------|
| Depreciation of tangible assets (Refer Note No.8) | 8.32 | 6.43 |
| | <u>8.32</u> | <u>6.43</u> |

Note 21: Current Tax

| | | |
|--|---------------|---------------|
| Current Tax for the year | 275.00 | 208.00 |
| Current Tax adjustments for earlier year (Net) | 4.93 | - |
| | <u>279.93</u> | <u>208.00</u> |

Note 22 : Summary of significant accounting policies and other notes on accounts:**22.01 Nature of Operations**

The main business of the Company is of investments and financing activities.

22.02 Summary of significant accounting policies**(A) Basis of Accounting**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified under Section 133 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis except claims/refund which are accounted for on receipt basis due to uncertainties. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(B) Revenue Recognition

Income from Investments and financing activities is taken into account when it become accrue to the Company.

(C) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses and erection/commissioning expenses etc.

(D) Depreciation

- i) Depreciation on the fixed assets has been charged at Straight Line method with reference to the economic useful life of its fixed assets as per prescribed by Schedule II to the Companies Act, 2013.
- ii) Depreciation on the fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

(E) Investments

Non-Current (Long term) investments are stated at cost. The Company provides for diminution, other than temporary, in the value of Long term investments. Current investments are valued at lower of cost or fair value.

(F) Retirement Benefits

- a) Retirement benefits in the form of Provident Fund is not applicable to the Company as the total number of employees are below the minimum required number of employees under payment of Employees Provident Fund (Misc. Provisions) Act, 1952.
- b) Gratuity has not been provided as the Payment of Gratuity Act is not applicable to the Company as total number of employees are below the minimum required number of employees under Payment of Gratuity Act, 1972.
- c) Year end leave encashment benefit is provided for on accrual basis.

(G) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

22.03 As there is only one segment in the Company, hence Segment Reporting (AS-17) is not applicable.

22.04 There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs.1247.49 Lakhs (Previous year Rs.1376.04 Lakhs) as the same in the opinion of the management is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments.

22.05 RELATED PARTY DISCLOSURE**A Subsidiaries**

- SCM Investment & Trading Co.Ltd.
- RTM Investment & Trading Co.Ltd.
- SIL Properties Ltd.
- RTM Properties Ltd.

B Key Management Personnel and their relatives

Mrs. Shalini Nopany (Managing Director)

C Enterprise owned or significantly influenced by Key Management Personnel and their relatives

The Oudh Sugar Mills Limited

D Transactions with Related Parties during the year:

| (Rs. in lakhs) | | | |
|---|--------------|--|--|
| Particulars | Subsidiaries | Key Management personnel and their relatives | Enterprise owned or significantly influenced by Key Management Personnel and their relatives |
| (a) Intercorporate Loan placed | | | |
| 1 - The Oudh Sugar Mills Ltd. | | | 1500.00 |
| - RTM Investment & Trading Co.Ltd. | (500.00) | - | (1100.00) |
| 2 Intercorporate Loan received back | | | |
| - SCM Investment & Trading Co.Ltd. | 69.00 | | |
| - RTM Investment & Trading Co.Ltd. | (322.00) | - | |
| - The Oudh Sugar Mills Ltd. | (1175.00) | | 1500.00 |
| | | | (-) |
| 3 Remuneration to Managing Director | | 19.11* | |
| 4 Commission to Managing Director | | (18.00) | |
| | | 1.27* | |
| | | (-) | |
| 5 Interest income on Intercorporate Loan | | | |
| - SCM Investment & Trading Co.Ltd. | 225.07 | | |
| - RTM Investment & Trading Co. Ltd. | (256.41) | | |
| - The Oudh Sugar Mills Ltd. | 433.58 | | |
| | (490.80) | | 215.01 |
| | | | (220.81) |
| (b) Balance outstanding as on 31.03.2015 | | | |
| Incorporate Loan receivable | | | |
| - SCM Investment & Trading Co.Ltd. | 1545.00 | | |
| - RTM Investment & Trading Co.Ltd. | (1614.00) | | |
| - The Oudh Sugar Mills Ltd. | 3024.75 | | |
| | (3024.75) | | 1500.00 |
| | | | (1500.00) |
| (c) Interest receivable on Intercorporate Loan as on 31.03.2015. | | | |
| - SCM Investment & Trading Co. Ltd. | 31.47 | | |
| - RTM Investment & Trading Co.Ltd. | (18.21) | | |
| - The Oudh Sugar Mills Ltd. | 126.34 | | |
| | (146.03) | | 30.55 |
| | | | (16.91) |

*Re-appointment of Managing Director w.e.f. 25th January, 2015 and remuneration of Rs.4.45 lakhs for the period from 25.01.2015 to 31.03.2015 and commission of Rs.1.27 lakhs is subject to approval of the Shareholders in the ensuing Annual General Meeting.

Note : 1. The above information has been identified on the basis of information available with the Company and relied upon by the Auditors.

2. Figures in bracket represent previous year's amounts.

22.06 DISCLOSURES AS PER CLAUSE 32 OF THE LISTING AGREEMENT

| | | (Rs. in lakhs) |
|------------------------------------|---|--|
| Particulars | Balance as on 31.03.2015 (31.03.2014) | Maximum outstanding amount of loan during the year (Previous year) |
| Loan to Subsidiaries: | | |
| - SCM Investment & Trading Co.Ltd. | 1545.00 (1614.00) | 1614.00 (1936.00) |
| - RTM Investment & Trading Co.Ltd. | 3024.75 (3024.75) | 3024.75 (3699.75) |

22.07 Earnings per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share :

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|---|---|
| Profit attributable to the Equity Shareholders(A) (Rs. in lakhs) | 1282.21 | 1181.67 |
| Number of Equity Shares (B) | 10595860 | 10595860 |
| Nominal Value of Equity Share (Rs.) | 10 | 10 |
| Basic and Diluted Earnings per Share (Rs.) A/B | 12.10 | 11.15 |

22.08 EXPENDITURE IN FOREIGN CURRENCY (On Accrual Basis)

(Rs. in lakhs)

| Particulars | 2014-15 | 2013-14 |
|---------------------|---------|---------|
| Director Travelling | 14.72 | 6.29 |

22.09 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|---|---|
| Amount of Dividend related to 2013-14 remitted in Foreign Exchange (Rs. in lakhs) | - | - |
| Number of Non-Resident Shareholders | 75 | 75 |
| Number of Shares held by such Non-Resident Shareholders | 20696 | 18101 |
| # Deposited in Indian Rupees in the Bank Accounts maintained by the shareholders in India. | | |

22.10 Previous year figures have been reclassified/regrouped to conform current year figures.

Signature to Notes 1 to 22.10

In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E

S.N. Sharma

Partner

Membership No. 014781

Camp : Kolkata

Dated : 13th May, 2015

Lokesh Gandhi

Secretary

Shalini Nopany

Managing Director

C.S. Nopany

Chairman

Sanjay Goenka

Subroto Lahiri

S.K. Khandelia

S.S. Maheshwari

Directors

SCHEDULE TO THE BALANCE SHEET OF NON -BANKING FINANCIAL COMPANY
(As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in lakhs)

| Particulars | Amount Outstanding | | Amount Overdue | |
|---|---------------------|---------------------|--------------------|--------------------|
| | As at 31.03.2015 | As at 31.03.2014 | As at 31.3.2015 | As at 31.3.2014 |
| Liabilities Side | | | | |
| 1) Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid | | | | |
| (a) Debentures: Secured | Nil | Nil | Nil | Nil |
| Unsecured (Other than falling within the meaning of Public Deposits) | Nil | Nil | Nil | Nil |
| (b) Deferred Credits | Nil | Nil | Nil | Nil |
| (c) Term Loans | Nil | Nil | Nil | Nil |
| (d) Inter-Corporate Loans and Borrowings (including interest accrued & due thereon) | 7979.88 | 9027.89 | Nil | Nil |
| (e) Commercial Paper | Nil | Nil | Nil | Nil |
| (f) Other Loans (specify nature) | Nil | Nil | Nil | Nil |
| Assets Side | | | | |
| 2) Break-up of Loans and Advances including Bills receivables (other than those included in (3) below) | | | | |
| (a) Secured | Nil | Nil | | |
| (b) Unsecured (including Interest accrued thereon) | 12788.46 | 12792.07 | | |
| 3) Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities | | | | |
| (i) Lease Assets including lease rentals under sundry debtors: | Nil | Nil | | |
| (a) Financial Lease | | | | |
| (b) Operating Lease | | | | |
| (ii) Stock on hire including hire charges under sundry debtors | | | | |
| (a) Assets on Hire | Nil | Nil | | |
| (b) Repossessed Assets | Nil | Nil | | |
| (iii) Other Loans counting towards AFC activities | | | | |
| (a) Loans where assets have been repossessed | Nil | Nil | | |
| (b) Loans other than (a) above | Nil | Nil | | |
| 4) Break-up of Investments: | | | | |
| Current Investments: | | | | |
| 1. Quoted: | | | | |
| (i) Shares (a) Equity | Nil | Nil | | |
| (b) Preference | Nil | Nil | | |
| (ii) Debentures and Bonds | Nil | Nil | | |
| (iii) Units of Mutual Funds | Nil | Nil | | |
| (iv) Government Securities | Nil | Nil | | |
| (v) Others (please specify) | Nil | Nil | | |
| 2. Unquoted | | | | |
| (i) Shares (a) Equity | Nil | Nil | | |
| (b) Preference | Nil | Nil | | |
| (ii) Debentures and Bonds | Nil | Nil | | |
| (iii) Units of Mutual Funds (UTI) | 55.81 | 3.22 | | |
| (iv) Government Securities | Nil | Nil | | |
| (v) Others (please specify) | Nil | Nil | | |

Long Term Investments

1. Quoted:

| | | | |
|-----------------------------|----------------|----------------|---------|
| (i) Shares | (a) Equity | 8083.65 | 8094.00 |
| | (b) Preference | Nil | Nil |
| (ii) Debentures and Bonds | | Nil | Nil |
| (iii) Units of Mutual Funds | | Nil | Nil |
| (iv) Government Securities | | Nil | Nil |
| (v) Others (please specify) | | Nil | Nil |

2. Unquoted

| | | | |
|-----------------------------|----------------|----------------|---------|
| (i) Shares | (a) Equity | 4472.12 | 4472.12 |
| | (b) Preference | Nil | Nil |
| (ii) Debentures and Bonds | | Nil | Nil |
| (iii) Units of Mutual Funds | | Nil | Nil |
| (iv) Government Securities | | Nil | Nil |
| (v) Others (please specify) | | Nil | Nil |

5) Borrower group-wise classification of Assets financed as in (2) and (3) above

| Category | Amount net of provisions (Rs. in lakhs) | | | | | |
|---------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Secured | | Unsecured | | Total | |
| | As at 31.3.2015 | As at 31.3.2014 | As at 31.3.2015 | As at 31.3.2014 | As at 31.3.2015 | As at 31.3.2014 |
| 1. Related Parties | | | | | | |
| (a) Subsidiaries | Nil | Nil | 4727.56 | 4802.99 | 4727.56 | 4802.99 |
| (b) Companies in the same group | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) Other related parties | Nil | Nil | 1530.55 | 1516.91 | 1530.55 | 1516.91 |
| 2. Other than related parties | Nil | Nil | 6530.35 | 6472.17 | 6530.35 | 6472.17 |
| Total | Nil | Nil | 12788.46 | 12792.07 | 12788.46 | 12792.07 |

6) Investor group-wise classification of all investments

(current and long term) in shares and securities both quoted and unquoted)

(Rs. in lakhs)

| Category | Market Value/Break up or Fair Value of NAV | | Book Value (Net of Provisions) | |
|---------------------------------|---|--------------------|-----------------------------------|--------------------|
| | As at 31.3.2015 | As at 31.3.2014 | As at 31.3.2015 | As at 31.3.2014 |
| | | | | |
| 1. Related Parties | | | | |
| (a) Subsidiaries | 6729.41 | 6703.81 | 4456.62 | 4456.62 |
| (b) Companies in the same group | Nil | Nil | Nil | Nil |
| (c) Other related parties | Nil | Nil | Nil | Nil |
| 2. Other than related parties | 33043.77 | 20307.76 | 8154.95 | 8112.72 |
| Total | 39773.18 | 27011.57 | 12611.57 | 12569.34 |

* Certain unquoted investments value Rs.15.50 lacs (breakup value Rs.148.44 lacs) (previous year Rs.142.71 lacs) being long term in nature have been valued at cost.

7) Other Information

| Particulars | Amount (Rs. in lakhs) |
|--|-----------------------|
| i) Gross Non-Performing Assets | |
| (a) Related Parties | Nil |
| (b) Other than related parties | Nil |
| ii) Net Non-Performing Assets | |
| (a) Related Parties | Nil |
| (b) Other than related parties | Nil |
| iii) Assets acquired in satisfaction of debt | Nil |

8) Exposures**Exposure to Real Estate Sector****Nil****Asset Liability Management****Maturity pattern of certain items of assets and liabilities**

| | 1 day to 30/31 days one month | Over 1 month to 2 months | Over 2 months upto 3 months | Over 3 months upto 6 months | Over 6 months upto 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 year | Total |
|--------------------------|--|--------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------|------------------------------|----------------|----------------------|
| Liabilities | | | | | | | | | |
| Borrowings from Banks | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Market Borrowings | | | | 1875.00 (6500.00) | 4600.00 (2500.00) | 1500.00 | | | 7975.00 (9000.00) |
| Assets | | | | | | | | | |
| Advances | | | | | 12469.75 (12538.75) | | | | |
| Investments* | | | | 55.81 (3.22) | | | | | |

*Maturity pattern for long term investments in equity shares cannot be identified, however, Company intend to keep it for long period.

Figures in bracket represent previous year.

In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E

S.N. Sharma

Partner

Membership No. 014781

Camp : Kolkata

Dated : 13th May, 2015

Lokesh Gandhi

Secretary

Shalini Nopany

Managing Director

C.S. Nopany

Chairman

Sanjay Goenka**Subroto Lahiri****S.K. Khandelia****S.S. Maheshwari**

Directors

INDEPENDENT AUDITOR'S REPORT

To the Members of SIL Investments Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SIL Investments Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, insufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a. There is shortfall in the market value of certain long term investments in shares. However, the Group has not made provision in respect of such shortfall aggregating to Rs. 4447.08 Lakhs as the same in the opinion of the management is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments (Refer note 23.03 to the consolidated financial statements).

- b. Re-appointment of Managing Director w.e.f 25th January, 2015 and Remuneration of Rs. 4.45 Lakhs for the period 25.01.2015 to 31.03.2015 and Commission Rs.1.27 Lakhs is subject to approval of the Shareholder in the ensuing Annual General Meeting (Refer note 23.04(a)(3&4) to the consolidated financial statements).

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 14069.00 Lakhs as at 31st March, 2015, total revenues of Rs. 243.06 Lakhs and net cash flows amounting to Rs. 10.91 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with

by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The shortfall in the value of certain long term investments and re-appointment of managing director and the remuneration as described in sub-paragraph (a) and (b) under the emphasis of matters paragraph above, in our opinion, shall have no adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 15(a) to the consolidated financial statements).
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner

Camp: Kolkata

Date: 13th May, 2015

Membership No. 14781

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: SIL Investments Limited and its Subsidiaries)

- (i) a. The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets of the Group have been physically verified by the respective management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Group and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Group has no inventory. Accordingly clause 3(i) of the order is not applicable.
- (iii) The Group has granted loan to companies covered in the register maintained under Section 189 of the Companies Act, 2013 and receipt of the principal amount & interest are regular.
- (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 Group and the nature of its business, for the purchase of investments and fixed assets and for the sale of investments. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Group in respect of these areas.
- (v) The Group has not accepted any deposit from the public. Therefore, clause 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013.
- (vii) a. According to the records of the Group, the Group is generally regular in depositing undisputed statutory dues including, income-tax, service tax and other statutory dues applicable to it with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable. Provident fund, employees state insurance, sales-tax, wealth tax, duty of customs, duty of excise, value added tax, and cess are not applicable to the Group.
- b. According to the records of the Group, there are no dues outstanding of sales tax, wealth tax, duty of customs, duty of excise, value added tax, service tax and cess on account of any dispute, except demand for Income Tax Rs. 201.85 Lakhs relating to assessment year 2012-13 which is under appeal and lying with Commissioner of Income Tax (Appeal) Delhi.
- c. The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such funds within time.
- (viii) The Group has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Group has no dues to financial institutions, bank and debenture holders.
- (x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Group has not obtained any term loan during the year.
- (xii) Based on examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practice in India by us and according to the information and explanations given to us and based on the reports' of the auditors of the subsidiaries, no fraud on or by the Group has been noticed or reported during the year.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma
Partner
Membership No. 14781

Camp: Kolkata
Date: 13th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in lakhs)

| Particulars | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|--|----------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds: | | | |
| Share Capital | 1 | 1060.65 | 1060.65 |
| Reserves and Surplus | 2 | 18650.66 | 17605.00 |
| | | 19711.31 | 18665.65 |
| Minority Interest | | 830.76 | 797.93 |
| Non-Current Liabilities: | | | |
| Deferred Tax Liabilities (Net) | 3 | 54.12 | 46.22 |
| Other Long-term Liabilities | 4 | 3.45 | 3.45 |
| Long-term Provisions | 5 | 8.47 | 6.35 |
| | | 66.04 | 56.02 |
| Current Liabilities : | | | |
| Short-term Borrowings | 6 | 8025.00 | 9000.00 |
| Other Current Liabilities | 7 | 59.11 | 73.31 |
| Short-term Provisions | 5 | 209.18 | 213.87 |
| | | 8293.29 | 9287.18 |
| TOTAL | | 28901.40 | 28806.78 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets: | | | |
| - Tangible Assets | 8.1 | 1556.08 | 1704.53 |
| - Intangible Assets | 8.2 | 0.02 | 0.02 |
| Non-Current Investments | 9 | 13914.62 | 13914.98 |
| Other Long-term Loans & Advances | 10 | 28.14 | 4.35 |
| | | 15498.86 | 15623.88 |
| Current Assets: | | | |
| Current Investments | 11 | 55.81 | 3.22 |
| Trade Receivable | 12 | 8.61 | 2.77 |
| Cash and Bank balances | 13 | 85.32 | 43.64 |
| Short-term Loans and Advances | 10 | 13006.88 | 12967.32 |
| Other Current Assets | 14 | 245.92 | 165.95 |
| | | 13402.54 | 13182.90 |
| TOTAL | | 28901.40 | 28806.78 |
| Contingent Liabilities and Commitments | 15 | | |
| Summary of significant accounting policies and other notes on accounts | 23 | | |

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelwa
S.S. Maheshwari
Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lakhs)

| Particulars | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|----------|--|--|
| REVENUE : | | | |
| Revenue from Operations and Investments | 16 | 2675.48 | 2846.42 |
| Other Income | 17 | 226.86 | 98.37 |
| TOTAL REVENUE | | 2902.34 | 2944.79 |
| EXPENSES : | | | |
| Finance Costs | 18 | 1020.87 | 1311.62 |
| Employee Benefits Expense | 19 | 32.38 | 23.98 |
| Other Expenses | 20 | 134.33 | 118.61 |
| TOTAL | | 1187.58 | 1454.21 |
| Profit before depreciation & tax | | 1714.76 | 1490.58 |
| Depreciation | 21 | 145.40 | 37.44 |
| Profit before tax | | 1569.36 | 1453.14 |
| Tax Expense | | | |
| Current Tax | 22 | 323.57 | 251.51 |
| Deferred Tax | | 7.90 | (2.71) |
| Profit after Tax | | 1237.89 | 1204.34 |
| Share of Minority Interest | | (9.40) | (15.21) |
| Profit for the year(After adjustment of Minority Interest) | | 1228.49 | 1189.13 |
| Basic & Diluted Earnings Per Equity Share (of Rs.10 each) | 23.05 | 11.59 | 11.22 |
| Summary of significant accounting policies and other notes on accounts | 23 | | |

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| PARTICULARS | (Rs. In lakhs) | |
|--|--|--|
| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| a. Net Profit before Tax | 1569.36 | 1453.14 |
| Adjustment for : | | |
| Depreciation | 145.40 | 37.44 |
| Contingent Provision made / (written back) against standard assets | (0.01) | (3.87) |
| Dividend on Long Term / Current Investments | (837.98) | (851.28) |
| Loss / (Profit) on Sale of Long Term / Current Investments | (1.61) | (5.42) |
| (Profit) on Sale of Fixed Assets | (148.79) | - |
| Excess provision / Liabilities written back | - | (0.01) |
| b. Operating Profit before working capital changes | 726.37 | 630.00 |
| Adjustment for : | | |
| Trade and other Receivables | (90.88) | 58.62 |
| Trade Payables | (15.17) | (76.13) |
| Loans to Bodies Corporate (Net) | - | 1362.50 |
| Borrowing from Bodies Corporate (Net) | (975.00) | (2100.00) |
| c. Cash Generated from Operations | (354.68) | (125.01) |
| Direct Taxes (paid) / Refund (Net) | (367.07) | (183.85) |
| Net Cash (used in)/from Operating Activities (A) | (721.75) | (308.86) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Long Term / Current Investments | 1428.96 | 719.10 |
| Dividend on Long Term / Current Investments | 837.98 | 851.28 |
| Purchase of Fixed Assets | (24.25) | - |
| Sale of Fixed Assets | 152.34 | - |
| Purchase of Investments | (1479.59) | (1135.67) |
| Net Cash used in Investing Activities (B) | 915.44 | 434.71 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividend paid and Tax on Distributed Profits | (154.96) | (154.96) |
| Net cash from Financing Activities (C) | (154.96) | (154.96) |
| Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C) | 38.73 | (29.11) |
| Cash and Cash Equivalents (Opening Balance) | 27.97 | 57.08 |
| Cash and Cash Equivalents (Closing Balance)* | 66.70 | 27.97 |
| (for components of cash & cash equivalent - refer note - 12) | | |
| * Break-up as under :- | | |
| Cash Balance in hand | 2.00 | 1.12 |
| Balance with Banks | | |
| i) Current Account | 64.70 | 26.85 |
| Total | 66.70 | 27.97 |
| Other bank Balances shown under appropriate activities | 18.62 | 15.67 |
| Cash & Bank Balance as per note - 12 | 85.32 | 43.64 |

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on "Cash Flow Statement".
- Previous year figure have been regrouped/restated wherever necessary.

In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelwa
S.S. Maheshwari
Directors

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

| Particulars | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 1 : Share Capital | | |
| Authorised | | |
| 1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs 10/- each | 1200.00 | 1200.00 |
| | <u>1200.00</u> | <u>1200.00</u> |
| Issued, subscribed and fully paid-up shares | | |
| 1,05,95,860 (Previous year 1,05,95,860) Equity Shares of Rs. 10/- each fully paid-up. | 1059.59 | 1059.59 |
| Add: Forefited shares (No.of shares 35390)(Amount originally paid up) | 1.06 | 1.06 |
| | <u>1060.65</u> | <u>1060.65</u> |

Terms/ Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same is subject to the approval of the shareholders in the Annual General Meeting.

Reconciliation of the number of Equity Shares outstanding:

| | | |
|--|----------|----------|
| Equity shares outstanding at the beginning of the year | 10595860 | 10595860 |
| Equity shares allotted during the year | - | - |
| Equity shares outstanding at the end the of the year | 10595860 | 10595860 |

Shareholder holding more than 5 percent equity shares of the Company:

| S. No. | Name of shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--------|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | | Number of Shares held | Percentage of holding | Number of Shares held | Percentage of holding |
| 1 | Uttar Pradesh Trading Co.Ltd. | 2019339 | 19.06 | 2019339 | 19.06 |
| 2 | New India Retailing and Investment Ltd. | 1156550 | 10.92 | 1156550 | 10.92 |
| 3 | Hargaon Investment & Trading Co., Ltd. | 1140931 | 10.77 | 1140931 | 10.77 |
| 4 | Yashovardhan Investment & Trading Co., Ltd. | 991224 | 9.35 | 991224 | 9.35 |
| 5 | Birla Institute of Technology and Science | 752439 | 7.10 | 752439 | 7.10 |
| 6 | Earthstone Holding (Two) Pvt. Ltd. | 653580 | 6.17 | 653580 | 6.17 |
| 7 | Ronsan Traders Ltd. | 648249 | 6.12 | 648249 | 6.12 |

| Particulars | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 2 : Reserves and Surplus | | |
| (i) Securities Premium Reserve | | |
| Balance as per last financial statement | 3057.15 | 3057.15 |
| (ii) Reserve Fund | | |
| Balance as per last financial statement | 1997.81 | 1742.81 |
| Add :Additions during the year | 277.00 | 255.00 |
| Less: transferred in Minority Interest | 6.23 | - |
| Closing Balance | <u>2268.58</u> | <u>1997.81</u> |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------------------|---------------------------|
| Note 2 : Reserves and Surplus (Contd.) | | |
| (iii) General Reserve | | |
| Balance As per last financial statement | 5198.95 | 5169.35 |
| Add : Additions during the year | 32.10 | 29.60 |
| Less: transferred in Minority Interest | 2.37 | - |
| Closing Balance | 5228.68 | 5198.95 |
| (iv) Statement of Profit & Loss - Balance | | |
| Surplus as per last financial statements | 7351.09 | 6601.52 |
| Add: Profit for the year | 1228.49 | 1189.13 |
| Less: transferred in Minority Interest | 14.82 | - |
| | 8564.76 | 7790.65 |
| Less: Allocation & Appropriation | | |
| Proposed Dividend @ | 132.45 | 132.45 |
| Corporate Dividend Tax | 26.96 | 22.51 |
| Transfer to Reserve Fund | 277.00 | 255.00 |
| Transfer to General Reserve | 32.10 | 29.60 |
| Total | 468.51 | 439.56 |
| Closing Balance | 8096.25 | 7351.09 |
| Total Reserve and Surplus (i to iv) | 18650.66 | 17605.00 |

@ The Board of Directors have recommended dividend of Rs.1.25(Previous year Rs.1.25) per Equity Share of Rs.10 each for the year ended 31st March, 2015. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 3 : Deferred Tax Liabilities (Net)

Deferred Tax Liability on account of:

| | | |
|--------------|--------------|--------------|
| Depreciation | 56.87 | 48.28 |
| | 56.87 | 48.28 |

Deferred Tax Assets on account of:

| | | |
|--|-------------|-------------|
| Accrued expenses deductible on payment basis | 2.75 | 2.06 |
| | 2.75 | 2.06 |

| | | |
|--|--------------|--------------|
| Deferred Tax Liability/(Assets) (Net) | 54.12 | 46.22 |
|--|--------------|--------------|

Note 4 : Other Long Term Liabilities

| | | |
|------------------|-------------|-------------|
| Security Deposit | 3.45 | 3.45 |
| | 3.45 | 3.45 |

Note 5 : Provisions

| Particulars | Long- term | | Short - term | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 | As at 31st March, 2015 | As at 31st March, 2014 |
| Provision for Employee Benefits | 8.47 | 6.35 | - | - |
| Proposed Dividend | - | - | 132.45 | 132.45 |
| Corporate Dividend Tax | - | - | 26.96 | 22.51 |
| Contingent Provisions against Standard Assets | - | - | 46.79 | 46.80 |
| Provision for taxation (Net of Advance Tax) | - | - | 2.98 | 12.11 |
| | 8.47 | 6.35 | 209.18 | 213.87 |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------|---------------------------|---------------------------|
|-------------|---------------------------|---------------------------|

Note 6 : Short-term Borrowings

Secured (Short-term Loan)

From Bodies Corporate (Repayable of demand)

7975.00

9000.00

Secured by Pledge of 1,84,25,000 Equity Shares (Previous year 3,14,80,000 Equity Shares) of Chambal Fertilizers & Chemicals Ltd.; 20,70,500 Equity Shares (Previous year 29,75,000 Equity Shares) of Zuari Global Ltd.; 1,57,5000 Equity Shares (Previous year 28,50,000 Equity Shares) of Zuari Agro Chemicals Ltd.; 12,000 Equity Shares (Previous year 12,000 Equity Shares) of ITC Limited; 10,000 Equity Shares (Previous year 10,000 Equity Shares) of Reliance Industries Ltd. and 30,000 Equity Shares (Previous year 3,000 Equity Shares) of State Bank of India

(Rate of Interest @ 11.00% to 12.85%p.a.)

Un-Secured (Short Term Loan)

From Bodies Corporate (Repayable on demand)

50.00

-

8025.00

9000.00

Note 7 : Other Current Liabilities

Interest Accrued but not due on borrowings

4.88

27.89

Unpaid Dividend

18.62

15.52

Statutory dues

20.37

19.12

Directors' Commission

3.39

2.25

Others

11.85

8.53

59.11

73.31

Note 8.1 & 8.2 : Fixed Assets

(Rs. in lakhs)

| Description | GROSS BLOCK COST/BOOK VALUE | | | DEPRECIATION | | | | | NET BLOCK | |
|--------------------------|------------------------------|-------------|-------------|------------------------------|------------------------------|--|-------------|------------------------------|------------------------------|------------------------------|
| | As at 31st March, 2014 | Addition | Deduction | As at 31st March, 2015 | As at 31st March, 2014 | For the Year ended 31st March, 2015 | Deduction | As at 31st March, 2015 | As at 31st March, 2015 | As at 31st March, 2014 |
| Note 8.1 | | | | | | | | | | |
| Tangible Assets | | | | | | | | | | |
| - Land | 806.59 | - | - | 806.59 | - | - | - | - | 806.59 | 806.59 |
| - Buildings | 800.75 | - | 9.81 | 790.94 | 148.47 | 21.27 | 6.26 | 163.48 | 627.46 | 652.28 |
| - Plant & Machinery | 126.34 | 0.29 | - | 126.63 | 49.82 | 37.50 | - | 87.32 | 39.31 | 76.52 |
| - Office Equipments | 2.86 | - | - | 2.86 | 0.40 | 1.00 | - | 1.40 | 1.46 | 2.46 |
| - Furniture & Fixtures | 288.45 | 0.21 | - | 288.66 | 121.77 | 85.63 | - | 207.40 | 81.26 | 166.68 |
| Total | 2024.99 | 0.50 | 9.81 | 2015.68 | 320.46 | 145.40 | 6.26 | 459.60 | 1556.08 | 1704.53 |
| Note 8.2 | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 0.02 | - | - | 0.02 | - | - | - | - | 0.02 | 0.02 |
| Total | 2025.01 | 0.50 | 9.81 | 2015.70 | 320.46 | 145.40 | 6.26 | 459.60 | 1556.10 | 1704.55 |
| Previous Year | 2025.01 | - | - | 2025.01 | 283.02 | 37.44 | - | 320.46 | 1704.55 | 1741.99 |

Note : Buildings include cost of Ownership premises in Co-operative Housing Societies.

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | Shares (Nos.) | Face Value Shares (Rs.) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|----------------------------|---------------------------|---------------------------|
| Note 9 : Non-Current Investments | | | | |
| (Valued at Cost) (Non-Trade) | | | | |
| A QUOTED (Fully paid-up) | | | | |
| Zuari Global Ltd. | 3353768 (3353768) | * 10 | 412.75 | 412.75 |
| Chambal Fertilisers & Chemicals Ltd. | 34545855 (34545855) | * 10 | 6029.16 | 6029.16 |
| Digjam Limited | 45 (45) | 10 | 0.06 | 0.06 |
| Upper Ganges Sugar & Inds. Ltd. | 2309417 (2309417) | 10 | 3008.97 | 3008.97 |
| Sutlej Textiles and Industries Ltd. | 440856 (440856) | 10 | 305.01 | 305.01 |
| CIMMCO Limited | 658 (658) | 10 | 0.59 | 0.59 |
| Zuari Agro Chemicals Ltd. | 3353768 (3353768) | * 10 | 495.39 | 495.39 |
| Balrampur Chini Mills Limited | 30000 (30000) | 1 | 13.12 | 13.12 |
| Electrosteel Steels Ltd. | - (215000) | + 10 | | 10.35 |
| ITC Limited | 15000 (15000) | * 1 | 46.00 | 46.00 |
| Reliance Industries Limited | 11250 (11250) | * 10 | 86.68 | 86.68 |
| Shree Renuka Sugars Limited | 35000 (35000) | 1 | 7.62 | 7.62 |
| State Bank of India | 42500 (4250) | *@ 10 | 87.05 | 87.05 |
| The Oudh Sugar Mills Ltd. | 5143465 (5143465) | 10 | 3116.21 | 3116.21 |
| Manavta Holdings Ltd. | 262980 (262980) | 10 | 12.01 | 12.01 |
| New India Retailing & Investment Ltd. | 266762 (266762) | 10 | 212.62 | 212.62 |
| Sidh Enterprises Ltd. | 684800 (684800) | 10 | 20.12 | 20.12 |
| Sonali Commercial Ltd. | 24400 (24400) | 10 | 2.27 | 2.27 |
| Pavapuri Trading & Investment Co. Ltd. | 24000 (24000) | 10 | 1.38 | 1.38 |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | Shares (Nos.) | Face Value Shares (Rs.) | As at 31st March, 2015 | As at 31st March, 2014 |
|---|----------------------|----------------------------|---------------------------|---------------------------|
| Note 9 : Non-Current Investments(contd...) | | | | |
| Manbhawani Investment Limited | 67500 (67500) | 10 | 2.07 | 2.07 |
| * Refer Note No.6 for Pledge of Shares. | | | 13859.08 | 13869.44 |
| + Equity shares sold during the year | | | | |
| @ Sub-division of shares. | | | | |
| B. UNQUOTED (Fully paid-up) | | | | |
| i) In Equity Shares of other Companies | | | | |
| Birla Buildings Limited | 15000 (15000) | 10 | 1.50 | 1.50 |
| Eastern Economic Limited | 400 (400) | * 100 | 0.20 | 0.20 |
| Mackenzies Limited | 1 (1) | * 100 | - | - |
| Mafatlal Engg. & Inds. Ltd. | 700 (700) | * 100 | 0.61 | 0.61 |
| GMB Investments Pvt. Ltd. | 140000 (140000) | 10 | 14.00 | 14.00 |
| Centre Stage Creations Private Limited | 100000 (-) | 10 | 10.00 | - |
| The Oudh Trading Company Pvt. Ltd. | 150 (150) | 10 | 0.04 | 0.04 |
| Leas Communication Limited | 21200 (21200) | 10 | 2.12 | 2.12 |
| | | | 28.47 | 18.47 |
| Less: Provision for diminution in value | | | (2.93) | (2.93) |
| | | | 25.54 | 15.54 |
| ii) in 6% Redeemable Non-Cummulative Non-Convertible | | | | |
| Preference Shares of Nirma Limited | 112* | 1 | - | - |
| * Redeemed during the year | | | - | - |
| C. UNQUOTED (Partly paid-up) | | | | |
| In Equity Shares of other Companies | | | | |
| Modern DiaGen Services Ltd. | 1500000 (1500000) | 10 | 30.00 | 30.00 |
| AGGREGATE VALUE OF INVESTMENTS (Refer Note 23.03) | | | 13914.62 | 13914.98 |
| Aggregate of: | | | | |
| Quoted Investments | | | 13859.08 | 13869.44 |
| Unquoted Investment | | | 55.54 | 45.54 |
| | | | 13914.62 | 13914.98 |
| Aggregate Market Value of Quoted Investments | | | 37693.98 | 23772.83 |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

Notes :

- 1 SCM Investment & Trading Co.Ltd. has given an undertaking to Darbhanga Mansion Co-operative Housing Society Limited not to transfer, create any charge, pledge or encumbrance or otherwise dispose of 67500 Equity Shares held by it in Manavta Holdings Ltd. without their written consent.
- 2 SCM Investment & Trading Co.Ltd. has given undertaking to a Bank not to transfer, assign, pledge, hypothecate or otherwise dispose of its shareholding in The Oudh Sugar Mills Ltd. and Upper Ganges Sugar & Industries Ltd. without their prior approval in writing till the respective loan of the Financial Institution to the said companies remain outstanding.
- 3 RTM Investment & Trading Co.Ltd. has given undertaking to a Bank not to transfer, assign, pledge, hypothecate or otherwise dispose of its shareholding in The Oudh Sugar Mills Ltd. and Upper Ganges Sugar & Industries Ltd. without their prior approval in writing till the respective loan of the Financial Institution to the said companies remain outstanding.
- 4 RTM Investment & Trading Co.Ltd. has pledged 23,46,169 Equity Shares of The Oudh Sugar Mills Ltd. to certain lenders on pari-passu basis.
- 5 Figures in brackets represents previous year's no. of shares.

| Particulars | (Rs. in lakhs) | | | |
|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Long- term | | Short - term | |
| | As at 31st March, 2015 | As at 31st March, 2014 | As at 31st March, 2015 | As at 31st March, 2014 |

Note 10 : Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

| | | | | |
|---|--------------|------|-----------------|----------|
| Loan to Bodies Corporate* | - | - | 12725.00 | 12725.00 |
| Capital Advance | 23.75 | - | - | - |
| Security Deposit | 4.39 | 4.35 | - | - |
| Advance Recoverable in Cash or in kind | | | | |
| Considered Good | - | - | 17.13 | 13.09 |
| Others Loan and Advances | | | | |
| Balance with Statutory/Govt. Authorities | - | - | 7.91 | 8.02 |
| Income Tax refund Receivable | - | - | 184.91 | 59.84 |
| Advance Tax (Net of provisions for Taxation) | - | - | 70.44 | 161.13 |
| Prepaid Expenses | - | - | 1.49 | 0.24 |
| Total | 28.14 | 4.35 | 13006.88 | 12967.32 |

*including to related party Rs.6325 Lakhs (Previous year Rs.6325 Lakhs)

| Particulars | Units (Nos.) | NAV Units | (Rs. in lakhs) | |
|-------------|--------------|-----------|------------------|------------------|
| | | | As at | As at |
| | | | 31st March, 2015 | 31st March, 2014 |

Note 11 : Current Investments

Unquoted (Fully paid-up) (Non-Trade)

Investments in Mutual Fund(at cost or Fair Value whichever is lower)

| | | | | |
|---|-----------|-------------|--------------|------|
| UTI Mutual Fund - Treasury Advantage Fund | 5567.747 | 1002.3211 | 55.80 | 3.21 |
| Institutional Plan (Daily Dividend) Reinvest option | (321.085) | (1002.3211) | | |
| HDFC Liquid Fund Premium Plan Growth | 24.191 | 28.0436 | 0.01 | 0.01 |
| | (24.191) | (25.7260) | | |
| Aggregate Market value of Unquoted Investments | | | 55.81 | 3.22 |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------|---------------------------|---------------------------|
|-------------|---------------------------|---------------------------|

Note 12 : Trade Receivable

(Unsecured, considered Good)

| | | |
|-------------|------|------|
| Other Debts | 8.61 | 2.77 |
|-------------|------|------|

Note 13 : Cash & Bank Balances

| | | |
|---------------------------------|--------------|--------------|
| a) Cash and Cash equivalents | | |
| Cash Balance on Hand | 2.00 | 1.12 |
| Balance with Banks | | |
| In Current Account | 64.70 | 26.85 |
| b) Earmarked Balances with Bank | | |
| - Unpaid Dividend | 18.62 | 15.52 |
| - Employees Security Deposit | - | 0.15 |
| | <u>85.32</u> | <u>43.64</u> |

Note 14 : Other Current Assets

| | | |
|---|---------------|---------------|
| Interest accrued and due on Intercompany Loan | 239.50 | 148.33 |
| Other Receivable | 6.42 | 17.62 |
| | <u>245.92</u> | <u>165.95</u> |

Note 15 : Contingent Liabilities and Commitments

Liabilities:

| | | |
|---|--------|--------|
| a) In case of RTM Properties Limited, an appeal is pending before Deputy Commissioner of Sales Tax in respect of refundable Sales Tax. Considering the merit of the case, the Company is hopeful of recovering the entire amount. Hence, no provision against the amount is considered necessary. | 3.95 | 3.95 |
| b) Contingent liability (not provided for) in respect of: | | |
| i) Uncalled capital on partly paid shares held as investment | 120.00 | 120.00 |
| ii) Demand for Income tax, under appeal | 201.85 | - |

Commitments:

| | | |
|---|--------|---|
| Estimated amount of Contract remaining to be executed on Capital Account [Net of Advance Rs.23.75 lakhs (previous year Rs. Nil)] and not provided for | 213.75 | - |
|---|--------|---|

(Rs. in lakhs)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|-------------|--|--|
|-------------|--|--|

Note 16 : Revenue from Operations and Investments

| | | |
|--|----------------|----------------|
| Interest from other Companies on Loans & Deposits | 1835.90 | 1989.71 |
| Dividend on Non-Current Investments - other than trade | 830.38 | 847.34 |
| Dividend on Current Investments | 7.59 | 3.94 |
| Profit on sale of Non-Current investments | 1.61 | 5.28 |
| Profit on sale of Current Investments | - | 0.15 |
| | <u>2675.48</u> | <u>2846.42</u> |

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Rs. in lakhs)

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| Note 17 : Other Income | | |
| Rent | 76.80 | 74.46 |
| Interest from Income Tax Department | - | 19.58 |
| Interest on Advance, Deposits etc. | 0.26 | 0.39 |
| Sundry Credit balance written back | - | 0.01 |
| Income relating to previous year (Net) | - | 0.05 |
| Contingent Provisions against Standard Assets written back | 0.01 | 3.87 |
| Excess Provision & Liabilities written back | - | 0.01 |
| Miscellaneous Income | 1.00 | - |
| Profit on Sale of Fixed Assets | 148.79 | - |
| | <u>226.86</u> | <u>98.37</u> |
| Note 18 : Finance costs | | |
| Interest Expenses | 1014.67 | 1269.53 |
| Other Borrowing costs | 6.20 | 42.09 |
| | <u>1020.87</u> | <u>1311.62</u> |
| Note 19 : Employee Benefits Expense | | |
| Salaries, etc. | 31.59 | 23.23 |
| Staff welfare expenses | 0.79 | 0.75 |
| | <u>32.38</u> | <u>23.98</u> |
| Note 20 : Other Expenses | | |
| Insurance | 1.32 | 0.79 |
| Rates and Taxes | 2.90 | 3.29 |
| Repairs and Maintenance: | | |
| Buildings | 10.42 | 16.51 |
| Others | 0.16 | 0.06 |
| Travelling Expenses | 55.67 | 42.84 |
| Legal & Professional Fee | 14.23 | 17.61 |
| Miscellaneous Expenses | 38.37 | 32.15 |
| Auditor's Remuneration: | | |
| As Audit Fee | 0.84 | 0.84 |
| In other Capacity, for | | |
| Certifications and other matters | 0.39 | 0.25 |
| Expenses Relating to previous year (Net) | 3.97 | - |
| Directors' Commission & Fees | 6.06 | 4.27 |
| | <u>134.33</u> | <u>118.61</u> |
| Note 21 : Depreciation | | |
| Depreciation on tangible assets (Refer Note No.8.1) | 145.40 | 37.44 |
| | <u>145.40</u> | <u>37.44</u> |
| Note 22 : Current Tax | | |
| Current Tax for the year | 318.89 | 251.49 |
| Current Tax adjustments for earlier years (Net) | 4.68 | 0.02 |
| | <u>323.57</u> | <u>251.51</u> |

Note 23 : Summary of significant accounting policies and other notes on accounts:

23.01 Summary of significant accounting policies

(A) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified under section 133 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis except claims /refund which are accounted for on receipt basis due to uncertainties. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Principles of Consolidation

- (a) The consolidated financial statements related to the group which includes, M/s. SIL Investments Limited and its Subsidiary Companies and two other subsidiary companies (which became subsidiary of the company by virtue of their having become subsidiary of subsidiary companies). The consolidated financial statements have been prepared on the following basis :
- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) - "Consolidated Financial Statements" notified under the section 133 of the Companies Act 2013
 - (ii) The financial statements of the Parent company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
 - (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
 - (iv) The difference in the investment cost of the parent company and Equity Share Capital & Securities Premium in the accounts of subsidiaries, to the extent not eliminated, is recognised in the financial statement as goodwill.
 - (v) SCM Investment & Trading Co.Ltd. became from a wholly owned subsidiary company to subsidiary Company during the year 2009-10. RTM Investment & Trading Company Ltd. became from a wholly owned subsidiary company to not wholly owned subsidiary Company during the year. Accordingly minorities' interest in net profit of not wholly owned subsidiaries for the year is identified of Rs.9.40 (Previous Year Rs.15.21) and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Minorities shares of net assets is identified of Rs.830.76 (Previous Year Rs.797.93) and presented in the Consolidated Balance Sheet separately.
- (b) The Subsidiary Companies (incorporated in India) considered in the consolidated financial statements are :

| Name of Company | % voting power held as at 31st March, 2015 | % voting power held as at 31st March, 2014 |
|---|---|---|
| SCM Investment & Trading Company Ltd. (SCMIT) | 80.52 | 80.52 |
| RTM Investment & Trading Company Ltd. (RTMIT) | 84.79 | 100 |
| SIL Properties Ltd. | 100 \$ | 100 \$ |
| RTM Properties Ltd. | 100 # | 100 # |
| \$ Held by SCMIT and parent Company. | | |
| # Held by RTMIT and parent Company. | | |

(C) Revenue Recognition

Income from Investments and financing activities is taken into account when it become accrue to the Company.

(D) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties,taxes,incidental expenses and erection/commissioning expenses

(E) Depreciation

- i) Depreciation on the fixed assets has been charged at Straight Line method with reference to the economic useful life of its Fixed Assets as per prescribed by Schedule II to the Companies Act, 2013.
- ii) Depreciation on the fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

(F) Investments

Non-Current (Long Term) investments are stated at cost. The Company provides for diminution, other than temporary, in the value of non-current investments. Current investments are valued at lower of cost or fair value.

(G) Retirement Benefits

- Retirement benefits in the form of Provident Fund is not applicable as the total number of employees are below the minimum required number of employees under payment of Employees Provident Fund (Misc. Provisions) Act, 1952.
- Gratuity has not been provided as the Payment of Gratuity Act is not applicable as total number of employees are below the minimum required number of employees under Payment of Gratuity Act, 1972.
- Year end leave encashment benefit is provided for on accrual basis.

(H) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

23.02 As there is only one segment in the Group, hence Segment Reporting (AS-17) is not applicable.

23.03 There is shortfall in the market value of certain non-current investments in shares. However, the Group has not made provision in respect of such shortfall aggregating to Rs.4447.08 Lakhs (Previous Year Rs.4543.95 Lakhs) as the same in the opinion of the Management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments.

23.04 Related Party Disclosure

| | | |
|----------|---|---|
| A | Key Management Personnel and their relatives | Mrs. Shalini Nopany (Managing Director) |
| B | Enterprise owned or significantly influenced by Key Management Personnel and their relatives | The Oudh Sugar Mills Limited |

C Transactions with Related Parties during the year: (Rs. in lakhs)

| Particulars | Key Management personnel and their relatives | Enterprise owned or significantly influenced by Key Management Personnel and their relatives |
|--|--|--|
| (a) | | |
| 1 Intercompany Loan placed - The Oudh Sugar Mills Ltd. | | 6825.00 (1100.00) |
| 2 Intercompany Loan received back - The Oudh Sugar Mills Ltd. | | 6825.00 (862.50) |
| 3 Remuneration to Managing Director | 19.11* (18.00) | |
| 4 Commission to Managing Director | 1.27* (-) | |
| 5 Interest income on Intercompany Loan - The Oudh Sugar Mills Ltd. | | 918.46 (985.50) |
| (b) Balance outstanding as on 31.03.2015 Intercompany Loan receivable - The Oudh Sugar Mills Ltd. | | 6325.00 (6325.00) |
| (c) Interest receivable on Intercompany Loan as on 31.03.2015 - The Oudh Sugar Mills Ltd. | | 108.92 (75.93) |

*Re-appointment of Managing Director w.e.f. 25th January, 2015 and Remuneration of Rs.4.45 Lakhs for the period 25.01.2015 to 31.03.2015 and Commission Rs.1.27 Lakhs is subject to approval of the Shareholders in the ensuing in the Annual General Meeting.

- Note 1. The above information has been identified on the basis of information available with the Company and relied upon by the Auditors.
2. Figures in bracket represent previous year's amounts.

23.05 Earnings per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share :

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|---|---|
| Profit attributable to the Equity Shareholders(A) (Rs. in lakhs) | 1228.49 | 1189.13 |
| Number of Equity Shares (B) | 10595860 | 10595860 |
| Nominal Value of Equity Share (Rs.) | 10 | 10 |
| Basic and Diluted Earnings per Share (Rs.) A/B | 11.59 | 11.22 |

23.06 Expenditure In Foreign Currency (on Accrual Basis)

(Rs. in lakhs)

| Particulars | 2014-15 (Rs.) | 2013-14 (Rs.) |
|---------------------|------------------|------------------|
| Director Travelling | 14.72 | 6.29 |

23.07 Remittance in Foreign Currency on Account of Dividends

| Particulars | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|---|---|
| Amount of Dividend related to 2013-14 remitted in Foreign Exchange (Rs. in lakhs)# | - | - |
| Number of Non-Resident Shareholders | 75 | 75 |
| Number of Shares held by such Non-Resident Shareholders | 20696 | 18101 |

Deposited in Indian Rupees in the Bank Accounts maintained by the shareholders in India.

23.08 Information About the Consolidated Entities As Per Schedule iii to the Companies Act, 2013.

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) of the Subsidiary Company | % of Subsidiary Company's Net Assets to Consolidated Net Assets of the Company | Profit / (Loss) for the year of the Subsidiary Company | % of Profit / (Loss) of Subsidiary Company's to Consolidated Profit / (Loss) of the Company |
|---------------------------------------|---|--|--|---|
| Subsidiary(Indian) | | | | |
| SCM Investment & Trading Company Ltd. | 4243.10 | 21.53 | 98.03 | 7.92 |
| RTM Investment & Trading Company Ltd. | 3506.23 | 17.79 | -14.38 | -1.16 |
| SIL Properties Ltd. | 714.46 | 3.62 | -64.91 | -5.24 |
| RTM Properties Ltd. | 731.93 | 3.72 | -63.05 | -5.09 |

23.09 Previous year figures have been reclassified/regrouped to conform current year figures.

Signature to Notes 1 to 23.09

In terms of our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

S.N. Sharma

Partner
Membership No. 014781

Camp : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED (CONSOLIDATED)

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in Lakhs)

| Sr. No | Name of the Subsidiaries | RTM Investment & Trading Co. Ltd. | SCM Investment & Trading Co. Ltd. | SIL Properties Ltd. | RTM Properties Ltd. |
|--------|-------------------------------|-----------------------------------|-----------------------------------|---------------------|---------------------|
| 1 | Reporting Period | 2014-15 | 2014-15 | 2014-15 | 2014-15 |
| 2 | Share Capital | 2301.68 | 1925.92 | 840.90 | 840.90 |
| 3 | Reserves and Surplus | 1204.55 | 2317.19 | - 126.45 | - 108.97 |
| 4 | Total Assets | 6726.05 | 5868.36 | 735.17 | 739.42 |
| 5 | Total Liabilities | 3219.82 | 1625.25 | 20.72 | 7.49 |
| 6 | Investments | 3610.52 | 3937.57 | 34.82 | 43.67 |
| 7 | Turnover | 62.68 | 139.84 | 20.16 | 20.38 |
| 8 | Profit & Loss before Taxation | - 16.48 | 136.43 | - 61.25 | - 59.38 |
| 9 | Provision for Taxation | 2.10 | 38.40 | 3.67 | 3.67 |
| 10 | Profit & Loss after Taxation | 14.38 | 98.03 | - 64.92 | - 63.05 |
| 11 | Proposed Dividend | NIL | NIL | NIL | NIL |
| 12 | % of Shareholding | 84.79% | 80.52% | 23.53% | 23.53% |

Notes :-

1. RTM Investment & Trading Co. Ltd. and SCM Investment & Trading Co. Ltd. are the Subsidiaries of the Company.
2. SIL Properties Ltd. and RTM Properties Ltd. are the step-down subsidiaries of the Company.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures –

The Company does not have any Associates and Joint Ventures Company.

Place : Kolkata
Dated : 13th May, 2015

Lokesh Gandhi
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

