#### **HSIL ASSOCIATES LIMITED**

NOTICE is hereby given that the 6<sup>th</sup> (Sixth) Annual General Meeting of the Members of HSIL Associates Limited will be held at its Registered Office at 2, Red Cross Place, Kolkata – 700 001, on Thursday, the 25<sup>th</sup> September, 2014 at 11-00 A.M.

#### **ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss of the Company for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2. To appoint a Director in place of Mr. Sandip Somany, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3. To appoint Auditors and to fix their remuneration.

By Order of the Board

(N. Goenka)

Director

Place: Kolkata

Dated: 7th day of May, 2014

#### NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. In order to be effective the Proxy Form must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 22<sup>nd</sup> September, 2014 to Thursday, the 25<sup>th</sup> September, 2014 (both days inclusive) for the purpose of transfer of shares.

### HSIL ASSOCIATES LIMITED

Regd. Office: 2, Red Cross Place, Kolkata-700 001

#### DIRECTORS' REPORT

Dear Members,

Your Directors present their 6<sup>th</sup> (Sixth) Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

#### FINANCIAL RESULTS

The working results of the Company for the above period show a loss of Rs. 14,774.27 which has been carried forward to next year.

#### **OPERATION**

Your Company was floated with the object of carrying on manufacturing of sanitaryware and other allied products. The Company however could not, as yet, commence its manufacturing activities. The Company has invested its surplus fund in Mutual Fund schemes to make proper use of idle funds in the benefit of the company and shareholders. However efforts are continuing to identify suitable business and or industry to be undertaken within the objects of the Company.

#### DIVIDEND

In view of losses, your Directors do not recommend any dividend for the year under review.

#### FIXED DEPOSITS

The Company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 during the year ended 31st March, 2014.

#### **AUDITORS' REPORT**

The Report of the Auditors read together with the Notes on Account is self-explanatory and therefore does not call for any further comments under Section 217 of the Companies Act, 1956.

#### DIRECTORS

Mr. Sandip Somany, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

#### **AUDITORS**

M/s. P. K. Drolia & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Directors recommend their appointment as Auditors of the Company.

#### PARTICULARS OF EMPLOYEES

The Company had no employee in the categories specified under Section 217(2A) of the Companies Act, 1956 hence no such statement appended.

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 217(1)(e) of the Companies Act, 1956 are not applicable to the Company, as the Company does not carry on any manufacturing activity. There was no foreign exchange earnings and outgo during the year.

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### DIRECTORS' RESPONSIBILITY STATMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

(N. Goenka)

Director

(A. K. Dokania)

Director

Place: Kolkata

Dated: 7th day of May, 2014

## P. K. Drolia & Co.

Chartered Accountants

9, Crooked Lane, 3rd Floor, Kolkata - 700 069 Tel +91 98300 99491, E-mail : pradeepdrolia@yahoo.co.in



#### INDEPENDENT AUDITORS' REPORT

#### To the Members of HSIL ASSOCIATES LIMITED

#### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.K.Drolia & Co. Chartered Accountants Firm Registration No.316057E

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P.K.Drolia Proprietor Membership No.52629

Place: Kolkata

Date: 7th day of May, 2014

#### ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **HSIL ASSOCIATES LIMITED** on the financial statements for the year ended 31/03/2014]

- (i) The Company has no fixed assets. Accordingly, the provisions stated in paragraph 4 (i)(b) and(c) of the order are not applicable.
- (ii) The Company has no inventory. Accordingly, the provisions stated in paragraph 4 (ii)(b) and (c) of the order are not applicable.
- (iii) As informed, The Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4(iii)(b) to (iii)(g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act. Accordingly, the provisions stated in paragraph 4 (v)(b) of the order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) As per information & explanation given to us, the Company do not have any internal audit but in our opinion, existing internal control system involves reasonable internal checking of the financial records, commensurate with the size & nature of its business.
- (viii) As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **HSIL ASSOCIATES LIMITED** on the financial statements for the year ended 31/03/2014]

- (x) The Company has accumulated losses at the end of the financial year 31st March, 2014. Further the Company has incurred cash losses of Rs.14774.27 in the current financial year 31st March, 2014 and Rs. 15,034.64 during the immediately preceding financial year ended on 31st March, 2013.
- (xi) Based on the audit procedure and on the information and explanations provided by the management, the Company has not borrowed any loan from financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) The Company is dealing and trading in shares, securities, debentures and other Investments and maintaining proper records of the transactions and contracts with timely entries therein, also held shares, securities, debentures and other securities in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) Based on information and explanations given to us by the management, no term loans have been taken from any banks or financial institution.
- (xvii) According to the information & explanations given to us and an overall examination of the balance sheet of the Company, we report that short term funds have not been used to finance long term investments and vice versa as the Company has not availed any financial facilities during the year.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the year, since the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) During the year, since the Company has not raised any money by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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For P. K. DROLIA & CO.

Chartered Accountants Firm Registration No. 316057E

Place: Kolkata

Date: 7th day of May, 2014

P. K. Drolia Proprietor

Membership No. 52629

# HSIL ASSOCIATES LIMITED Balance Sheet as at 31 March 2014

Particulars	Note No.	As at 31 March 2014 INR	As at 31 March 2013 ·INR
Equity and Liabilities			
Shareholders fund			
Share capital	3	500,000.00	500,000.00
Reserves and surplus	4	(84,679.23)	(69,904.96)
		415,320.77	430,095.04
Current liabilities			
Other current liabilities	5	6,000.00	6,000.00
		6,000.00	6,000.00
Total		421,320.77	436,095.04
Assets			
Current assets			
Current Investments	6	415,632.87	425,773.14
Cash and cash equivalents	7	5,687.90	10,321.90
		421,320.77	436,095.04
Total		421,320.77	436,095.04
Significant accounting policies	1		
Notes on Accounts	2		

This is the balance sheet referred to in our report of even date.

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For P. K. DROLIA & CO. Chartered Accountants Firm Registration No. 316057E

(P. K. Drolia) Proprietor Membership No. 52629

Place : Kolkata Date : 7th May, 2014 For and on behalf of the Board of Directors

Director

Director

### **HSIL ASSOCIATES LIMITED** Statement of Profit and Loss for the year ended 31 March 2014

Particulars	Note No.	As at 31 March 2014 INR	As at 31 March 2013 INR
Other Income			
- Gain on sale of Investment		4,859.73	4,648.36
		4,859.73	4,648.36
Expenses			
Other expenses			
- Rates and taxes		4,400.00	4,400.00
- Securities Transaction Tax		-	50.00
- Charges General		7.00	6.00
- Filing Fees		600.00	600.00
- Preliminary Expenses		-	5,919.20
- Legal & Professional Expenses		8,627.00	8,627.00
- Auditor Remuneration		6,000.00	6,000.00
		19,634.00	25,602.20
Profit/(Loss) for the year		(14,774.27)	(20,953.84)
Earning per Equity Share			
- Basic		(0.30)	(0.42)
- Diluted		(0.30)	(0.42)
Significant accounting policies	1		
Notes on Accounts	2		

This is the Statement of Profit and Loss referred to in our report of even date.

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For P. K. DROLIA & CO. **Chartered Accountants** Firm Registration No. 316057E

(P. K. Drolia) Proprietor Membership No. 52629

Place: Kolkata

Date : 7th May, 2014

For and on behalf of the Board of Directors

Director

## HSIL ASSOCIATES LIMITED Notes forming part of the financial statements

2	Share Conited	As at 31 March 2014	As at 31 March 2013
3	Share Capital	INR	INR
	Authorised:		
	Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each	500,000.00	500,000.00
		500,000.00	500,000.00
		-	
	Issued:		
	Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each	500,000.00	500,000.00
		500,000.00	500,000.00
	Subscribed and Paid up :		
	Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each	500,000.00	500,000.00
		500,000.00	500,000.00

a) Reconciliation of Shares outstanding at the beginning and at the end of reporting period

	31 March	31 March 2013		
Particulars	No.	INR	No.	INR
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	-			-
Shares bought back during the year		4		-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

#### b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the subsequent Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distributions of all preferential amount. The distributions will be in proportion to the number of equity shares held by the shareholders; and any other right as the Memorandum and Articles of Association of the Company may prescribe in relation to the aforesaid equity shares of the Company.

## c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

Name of the Shareholders	31 Marc	h 2014	31 March 2013	
Name of the Shareholders	No. of Equity	% of Equity	No. of Equity Shares	% of Equity
HSIL Limited and its nominees (Holding Company)	50,000	100%	50,000	100%

d) Aggregate no of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	2013-14	2012-13	2011-12	2010-11	2009-10
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid shares by capitalisation of securities premium	Nil	Nil	Nil	Nil	Nil
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	Nil	Nil	Nil	Nil	Nil
Equity shares bought back by the company	Nil	Nil	Nil	Nil	Nil

4 Reserves and Surplus	As at 31 March 2014 INR	As at 31 March 2013 INR
Surplus/(Deficit)		
Balance at the beginning of the year	(69,904.96)	(48,951.12)
Add: Net Profit/(Net Loss) for the current year	(14,774.27)	(20,953.84)
Closing Balance	(84,679.23)	(69,904.96)
	(84,679.23)	(69,904.96)





# HSIL ASSOCIATES LIMITED Notes forming part of the financial statements

				_	As at 31 March 2014 INR	As at 31 March 2013 INR
5	Other current liabilities					
	Other Liabilities					
	Creditors for Expenses			_	6,000.00	6,000.00
				-	6,000.00	6,000.00
			1000			
6	Current Investments			As at 31 March 2014 INR		As at 31 March 2013 INR
	INVESTMENTS (AT COST)					
		Face	No. of		No. of	
	Name of the Mutual Fund Unquoted	Value	Units	Amount	<u>Units</u>	Amount
	HDFC Prudence Fund-Growth	10	2,424.420	415,632.87	2,483.569	425,773.14
	4			415,632.87		425,773.14
	NAV of Mutual Fund			642,888.30		552,509.66
		1		_	As at	As at
					31 March 2014 INR	31 March 2013 INR
7	Cash and Cash Equivalents			_		
	Balance with Banks				34	
	- in Current Accounts				5,687.90	10,321.90
					5,687.90	10,321.90
					Λ	



### HSIL ASSOCIATES LIMITED Notes annexed to and forming part of the Accounts as on 31st March, 2014

#### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of financial statements

The Company adopts accrual basis of Accounting in preparation of accounts. All expenses and income to the extent considered payable and receivable respectively, unless stated otherwise, are accounted for on mercantile basis.

- i) In terms of Accounting Standard-13 issued by the Institute of Chartered Accountants of India, investments in securities are valued at cost, which includes brokerage, transfer stamp etc.
- ii) Provision for diminution in the value of investments are made if such fall is considered permanent in nature.

The Company has no Fixed Assets during the year.

The Company has no Fixed Assets on which depreciation is required to be provided for the year.

#### **Taxation**

Provision for the Income Tax is made on estimates to arise on the results for the year at current rates of tax in accordance with the Income Tax Act, 1961

#### **Foreign Currency Transactions**

The Company has no foreign currency transactions during the year.

The Company has no employee during the year under review, hence provision for liabilities for provident fund, gratuity and accrued leave benefits are not required to be made by the Company on the date of Balance Sheet.

#### 2. NOTES ON ACCOUNTS:

i) Previous Year's figures have been regrouped, rearranged/reclassified wherever considered necessary.

Signature to Notes "1" to "7"

In terms of our Report of even date

For P. K. DROLIA & CO. **Chartered Accountants** Firm Registration No. 316057E

(P. K. Drolia)

Proprietor Membership No. 52629

Place: Kolkata Date: 7th May, 2014

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Director

# HSIL ASSOCIATES LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014	For the year ended 31.03.2013
A . CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(14,774.27)	(20,953.84)
Adjustment For		
-Profit on sale of Investments	(4,859.73)	(4,648.36)
- Preliminary Exepenses written off	0.00	5,919.20
Operating profit before Working Capital Changes	(19,634.00)	(19,683.00)
Adjustments for		*
-Trade and Other receivables	8 4	
-Trade and Other Payables	0.00	3,000.00
Cash Generated from Operations	(19,634.00)	(16,683.00)
-Direct tax paid (Securities Transaction tax)		
Cash Flow Before Extraordinary Items	(19,634.00)	(16,683.00)
Extraordinary Items :		
Net Cash from Operating Activities	(19,634.00)	(16,683.00)
B: CASH FLOW FROM INVESTING ACTIVITIES		14
-Purchase/Sale of Investments	15,000.00	20,050.00
Net Cash Used in Investing Activities	15,000.00	20,050.00
C: CASH FLOW FROM FINANCING ACTIVITIES		
	-	
Net Cash Used in Financing Activities		-
Net Increase in Cash & Cash Equivalents(A+B+C)	(4,634.00)	3,367.00
Cash and Cash Equivalents as at (Opening)	10,321.90	6,954.90
Cash and Cash Equivalents as at (Closing)	5,687.90	10,321.90

For and on behalf of Board of Directors

Director

AUDITORS' REPORT

We have examined the above cash flow statement of HSIL Associates Limited for the year ended 31st March, 2014. The statement has been prepared by the Company and is based on and in agreement with the corresponding Statement of Profit and Loss and the Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For P. K. DROLIA & CO. Chartered Accountants Firm Registration No. 316057E

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(P. K. Drolia) Proprietor Membership No. 52629

Place : Kolkata Date : 7th May, 2014