

Ref No. GGFL/072013/SE/04

Date: 18.07.2013

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001.
(Company Code: 530579)

The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata- 700001
(Company Code: 10017059)

Dear Sir,

Sub: Annual Report 2012-13

In compliance of Clause 31 of Listing Agreement, we are enclosing herewith six copies of Annual Report 2012-13 sent to shareholders including Notice of Annual General Meeting.

This is for your information and record.

Thanking You

Yours faithfully,

For Golden Goenka Fincorp Limited

Amrita Mohta

**Amrita Mohta
(Company Secretary)**



Encl: As Above

securities

invest

finance

loan

assets

gain

securities

profit

**GOLDEN
GOENKA**

Growth • Wealth • Success

investment

Your Growth Statement

Annual Report 2012-13



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Our VISION

We strive to emerge as the
most preferred, totally complete



Our MISSION

MISSION



On behalf of the members of the board and myself, It's a pleasure welcoming you to our AGM.

Chairman's Message



Throughout the year, Golden Goenka confronted the ongoing challenges posed by a global economy still recovering from a recession of

and operating results showed improvement over the lows of 2012 but still remained challenging.

While the pace of recovery remains uncertain, we are cautiously optimistic that global economic conditions will continue to improve.



“Finance is the core of our business, we face significant challenges as we attempt to reduce overall errors in our team.”

our company, which has characterised our years in business, will continue to serve Golden Goenka and its many stakeholders well as we work through this

Financial safety remained our primary core value and top priority last year, particularly as we ventured in to new market openings. Active engagement of our entire workforce resulted in improved performance in all our segments. We are however, geared up to make progress in newer avenues and we will do everything possible to turn our goal into reality. Another area showing marked and sustained improvement, thanks to our focused company-wide efforts, is

attempt to reduce overall errors in our team. A cross-functional team that

Chairman's Message contd.



group is developing innovative solutions and sharing industry best practices

We are also committed to invest in new technology that will move us more

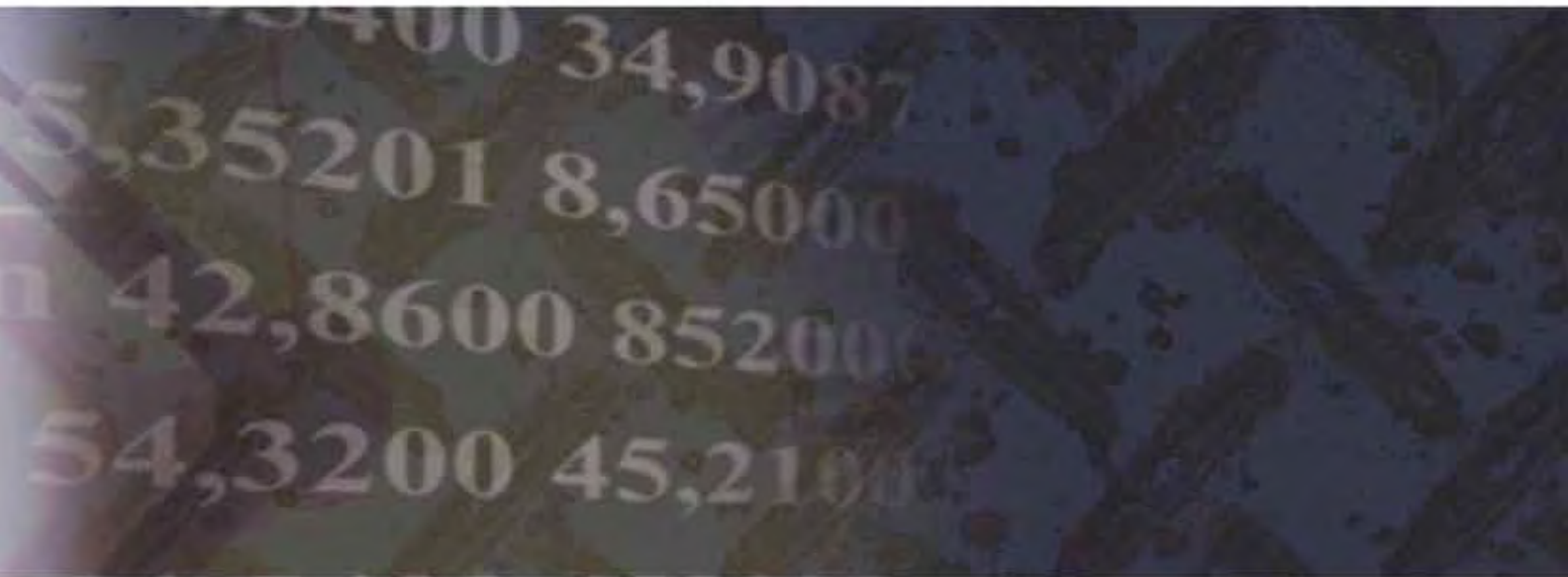
projects where we plan to focus. We are also continuing with the implementation of an enterprise resource planning system that upon completion is expected to provide further opportunities for us to streamline, standardize and centralize business processes across our India wide operations. Looking ahead, we continue to believe that the global economy is showing positive, albeit slow, signs of recovery from one of the most dramatic downturns in history.

This gradual progress has led to improved conditions in some of the markets we serve, such as real estate and manufacturing industry.

We will continue to operate all of our facilities at levels that are consistent with our customers' requirements while maintaining our focus on trust and efficiency .

We know our customers have faced their own set of challenges related to the economy and they are working through the recovery process just like we are. We are grateful that they have continued to rely on us to provide them with the highquality, value-added services they need. While uncertainties still linger in the overall economy and some of the specific markets we serve, one thing has remained clear throughout this difficult period – we are more than capable of confronting and overcoming whatever challenge is presented to us, just as we have done throughout our company's history.

Throughout our history, we have enjoyed highly profitable periods and survived industry-shaping events that claimed many of our oldest competitors and



spawned new ones. Through it all, we have remained focused on our core values and relied on the dedication and talent of our workforce and the commitment and expertise of our management team to emerge a stronger, better Golden Goenka. We thank you for your continued support of our company.

Sincerely,

A handwritten signature in black ink that reads "G L Goenka". The signature is stylized and includes a horizontal line extending to the right.

CA G L Goenka




Our Teamwork



Our Core Commitment



Our New Ventures



We have developed wide domain knowledge, mainly for project structuring, appraisal and risk evaluation. We will play a key role in introducing ground-breaking financial products and structures such as risk participation and take-out financing services.

Our

Segments



Real Estate Funding

Loan Against Shares

Loan Against Properties

Inter Corporate Deposits

Retail Finance

Equity Participation

Industrial Assets Funding

Loan Syndication

Project Counselling

- 1993...** Incorporated as Private Limited Company
- 1994...** Converted into Public Limited Company
- 1995...** Initial Public Offering (IPO)
- 1998...** Registered as a Non Banking Financial Company (NBFC)
- 2010...** Change in Management
- 2011...** Preferential Allotment
- 2011...** Approval of Right Issue upto ₹131 crores.
- 2012...** Interim Dividend
- 2012...** Issue of Non Convertible Debentures aggregating to ₹ 50 crores.
- 2012...** Issue of 0% Optionally Convertible Debentures for ₹ 70 crores.



Our Major Achievements

2013

- Gone for OCD Conversion
- Entered Retail Finance Segment
- Interim Dividend
- Categorised as systemically important NBFCs-ND (NBFC-ND-SI)



CA G. L. Goenka
Chairman & Managing Director



CA Chandra Kumar Chandak
*Non-Executive
Independent Director*



Mr. Dinesh Burman
Executive Director



CA Arun Goenka
Independent Director



Mr. Niranjn Choraria
Independent Director



Mr. Rhythm Arora
Independent Director

Board of Directors



CA Shiv Kr. Dabriwala



CA Avinash Kr. Bhauwala



CS Amrita Mohta
Company Secretary

Chartered Accountants

Chartered Accountants

Chartered Accountants

D511, Bagree Market
71, B.R.B. Basu Road, Kolkata 700 001
Phone No. : 03322357270/7271
Fax: 03322156823
Email : nichetechpl@nichetechpl.com

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Financial

Highlights

Interest Income



- Equity Share Capital
- Reserve & Surplus



- Profit before tax
- Profit after tax



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of Golden Goenka Fincorp Limited will be held on Monday, the 12th day of August, 2013 at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 at 11:30 A.M. to transact the following businesses:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare interim dividend as final dividend on equity shares.
3. To appoint Auditors and to authorize the Board of Directors or Committee thereof to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
“RESOLVED THAT M/s Vasudeo & Associates, Chartered Accountants (Registration No. 319299E) and M/s Das & Prasad, Chartered Accountants (Registration No. 303054E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors or committee thereof.”

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
“RESOLVED THAT Mr. Niranjana Kumar Choraria who was appointed as a Director of the Company on 9th November, 2011 in casual vacancy caused by resignation of Mr. M. P. Srivastawa be and is hereby appointed as a Director of the Company liable to retire by rotation.”
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
“RESOLVED THAT Mr. Chandra Kumar Chandak be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 3rd July, 2013

By Order of the Board
AMRITA MOHTA
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books will remain closed from 5th Day of August, 2013 to 12th Day of August, 2013 (both days inclusive).
3. Members are requested to notify the change in their addresses to the Registrar and Share Transfer Agents, Niche Technologies Pvt. Ltd., Room No. D-511, Bagree Market, 71, B.R.B Basu Road, Kolkata 700001 or to the Company and always quote their Folio No. in all correspondence.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
5. Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached to this notice as annexure.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 4

Mr. Niranjana Kumar Choraria was appointed as Director in Casual Vacancy in lieu of resignation of Mr. M. P. Srivastawa w.e.f. 9th November, 2011 pursuant to the provisions of Section 262 of the Companies Act, 1956 and in terms of Article 94 of Articles of Association of the Company. According to the provisions of Section 262 of the Companies Act, 1956 and Article 94 of Articles of Association of the Company he will hold office up to the unexpired term of Mr. M.P. Srivastawa who would have held the office till the ensuing Annual General Meeting had he not vacated. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- signifying his intention to propose Mr. Niranjana Kumar Choraria as candidate for office of Director of the Company.

Notice (Contd.)

None of the Directors of Company except Mr. Niranjn Kumar Choraria is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Item No. 5

Mr. Chandra Kumar Chandak was appointed as Additional Director of the Company w.e.f. 30.05.2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in terms of Article 93 of Articles of Association of the Company. According to the provisions of Section 260 of the Companies Act, 1956 and Article 93 of Articles of

Association of the Company he will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- signifying his intention to propose Mr. Chandra Kumar Chandak as candidate for office of Director of the Company.

None of the Directors of Company except Mr. Chandra Kumar Chandak is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

Name of Director	Mr. Niranjn Kumar Choraria	Mr. Chandra Kumar Chandak
Date of Birth	16/06/1962	15/08/1963
Date of appointment	09/11/2011	30/05/2013
Qualification	B.Com	B.Com (Hons) Chartered Accountant
Nature of Expertise	Deals with land related matters and advisory services in construction industry.	A Chartered Accountant with 25 years post qualification and 7 years pre- qualification experience in Finance and Financial Administration, Procurement, Marketing and Production.
Directorship in other Public Limited Companies	NIL	Manabarrie Tea Company Limited
Name of committees of other companies in which the director is a member	NIL	NIL
No. of shares held in the Company	NIL	NIL
Relationships with other Directors	NIL	NIL

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 3rd July, 2013

By Order of the Board
AMRITA MOHTA
Company Secretary



Directors' Report

To

The Members of
Golden Goenka Fincorp Limited,

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

Financial Results

(₹ in Lacs)

Particulars	For the year ended March 31st, 2013	For the year ended March 31st, 2012
Revenue from Operation	7622.70	9,584.87
Profit before Provisions & Tax	279.33	131.03
Profit before Tax	267.60	117.51
Tax Expenses	67.44	25.24
Profit after Tax	200.16	92.27
Balance brought forward from previous year	0.69	5.90
Amount available for appropriation	200.85	98.17
Appropriations:-		
Interim dividend including tax	79.03	79.03
Statutory Reserve	40.03	18.45
Balance Carried to Balance Sheet	81.79	0.69

OPERATIONS & BUSINESS ACTIVITIES

Your Company achieved a lower Revenue from Operation of ₹ 7622.70 lacs as against ₹ 9,584.87 lacs in the previous year mainly because of adverse conditions in the Capital Market. However the Company recorded profit before tax of ₹ 267.60 lacs as against ₹ 117.51 lacs in the financial year 2011-12 by achieving better financial management.

During the year under review the Company has incurred loss from trading in shares due to uncertainty in Capital Market. The continuing uncertainty in the Capital Market in the current year is a cause of concern for the Company. However the Company expects that the Capital Market will improve in second half of the current financial year due to various corrective measures being taken by the government which will augur well for the Company.

Your Company has entered into an agreement for acquiring 50% Shareholding in Purple Advertising Services Private Limited (Purple) at an investment of ₹ 18 Crores either directly or through its subsidiaries, associates, or any other group companies. Purple is engaged in the business of construction and operation of the state-of-the-art movie studio and movie town. At present Purple interalia is in the process of constructing two state of the art studio complexes and a movie town under the name and style of "Purple Movie Town" with latest technology, modern amenities and high class facilities for film making, mega serials and reality shows.

For the purpose of diversification your company has entered into the Business of Vehicle Loan, Consumer Loan etc.

A detailed Management Discussion Analysis Report forms part of this report as **Annexure – 1**

DIVIDEND

Your company has paid interim dividend @ ₹ 0. 20 per equity share of ₹ 5/- each for the financial year ended 31st March, 2013. Your Directors recommend interim dividend paid as final dividend.

FIXED DEPOSIT

The Company is a non deposit taking Non Banking Financial Company and therefore has not accepted any public deposit during the year.

LISTING OF SHARES

The equity share of the Company continues to be listed on BSE Limited and The Calcutta Stock Exchange Limited. Your Company has applied to National Stock Exchange of India Ltd (NSE) for listing of its entire equity shares on the main Board of NSE. The same is under process.

SYSTEMICALLY IMPORTANT NBFCs – ND (NBFC – ND – SI)

Your Company continues to carry on its business of Non Banking Financial Company and follows the prudent financial management norms as applicable to it. The Reserve Bank

Directors' Report (Contd.)

of India (RBI) vide its letter dated 17th September, 2012 clarified that the Company had become NBFC-ND-SI w.e.f. quarter ended June, 2012 as the assets size of the company exceeded ₹100 crores.

AUTHORISED CAPITAL

During the year under review, the authorised share capital of the Company was increased from ₹ 70,00,00,000 (Rupees Seventy Crores) to ₹ 85,00,00,000 (Rupees Eighty Five crores) divided into 17,00,00,000 Equity Shares of ₹ 5/- each.

ALLOTMENT OF SHARES

During the year under review, the company has allotted 1,65,00,000 Equity Shares of ₹ 5/- each to promoters group and 1,50,00,000 Equity Shares of ₹ 5/- each to non-promoters group at a premium of ₹15/- each per equity share pursuant to conversion of Optionally Convertible Debentures issued on 4th July, 2012. As a result of such conversion the paid up capital of the Company has increased from ₹ 1700.02 lacs to ₹ 3275.02 lacs.

The Company has received approval from BSE Limited and The Calcutta Stock Exchange Limited for listing and dealing of above said 3,15,00,000 Equity Shares of the Company.

Further the Company has allotted 35,00,000 Equity Shares of ₹ 5/- each on 30th May, 2013 to promoters group at a premium of ₹ 15/- each per equity share pursuant to conversion of 17,50,000 Optionally Convertible Debentures. With this conversion all the optionally convertible debentures have been converted into equity shares. As a result of such conversion the paid up capital of the Company has increased from ₹ 3275.02 lacs to ₹ 3450.02 lacs. Pursuant to such allotment the promoter shareholding in the Company is 58.98%.

The Company has applied to BSE Limited and The Calcutta Stock Exchange Limited for listing and dealing of aforesaid 35,00,000 Equity Shares of the Company.

RIGHTS ISSUE

The Board of Directors of your Company at its meeting held on 25th September, 2012 approved the Draft Letter of Offer for Rights Issue of Equity shares not exceeding ₹ 131 crores. The Draft Letter of Offer has been filed with the Securities and Exchange Board of India (SEBI) on September 27, 2012. Your Company has received the final observation of SEBI with respect to the proposed rights issue vide their letter no. ERO/SCS/OW/7967/2013 dated 3rd April, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the requirement of Section 217(2AA) of the Companies Act, 1956 your Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that 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 affairs of the Company at the end of the financial year and of the profit of the Company for the period;
3. that 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 the fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

In terms of Clause 49 of the listing agreements with the Stock Exchanges, Report on Corporate Governance along with certificate of compliance from a practicing company secretary confirming compliances to the condition of the Corporate Governance requirement are attached and form part of the Report as **Annexure -2**.

CORPORATE SOCIAL RESPONSIBILITY

Your Company wishes to contribute liberally towards the welfare and social upliftment of the community. In the business community Corporate Social Responsibility is alternatively referred to as "Corporate Citizenship". Your director proposes to take appropriate initiatives to make your Company a good corporate citizen.

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

The Company is a Non Banking Financial Company and therefore information relating to Conservation of Energy and Technology Absorption are not applicable.

The Company has neither earned nor used any foreign exchange during the year under review.

DIRECTORS

Mr. S. M. Kothari, Director of the Company resigned w.e.f 27th May, 2013. The Board places on record its high appreciation of the valuable services rendered by Mr. S. M. Kothari during his tenure as Director of the Company.

Directors' Report (Contd.)

Mr. N. K. Choraria, was appointed as director in casual vacancy with effect from 9th November, 2011 in place of Mr. M. P. Srivastawa.

Mr. N. K. Choraria holds office till the ensuing Annual General Meeting and is eligible for reappointment.

Mr. C. K. Chandak was appointed as an additional director with effect from 30th May, 2013.

Mr. C. K. Chandak holds the office till the ensuing Annual General Meeting and is eligible for reappointment.

AUDITORS

M/s Vasudeo & Associates, Chartered Accountants, Joint Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and offer themselves for re-appointment.

Your Company has received Letter from M/s Haribhakti & Co., Chartered Accountants, Joint Statutory Auditors of the Company indicating their unwillingness to act as the Joint Statutory Auditors of the Company.

M/s Das & Prasad, Chartered Accountants has been appointed as Joint Statutory Auditors of the Company subject to approval of the members of the Company at the forthcoming Annual General Meeting. M/s Das & Prasad, Chartered Accountants, if appointed, will hold office from the conclusion of forthcoming Annual General Meeting till the conclusion of next Annual General Meeting.

AUDITORS' OBSERVATIONS

The observations of the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory and therefore, do not call for any further comments.

With reference to the Auditors' observation in clause (iv) of the Annexure to the Auditors' Report, your Company is taking necessary steps to further strengthen the internal control system with regards to documentations relating to granting of Loans & Advances and Investment in/advances for property developments needs.

With regards to clause (vii) of the Annexure to the Auditors' Report, your Company is taking necessary steps to further enlarge the scope & coverage of Internal Audit System.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration up to or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with (Particulars of Employees) Rules, 1975.

SUBSIDIARIES

As per general exemption granted vide Government of India, Ministry of Corporate Affairs' general circular no. 2/2011 dated 8th February, 2011, the Company has not attached the annual accounts of its subsidiaries to this Annual Report. As required by the said circular, the relevant information for each subsidiary has been disclosed in the consolidated financial statements attached to this Annual Report.

The Company will make available the annual accounts of subsidiaries and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of subsidiaries will also be kept for inspection by any member of the Company at the registered office of the Company and that of respective subsidiaries. The Consolidated financial statements presented by the Company include the financial information of its subsidiaries.

Your Company plans to acquire 100% Shares of Aristro Capital Markets Limited (ACML) and make it as its Wholly Owned Subsidiary. ACML is engaged in the business of stock broking and is the member of NSE (Capital Market and Future & Option segment), BSE (Capital Market and Future & Option segment) and the Depository Participant of Central Depository Services (India) Limited (CDSL).

ACKNOWLEDGEMENTS

Your Directors thank the shareholders and customers for the confidence reposed by them in the Company and also wish to record the appreciation for the services and sincere efforts of the Employees, Bankers, Registrar and Share Transfer Agents of the Company.

For and on behalf of the Board

Place: Kolkata

Date: 3rd July, 2013

CA G.L. Goenka

Chairman & Managing Director

Annexure - 1 to the Directors' Report Management Discussion And Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2012-13 continued to be challenging year for the Indian economy. The Indian economy further slowed down during the year due to higher interest rates, policy constrained, stalling projects and drying of new investments. The high level of Fiscal and Current Account deficit had an equally dampening effect on the Indian economy.

The headline inflation measured by the wholesale price index fall to 6% by the end of the year, however the consumer price index remained in double digit through most of the year.

Reserve Bank of India keeping in view the overall inflation trend revised its policy rates three times between July, 2012 to May, 2013 reducing Repo rates from 8% to 7.25% and Reverse Repo rates from 7% to 6.25% to revive growth in the industrial sector. In order to redress the liquidity problem, Reserve Bank of India reduced the Cash Reserve Ratio (CRR) by 75 basis points (from 4.75% to 4%) between July, 2012 to May, 2013 and Statutory Liquidity rates by 100 basis points from 24% to 23% in July, 2012.

OPPORTUNITIES & THREATS

The prospect of Indian Economy is uncertain during the current Financial Year. The forecast of GDP growth rate for 2013-14 is between 6.1% to 6.7% as compared to 5% in 2012-13. With the various steps taken by the government to revive investment and growth in the economy the industrial growth is likely to improve from the second half of current financial year which may create new opportunity for the Company. However continuing uncertainty in the global market, higher trade deficit, weakening of Rupee vis-à-vis major foreign currency may impact the financial market.

The Company is taking various steps to withstand the uncertainty in the Financial Market

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The business of the Company predominantly falls within a single primarily business segment viz. "Financial and Related Services" and hence the disclosure requirement of Accounting Standard- 17 "Segment Reporting" notified by the Central Government under Companies (Accounting Standards) Rules, 2006 is not applicable.

OUTLOOK

The Index of Industrial Production has been on a decline. The index of industrial production was lower at 1.1% in this year compared to 2.9% in the previous year.

There is a considerable slowdown in growth, moderating inflation and uncertain outlook. However your Company will continue to strive for meaningful growth, focusing as always on superior credit quality, a balance portfolio mix and efficient cost management, in order to sustain profitability.

The government has taken various steps to kick start investment. Policy rate cuts by Reserve Bank of India and improving business sentiment could also support revival in investment.

Your Company is fully aware that the opportunities in the infrastructure and real estate will be many and diverse in nature. While this provides impetus for our sustainable growth, your company is also duly careful that from amongst the multiple choices of attractive businesses available we always make the right choice. Your company's business model and its risk management policies and mechanisms are being constantly reviewed and upgraded to ensure this.

Your Company has taken steps to invest into lucrative business of construction and operation of the state-of-the-art movie studio and movie town.

Further there are ample opportunities in retail loan segment of business like Housing loan, Education Loan, Medical Loan etc. where the Company can enter, sustain and grow because of our unique combination of various resources and expertise. Your Company's well defined systems & procedures would emerge as leader in retail credit.



Annexure - 1 to the Directors' Report Management Discussion And Analysis Report (Contd.)

RISK MANAGEMENT

Risks to a varying degree, is inevitable in all business transactions in an organization which is in financial services. Your Company, being in the business of financing and investment has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk. Hence, strong risk management capabilities are critical for a growing company operating in a rapidly changing environment. The Asset Liability Management Committee reviews and manages the risk at periodic intervals.

The risk management framework of the company is driven by the following fundamentals:-

- Identification of key risks faced by the company.
- Evaluating the probability of their occurrences and their impact.
- Set an appropriate balance between risk and reward in order to maximize share holder return.
- Set tolerance limits and establish adequate review mechanisms to monitor and control the risks.
- Incorporate robust reporting mechanism and adoption of appropriate mitigation processes.

The Company manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the period is put to best use and acts to mitigate credit risks. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

INTERNAL CONTROL SYSTEM

Your Company's internal control system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business for safeguarding the assets of the Company and to meet with the compliances. The Company has established procedures including a clear delegation of authority and Standard Operating Procedures (SOP) for all business parts.

The internal audit programme focuses primarily on checks and controls on systems and processes, monitoring compliances, continuous upgrade of controls and the current business risk assessment. The critical audit observations are shared with the audit committee on a quarterly basis for an effecting monitoring of controls and implementation of recommendations. In view of the observation of statutory auditors internal control system is being further strengthened and the scope & coverage of Internal Audit System is being enlarged.

FINANCIAL PERFORMANCE

During the year your Company achieved revenue from operations of ₹ 7622.70 lacs as against ₹ 9584.87 lacs in the previous year and recorded profit before tax of ₹ 268.60 lacs as against ₹ 117.51 lacs in the financial year 2011-12.

HUMAN RESOURCES

Your Company believes that its greatest assets are its people and training is an investment in long term people development, for organizational excellence. During the year under review, your Company has taken several initiatives to ensure that the knowledge and wisdom gained over period is handed down to the next generation of employees.

Place: Kolkata
Date: 3rd July, 2013

For and on behalf of the Board
CA G.L. Goenka
Chairman & Managing Director

Annexure - 2 to the Directors' Report Report On Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of complete transparency and accountability by providing detailed information on various issues concerning the Company's business and financial performance to its shareholders.

The Board of Directors (Board) considers itself as the trustee of its shareholders. During the year under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans. The Company followed adequate monitoring system to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors comprises of two Executive Directors and four Non-Executive Directors. Non-Executive Directors constituted more than half of the total number of Directors. Four out of the Six Directors are Independent Directors which duly complied with the requirement of Clause 49 of the Listing Agreement. The Company has an Executive Chairman who is also promoter of the Company.

The information on composition of the Board as on date, category of Directors, Directorships in other Public Limited Companies and Committees of other Public Limited Companies of which the Director is a member/chairman, is as under:

Name of the Directors	Category of Directors	No. of Directorships held in other Public Limited Companies	No. of other Board Committee(s) of which he is a Member	No. of other Board Committee(s) of which he is a Chairman
Mr. G. L. Goenka	Chairman & Managing Director - Promoter	1	NIL	NIL
Mr. Dinesh Burman	Executive Non-Independent	NIL	NIL	NIL
Mr. N. K. Choraria	Non-Executive Independent	NIL	NIL	NIL
Mr. Rhythm Arora	Non-Executive Independent	NIL	NIL	NIL
Mr. Arun Goenka	Non-Executive Independent	NIL	NIL	NIL
Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013)	Non-Executive Independent	1	NIL	NIL

There are no inter-se relationships among the directors.

Report On Corporate Governance (Contd.)

(b) Number of Board Meetings:

During the financial year 2012-13, eleven meetings of the Board of Directors were held on 25.04.2012, 12.05.2012, 30.05.2012, 27.06.2012, 04.07.2012, 25.07.2012, 22.08.2012, 12.09.2012, 25.09.2012, 31.10.2012 and 30.01.2013.

The information on attendance at Board Meetings held during the year and at the last Annual General Meeting is as under:

Name of the Directors	Board meetings			Attendance at last Annual General Meeting
	Held during the year	Held during the tenure	Attended	
Mr. G. L. Goenka	11	11	10	YES
Mr. S. M. Kothari (resigned w.e.f. 27.05.2013)	11	11	10	YES
Mr. Dinesh Burman	11	11	10	YES
Mr. G. S. Mehta (resigned w.e.f. 27.06.2012)	11	3	0	N.A.
Mr. N. K. Choraria	11	11	11	YES
Mr. Rhythm Arora	11	11	5	YES
Mr. Arun Goenka (Appointed w.e.f. 27.06.2012)	11	7	3	YES
Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013)	11	N.A.	N.A.	N.A.

III. AUDIT COMMITTEE

- a) The term of reference of Audit Committee includes the matters specified under Clause 49 of the Listing Agreement.

Terms of Reference

The role and power of the Audit Committee includes:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation in respect of appointment, re-appointment and removal of statutory and internal auditors, fixation of audit fees and approval for payment for any other services rendered by statutory & internal auditors.
3. Review of the quarterly and annual financial statements before submission to the Board.
4. Review and discussions with statutory and internal auditors, in respect of the internal control/audit systems, internal audit reports, management letters of internal control, weaknesses, adequacy of internal control systems and improvement therein.
5. Review of finding/observations of the internal auditors into matters of irregularity or suspected fraud and reporting the matter to the Board.
6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, creditors and shareholders (in case of non-payment of declared dividend).
7. To seek information from any employee, access to records of the Company and investigate any activity relating to financial matters.
8. To seek outside legal and / or professional advice.

Report On Corporate Governance (Contd.)

9. Pre-audit and post-audit discussions with statutory auditors to ascertain the nature, scope and any specific area of concern.
 10. Review of management discussion and analysis of financial condition and results of operations and statements of related party transactions.
 11. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the Committee monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- b) During the financial year 2012-13 six Audit Committee Meetings were held on 25.04.2012, 30.05.2012, 04.07.2012, 25.07.2012, 31.10.2012 and 30.01.2013.
- c) The composition of Audit Committee as on date and the information on attendance at Audit Committee Meetings held during the year is as under:

Name of the Directors	Positions Held	No of Meetings Held	Held during the tenure	No of Meeting Attended
Mr. N. K. Choraria	Chairman (upto 30.05.2013)	6	6	6
Mr. S. M. Kothari (Resigned w.e.f. 27.05.2013)	Member	6	6	6
Mr. Arun Goenka (Appointed w.e.f. 27.06.2012)	Member	6	4	2
Mr. Rhythm Arora	Member	6	6	4
Mr. G. S. Mehta (Resigned w.e.f. 27.06.2012)	Member	6	2	0
Mr. Chandra Kumar Chandak (Appointed w.e.f. 31.05.2013)	Chairman (w.e.f. 31.05.2013)	6	N.A	N.A.

All the members of the Audit Committee are Independent Directors. The composition of the committee is in conformity with clause 49II(A) of the Listing Agreement. The Statutory Auditors are regular invitee. The Company Secretary acts as the Secretary of the committee.

IV. NOMINATION COMMITTEE

- a) During the financial year 2012-13 two Nomination Committee Meetings were held on 30.05.2012 and 27.06.2012.
- b) The composition of Nomination Committee as on date and the information on attendance at Nomination Committee Meetings held during the year is as under:

Name of the Directors	Positions Held	No of Meetings Held	Held during the tenure	No of Meeting Attended
Mr. N. K. Choraria (w.e.f. 25.04.2012)	Chairman	2	2	2
Mr. Dinesh Burman	Member	2	2	2
Mr. Arun Goenka (Appointed w.e.f. 27.06.2012)	Member	2	0	0
Mr. Rhythm Arora (w.e.f. 25.04.2012)	Member	2	2	1
Mr. G. S. Mehta (Resigned w.e.f. 27.06.2012)	Member	2	1	0

Report On Corporate Governance (Contd.)

V. REMUNERATION COMMITTEE

- a) During the financial year 2012-13 one Remuneration Committee Meeting were held on 30.05.2012
- b) The Composition of Remuneration Committee as on date and the information on attendance at Remuneration Committee Meeting held during the year is as under:

Name of the Directors	Positions Held	No of Meetings Held	Held during the tenure	No of Meeting Attended
Mr. Arun Goenka (Appointed w.e.f 27.06.2012)	Chairman (w.e.f. 27.06.2012)	1	N.A.	N.A.
Mr. G. S. Mehta (Resigned w.e.f 27.06.2012)	Chairman (upto 26.06.2012)	1	1	0
Mr. N. K. Choraria	Member	1	1	1
Mr. Rhythm Arora	Member	1	1	1

All members of the Remuneration Committee are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the year under review one meeting of the Remuneration Committee was held on 30th May, 2012 for recommending the remuneration of Mr. Dinesh Burman, Whole-time Director designated as Executive Director of the Company.

The Company pays monthly remuneration to Executive Directors. The tenure of employment of Executive Directors of the Company may be terminated by the Company by giving notice of 45 days or payment of Salary (Basic) in lieu thereof. In case, the Executive Directors do not wish to continue with the Company, they should serve a notice period of 90 days prior to date of leaving or should make payment of Salary (Basic) in lieu thereof.

The Executive Directors shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as they functions as the Executive Directors of the Company.

Apart from making payment of sitting fees for attending the Board meetings and defraying expenses for attending such meetings and other travelling expenses incurred wholly and exclusively in attending to Company's work, no remuneration in any form is paid to Non-Executive Directors.

Remuneration paid to Directors during the financial year ended 31st March, 2013 is as under:

Non- Executive Directors

(Amount in ₹)

Name of the Directors	Sitting fees paid
Mr. Dinesh Burman (upto 29th May, 2012)	11,000
Mr. G. S. Mehta (resigned w.e.f. 27th June, 2012)	0
Mr. Arun Goenka (appointed w.e.f. 27th June, 2012)	17,000
Mr. S. M. Kothari	59,000
Mr. N. K. Choraria	64,000
Mr. Rhythm Arora	33,000

Remuneration paid to Executive Directors

(Amount in ₹)

Name of the Directors	Remunerations	
Mr. G. L. Goenka	Salary	- 14,40,000
	Perquisites	- NIL
	Other Allowances	- 7,20,000
Mr. Dinesh Burman (Whole-time Director w.e.f. 30.05.2012)	Salary	- 1,71,096
	Perquisites	- NIL
	Other Allowances	- 85,549

Report On Corporate Governance (Contd.)

VI. SHAREHOLDERS' GRIEVANCES COMMITTEE :

- a) During the financial year 2012-13 three Shareholders' Grievances Committee Meetings were held on 05.05.2012, 31.10.2012 and 29.01.2013.
- b) The composition of Shareholders' Grievances Committee as on date and the information on attendance at Shareholders' Grievances Committee Meetings held during the year is as under:

Name of the Directors	Positions Held	No of Meetings Held	Held during the tenure	No of Meeting Attended
Mr. S.M. Kothari (Resigned w.e.f 27.05.2013)	Chairman (upto 26.05.2013)	3	3	3
Mr. Chandra Kumar Chandak (Appointed w.e.f 30.05.2013)	Chairman (w.e.f. 30.05.2013)	3	N.A.	N.A.
Mr. G.L. Goenka	Member	3	3	2
Mr. Dinesh Burman	Member	3	3	3
Mr. Rhythm Arora	Member	3	3	2

- ii) Name of Non Executive Director heading the committee: Mr. Chandra Kumar Chandak.
- iii) Name & Designation of Compliance Officer: Ms. Amrita Mohta, Company Secretary.
- iv) Number of shareholder's queries received during the year : Three
- v) Number of pending complaints : Nil

VII. RIGHTS ISSUE COMMITTEE

No Meeting was held during the year 2012-13. The composition of the Rights Issue Committee as on the date of report is as follows:

Name of the Directors	Positions Held
Mr. G. L. Goenka	Chairman
Mr. S. M. Kothari (Resigned w.e.f. 27.05.2013)	Member
Mr. Chandra Kumar Chandak (Appointed w.e.f. 30.05.2013)	Member

VIII. ASSETS LIABILITY MANAGEMENT COMMITTEE

During the financial year 2012-13 one Assets Liability Management Committee Meeting were held on 29.03.2013. The composition of the Assets Liability Management Committee as on the date of report is as follows:

Name	Positions Held
Mr. G. L. Goenka	Chairman
Mr. Dinesh Burman	Member
Chief Financial Officer	Member
Chief Operating Officer	Member

IX. SUBSIDIARY COMPANIES

The Company has three wholly owned non-material non listed Indian subsidiaries.

X. CEO/CFO CERTIFICATION

As required by Clause 49V of the Listing Agreement, the CEO/CFO Certificate signed by Mr. G. L. Goenka, CEO and Mr. Shiv Kumar Dabriwala, CFO was placed before the Board of Directors at its meeting held on 30.05.2013.

Report On Corporate Governance (Contd.)

XI. GENERAL BODY MEETING

a) Location and time of the last three AGMs/EGMs held:

AGM/EGM	Date	Venue	Time
19th AGM	22.08.2012	Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069	10.00 AM
18th AGM	16.09.2011	Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069	10.30 AM
17th AGM	27.09.2010	12A, S. N. Roy Road, Kolkata-700038	10.00 AM
EGM	23.05.2012	1st British Indian Street, 1st Floor, Room No. 109, Kolkata - 700 069	10.30 AM
EGM	12.10.2011	Mathan (Banquet Hall), 3 Waterloo Street, Kolkata - 700 069	10.30 AM
EGM	27.04.2011	1st British Indian Street, Room No. B-10, Kolkata - 700 069	10.00 AM

b) Whether any special resolution was passed in the previous 3 AGMs: Yes

Postal Ballot:

During the year no resolution was passed through Postal Ballot.

XII. CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Conduct (Code) for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has been displayed on the Company's website:- www.goldengoenka.com. All the members of the Board and the Senior Management personnel has affirmed compliance with the Code for the year ended 31st March, 2013 and a declaration to this effect signed by Mr. G. L. Goenka, Managing Director, forms part of this Report.

To
Board of Directors
Golden Goenka Fincorp Limited
1st British Indian Street
Room No. B-10
Kolkata-700 069

Dear Sir,

Sub: Compliance with the Company's Code of Ethics and Business Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Code of Ethics and Business Conduct of the Company for the Financial Year ended March 31, 2013.

Place: Kolkata
Date: 30.05.2013

For **Golden Goenka Fincorp Limited**
CA G L Goenka
Chairman and Managing Director

CODE OF CONDUCT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, the Company has framed a Code of Internal Procedures and Conduct and Code of Corporate Disclosures Practices for prevention of Insider Trading by Company Insiders. The code, inter- alia, prohibits purchase and/or sale of shares of the Company by the Directors and Designated Employees while in the possession of unpublished price sensitive information of the Company.

XIII. DISCLOSURES

a) Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its related parties that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transaction with related parties as per requirements of Accounting Standards AS-18 are disclosed in Note No. 35 forming part of the Accounts.

Report On Corporate Governance (Contd.)

- b) The Company is regular in complying with the requirement of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, for non-compliance of any matter during the last three years.
- c) Although the Company has not formulated Whistle Blower Policy, being a non-mandatory requirement, but no personnel has been denied access to the Senior Management/Audit Committee.
- d) The Company complies with all the mandatory requirements and one non – mandatory requirements of Clause 49 of the Listing Agreement viz. constitution of Remuneration Committee of Directors.

XIV. MEANS OF COMMUNICATION

In compliance with Clause 41 of the Listing Agreement, the Company faxes and mail electronically the quarterly/ half yearly/ yearly unaudited / audited financial results to the Stock Exchanges within 15 minutes from the conclusion of the Board Meetings. Information through post is also sent to BSE Limited and hand delivery is made to The Calcutta Stock Exchange Limited. Results are published in Business Standard (English) and Kalantar (Bengali) etc. newspapers of Kolkata edition. The Company's financial results and official news releases are displayed on the Company's website www.goldengoenka.com. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

XV. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT

No shares of the Company were required to be transferred to Unclaimed Suspense Account in terms of Clause 5A of the Listing Agreement.

XVI. GENERAL SHAREHOLDER INFORMATION

- (i) AGM Date : 12th August, 2013 at 11:30 A.M. to be held at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata- 700 069
- (ii) Financial Year ended 31.03.2013 (2012-2013)
- (iii) Date of book closure – 5th August, 2013 to 12th August, 2013 (both day inclusive)
- (iv) Dividend Payment date – The Board has recommended interim dividend @ ₹ 0.20 per share as final dividend.
- (v)

Listing on Stock Exchange	Stock Code
a. The Calcutta Stock Exchange Limited 7 Lyons Range, Kolkata - 700 001	10017059
b. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	530579
ISIN	INE152C01025 for Face Value of ₹ 5/- each

- vi) Market Price Data : The Market Price of the Equity Share of the Company during 2012-2013 is given in the table below :

Months	BSE	
	High	Low
April 2012	42.50	35.20
May 2012*	39.90	19.60
June 2012	34.95	25.15
July 2012	45.00	22.35
August 2012	22.85	14.10
September 2012	19.40	13.70
October 2012	16.50	12.70
November 2012	15.85	13.51
December 2012	17.30	14.00
January 2013	17.50	14.50
February 2013	15.75	13.50
March 2013	14.70	7.00

- * Face value of ₹ 10/- each has been sub-divided into two equity shares of ₹ 5/- each w.e.f. 4th May, 2012.
- There was no trading of shares at The Calcutta Stock Exchange Limited during the year.

Report On Corporate Governance (Contd.)

vii) Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc – N.A.

	28.03.2013	30.03.2012	Change (%)
Share Prices of the Company	8.30	36.35	(-) 77.54
BSE Sensex	18,835.77	17,404.20	(+) 8.23

viii) Registrar & Share Transfer Agents: Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001, Telephone- 033-22357270/7271, Email- nichetechpl@nichetechpl.com

ix) Share Transfer System: The transfer of shares is affected by the Registrar and Share Transfer Agents after necessary approvals of the authorised officer. The shares sent for physical transfer are generally registered within a period of maximum 15 days from the date of receipt provided the documents are in order.

x) a) Distribution of share holding as on 31st March, 2013:-

No. of Shares	No of Share Holders	Percentage to Total (%)	Total Shares	Percentage to total (%)
1 – 500	907	60.11	1,82,342	0.28
501 – 1000	263	17.43	2,22,343	0.34
1001 – 5000	234	15.51	5,85,965	0.90
5001 – 10000	39	2.58	3,09,674	0.47
10001 – 50000	49	3.25	10,36,523	1.58
50001 – 100000	7	0.46	4,58,647	0.70
100001 and above	10	0.66	6,27,04,906	95.73
Total	1509	100.00	6,55,00,400	100.00

b) Shareholding Pattern of the Company as on 31st March, 2013:-

Category	No of Share Holders	Total No of Shares	Percentage to total (%)
Promoters	4	3,63,97,130	55.568
Residents(Individual)	1392	21,07,204	3.217
Non-Resident Individual /OCBs	6	2,485	0.004
Bodies Corporate	78	2,68,48,646	40.990
Clearing Corporation/Clearing Member	29	1,44,935	0.221
Total	1509	6,55,00,400	100.000

xi) Dematerialization of Shares and Liquidity: Pursuant to a directive from SEBI, the Shares of the Company are included in SEBI's list of shares in which trading in electronic form is compulsory with effect October, 2000. As on 31st March 2013 the number of shares in dematerialized form is 65200742 representing 99.54% of the total shares and the balance 299658 shares representing 0.46 % of the shares were held in physical form.

xii) Outstanding GDRS/WARRANTS or any convertible instruments, conversion data and likely impact on equity as on 31.03.2013 – 17,50,000 Optionally Convertible Debentures, if option availed, the same will be converted into 35,00,000 equity shares of ₹ 5/- each. (Converted into equity shares on 30.05.2013)

xiii) Plant location – The Company is Non Banking Finance Company and there is no plant.

xiv) **Address for correspondence:**

Registered Office:- Golden Goenka Fincorp Limited, 1st, British Indian Street, Room No. B-10, Kolkata-700 069, Phone No. - 033-2262 3827, Fax No. – 033-4407 0020

Corporate Office:- Golden Goenka Fincorp Limited, 1st, British Indian Street, Room No. 109, Kolkata-700 069, Phone- 033-4004 2424

Email ID : shareholders@goldengoenka.com,

Website : www.goldengoenka.com

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Golden Goenka Fincorp Limited,

I have examined the compliance of conditions of Corporate Governance by Golden Goenka Fincorp Limited, for the year ended on March 31, 2013 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. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I hereby certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 3rd July, 2013

PREMLATA SONI
Practising Company Secretary
Membership No. FCS 4385, CP No. 5027



INDEPENDENT AUDITORS' REPORT

**To the Members of
Golden Goenka Fincorp Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Golden Goenka Fincorp Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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.

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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 15(a) to the financial statements, in respect of Investments in/Advances for Property Development aggregating to ₹ 174,500,000/-. The Company is of the view that the amounts invested/advanced are towards ventures which would yield profits in the future. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ["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:

INDEPENDENT AUDITORS' REPORT (Contd.)

- 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 sub-section (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Haribhakti & Co.**
Chartered Accountants
[Firm's Registration No. 103523W]

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

For **Vasudeo & Associates**
Chartered Accountants
[Firm's Registration No. 319299E]

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2013



ANNEXURE TO THE AUDITORS' REPORT

[Referred to in our report of even date, to the members of Golden Goenka Fincorp Limited]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) During the year, the Company has not disposed off any fixed assets.
- (ii) In respect of shares and securities held as stock for trade:
 - (a) According to the information and explanations given to us, the stock for trade has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of stock for trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of stock for trade and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions stated in clauses 4 (iii)(a) to (d) of the Order are not applicable to the Company;
- (e) During the year, the Company had taken unsecured loans from three Companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 601,346,131/- and the year-end balance of loans taken from such parties was ₹ 70,000,000/-;
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the aforesaid loans taken are not, prima facie, prejudicial to the interest of the Company;
- (g) In respect of the aforesaid loans taken, the Company is regular in repaying the principal amount and the interest.
- (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 the purchase of shares and securities held as Stock for Trade and fixed assets. The Company is a Non-Banking Financial (Non- Deposit Accepting or Holding) Company ("NBFC") providing Financial and Related Services but *the internal control system with regards to documentation relating to granting of loans & advances and investments in/advances for property development needs to be further strengthened*. However, in our opinion, the management is taking reasonable steps to correct the said weaknesses and we have not observed any other continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) 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 thereunder.
- (vii) *The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*
- (viii) Being a Non-Banking Financial Company, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax and other material statutory

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

dues applicable to it. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, custom duty, excise duty and cess during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax and other material statutory dues, were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues as on 31st March, 2013 of income-tax, service tax and other material statutory dues which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at the end of the financial year covered by our audit. The Company has not incurred cash losses in the said financial year and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In respect of dealing or trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) 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) In our opinion and according to the information and explanations given to us, term loans have been prima facie applied for the purposes for which the loans were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of debentures issued by the Company during the year. Further, the Company also has unsecured debentures outstanding during the year on which no security or charge is required to be created.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For **Haribhakti & Co.**
Chartered Accountants
[Firm's Registration No. 103523W]

For **Vasudeo & Associates**
Chartered Accountants
[Firm's Registration No. 319299E]

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2013

Balance Sheet as at 31st March, 2013

(Amount in ₹)

	Note	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	327,502,000	170,002,000
Reserves and Surplus	3	595,337,147	115,724,329
		922,839,147	285,726,329
Non-Current Liabilities			
Long-Term Borrowings	4	501,643,889	500,000,000
Other Long-Term Liabilities	5	5,341,530	341,530
Long-Term Provisions	6	2,659,101	1,699,700
		509,644,520	502,041,230
Current Liabilities			
Short-Term Borrowings	7	70,000,000	65,000,000
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	896,666	-
- Others	8	35,567,706	2,764,222
Short-Term Provisions	9	-	5,255
		106,464,372	67,769,477
TOTAL		1,538,948,039	855,537,036
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	10	6,864,955	1,861,251
		6,864,955	1,861,251
Deferred Tax Assets (Net)	11	214,978	232,710
Non-Current Investments	12	187,085,619	45,355,319
Long-Term Loans and Advances			
- Loan Assets	13	136,918,243	216,500,000
- Other Long-Term Advances	14	27,773,545	1,003,126
Other Non-Current Assets	15	179,500,000	-
		531,492,385	263,091,155
Current Assets			
Current Investments	16	-	60,000,000
Stock for Trade	17	42,434,317	102,126,978
Trade Receivables	18	1,161,004	47,530,524
Cash and Bank Balances	19	12,519,212	27,093,276
Short-Term Loans and Advances			
- Loan Assets	13	449,718,195	334,300,000
- Other Short-Term Advances	20	71,472,813	11,637,112
Other Current Assets			
- Current Maturities of Long-Term Loan Assets	13	333,381,599	-
- Other Current Assets	21	89,903,559	7,896,740
		1,000,590,699	590,584,630
TOTAL		1,538,948,039	855,537,036

Significant Accounting Policies and Notes to Financial Statements

1 to 43

The Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2013

(Amount in ₹)

	Note	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue From Operations	22	762,269,951	958,486,862
Other Income	23	2,927,987	1,601,429
Total		765,197,938	960,088,291
EXPENSES			
Purchases of Shares, Mutual Funds & Commodities		583,206,860	984,900,200
Changes in Stock for Trade		59,692,662	(70,207,232)
Employee Benefits Expense	24	7,262,573	4,441,145
Finance Cost	25	74,206,228	19,095,025
Depreciation/Amortisation and Impairment	10	416,053	154,580
Other Expenses	26	12,480,764	8,602,060
Total		737,265,140	946,985,778
Profit before Provisions & Tax		27,932,798	13,102,513
Contingent Provisions against Standard Assets	6(a)	923,045	1,351,827
Provision for Non-Performing Assets	6(a)	250,000	-
		1,173,045	1,351,827
Profit Before Tax		26,759,753	11,750,686
Tax Expense:			
- Current tax		6,734,360	2,895,180
- MAT Credit Entitlement		-	(138,828)
- Deferred Tax		17,732	(232,710)
Total Tax for current year		6,752,092	2,523,642
Income Tax in respect of earlier years		(8,380)	-
Profit After Tax		20,016,041	9,227,044
Earnings per Equity Share (par value ₹ 5/- per Equity Share)	32		
Basic (₹)		0.42	0.30
Diluted (₹)		0.39	0.30

Significant Accounting Policies and Notes to Financial Statements 1 to 43

The Notes referred to above form an integral part of the Statement of Profit and Loss

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

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

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Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2013

(Amount in ₹)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Cash Flow from Operating Activities		
Profit Before Tax	26,759,753	11,750,686
Adjustment for:		
Depreciation/Amortisation and Impairment	416,053	154,580
Provision for Diminution in value of the Long-Term Investments	-	222,453
Contingent Provisions against Standard Assets	923,045	1,351,827
Provision for Non-Performing Assets	250,000	-
Profit on Sale of Current Trade Investments (Net)	(589,639)	(739,191)
Dividend Income	-	(2,354)
Interest Income from Investment in Fixed Deposit/Bonds	(703,056)	(362,910)
Liabilities No Longer Required written back	-	(1,000)
Provision for Diminution in value of Stock for Trade	10,498,696	16,654,482
Operating Profit before Working Capital Changes	37,554,852	29,028,573
Adjustments for:		
Increase / (Decrease) in Liabilities and Provisions	33,894,456	2,264,502
Decrease/(Increase) in Trade Receivables	46,369,520	(41,680,670)
Decrease/(Increase) in Stock for Trade	49,193,965	(86,861,715)
Decrease /(Increase) in Loans and Advances/ Other Assets	(710,977,925)	(557,721,304)
Cash Generated from /(used in) Operations	(543,965,132)	(654,970,614)
Direct Taxes paid	(13,079,032)	(5,719,154)
Net Cash (Used in) / Generated from Operating Activities <i>a</i>	(557,044,164)	(660,689,768)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,419,757)	(1,497,344)
(Increase) / Decrease in Investments	(101,730,300)	(113,073,665)
(Increase) / Decrease in Fixed Deposit	(10,000,000)	-
Interest Income from Investment in Fixed Deposit/Bonds	703,056	362,910
Proceeds from Sale of Current Trade Investments	20,589,639	8,512,856
Dividend Received	-	2,354
Net Cash (Used)/ Generated in Investing Activities <i>b</i>	(95,857,362)	(105,692,889)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Share Capital	630,000,000	232,000,000
Increase / (Decrease) in Non-Convertible Debentures	-	500,000,000
Increase / (Decrease) in Optionally Convertible Debentures	70,000,000	-
Increase / (Decrease) in Unsecured Short-Term Borrowings	(65,000,000)	65,000,000
Increase / (Decrease) in Vehicle Loan	1,643,889	-
Interim Dividend Paid	(7,213,284)	(6,264,426)
Corporate Dividend Tax Paid	(1,103,143)	(1,103,143)
Net Cash (Used)/ Generated in Financing Activities <i>c</i>	628,327,462	789,632,431

Cash Flow Statement for the year ended 31st March, 2013

(Amount in ₹)

		Year ended 31st March, 2013	Year ended 31st March, 2012
Net Increase/(Decrease) in Cash & Cash Equivalents	a+b+c	(24,574,064)	23,249,774
Cash & Cash Equivalents at the beginning of the year		27,093,276	3,843,502
Cash & Cash Equivalents at the end of the year		2,519,212	27,093,276

Explanations:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year' classification.

This is the Cash Flow Statement referred to in our report of even date

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

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Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer



Significant Accounting Policies and Notes to Financial Statements

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-Deposit Accepting or Holding) Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

Presentation and disclosure in Financial Statements

From the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

Operating Cycle

As per the revised Schedule VI, *"An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents"*.

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have a duration of 12 months.

Current and Non-Current Asset

An asset is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realised within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

Current and Non-Current Liability

A liability is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycles; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

Significant Accounting Policies and Notes to Financial Statements (Contd.)

1.3 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Tangible Fixed Assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which takes substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

b) Depreciation/Amortisation

Depreciation/Amortisation is provided on the Written Down Value Method ('WDV') as per the rates and in the manner prescribed in Schedule XIV of the Act. Management estimates the useful lives of Fixed Assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation/Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.4 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis.

Cost is arrived at on weighted average method for the purpose of valuation of investment.

1.5 Stock for Trade

Stock for Trade is carried at lower of cost and market price, determined category-wise.

1.6 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

1.7 Provisioning / Write-off of Assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for other financial services is also made on similar basis.

1.8 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:



Significant Accounting Policies and Notes to Financial Statements (Contd.)

- a) Revenue from sale of Stock for Trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Interest Income from Loan assets is recognised in the Statement of Profit and Loss on accrual basis as per the terms and conditions of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to NBFCs.
- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instruments (futures and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.9 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

1.10 Retirement and other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out as at the balance sheet date. The Company has taken a policy administered by Life Insurance Corporation of India. Actuarial gains/losses are charged to the Statement of Profit and Loss and are not deferred.

b) Compensated Absences

Short term compensated expenses are charged to the Statement of Profit and Loss in the year in which the related service is rendered.

c) Provident Fund and Employee State Insurance

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employee State Insurance is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

1.11 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.12 Segment reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financing and Related Services'.

Significant Accounting Policies and Notes to Financial Statements (Contd.)

1.13 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

1.14 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the year, attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Cash and Cash Equivalents

Cash and Cash Equivalents in the Cash Flow Statement comprise of cash on hand and at bank, demand deposits with banks, cheques on hand, remittances in transit and short term highly liquid investments with an original maturity of three months or less.

1.16 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.17 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their 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. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes to Financial Statements

2 Share Capital

(Amount in ₹)

Particulars	As at	As at
	31st March, 2013	31st March, 2012
Authorised		
Equity Shares, ₹ 5/- par value per share	850,000,000	700,000,000
170,000,000 (Previous year: 140,000,000), Equity Shares	850,000,000	700,000,000
Issued, Subscribed and Fully Paid-up		
Equity Shares, ₹ 5/- par value per share	327,502,000	170,002,000
65,500,400 (Previous year: 34,000,400), Equity Shares	327,502,000	170,002,000

(a) Reconciliation of Equity Shares outstanding:

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
At the beginning of the financial year	34,000,400	170,002,000	6,000,400	30,002,000
Add: Shares issued as fully paid-up during the financial year #	31,500,000	157,500,000	28,000,000	140,000,000
At the end of the financial year	65,500,400	327,502,000	34,000,400	170,002,000

During the year, the Company issued and allotted 16,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoters/Promoter Group and 15,000,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Non-Promoter Group on conversion of 15,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each.

(b) Rights, preferences and restrictions in respect of each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company's authorised capital consist of one class of shares, referred to as equity shares, having par value of ₹ 5/- each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2013, the Company has paid an interim dividend @ 4% aggregating to ₹ 6,800,080.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity Shares held by the Holding Company or Ultimate Holding Company, including shares held by Subsidiaries or Associates of the Holding Company or the Ultimate Holding Company, in aggregate, are as below:

Name of the Shareholder	Nature of relationship	As at 31st March, 2013		As at 31st March, 2012	
		No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Risewell Credit Private Limited*	Holding Company	-	-	19,825,130	99,125,650

* During the year, Risewell Credit (P) Limited has ceased to be the holding company with 45.53% shareholding in the Company pursuant to conversion and allotment of 5,000,000 0% Optionally Convertible Debentures ("OCDs") to 10,000,000 equity shares in the ratio of two equity shares of par value of ₹ 5/- each fully paid up for one OCD of par value of ₹ 40/- each.

(d) Shareholders holding more than 5% equity shares each, are set out below:

Name of the Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Risewell Credit Private Limited	29,825,130	45.53	19,825,130	58.31
Anchor Vinimay Private Limited	4,512,481	6.89	4,800,000	14.12
Dwarkapati Suppliers Private Limited	-	-	2,320,000	6.82
Vinayaka Finlease Private Limited	4,377,000	6.68	4,377,000	12.87
Moonrise Vincom Private Limited	4,500,000	6.87	-	-
Strong Dealtrade Private Limited	10,500,000	16.03	-	-

Notes to Financial Statements (Contd.)

3 Reserves and Surplus

(Amount in ₹)

Particulars	As at	
	31st March, 2013	31st March, 2012
Securities Premium Reserve		
Opening Balance	111,658,470	-
Add: Addition during the year [Refer note (a) herein below]	472,500,000	112,000,000
Less: Utilised for Premium on Redemption of Debentures [Refer note (b) herein below]	5,000,000	341,530
Closing Balance	579,158,470	111,658,470
Special Reserve [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934]		
Opening Balance	3,623,740	1,778,331
Add: Transfer from Surplus in the Statement of Profit and Loss	4,003,208	1,845,409
Closing Balance	7,626,948	3,623,740
General Reserve		
Opening Balance	372,892	372,892
Closing Balance	372,892	372,892
Surplus in the Statement of Profit and Loss		
Opening balance	69,227	590,815
Add: Net Profit for the year	20,016,041	9,227,044
Amount available for appropriation	20,085,268	9,817,859
Appropriations:		
Interim Dividend	6,800,080	6,800,080
Corporate Dividend Tax on Interim Dividend	1,103,143	1,103,143
Special Reserve	4,003,208	1,845,409
Closing Balance	8,178,837	69,227
Total Reserves and Surplus	595,337,147	115,724,329

Note:

- (a) During the year, the Company issued and allotted 16,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹15/- each to Promoters/Promoter Group and 15,000,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Non-Promoter Group on conversion of 15,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each.
- (b) Pursuant to Section 78 of the Companies Act, 1956, the Company has utilised the balance in Securities Premium Reserve for providing for the premium payable on the redemption of Non-Convertible Redeemable Debentures ('NCDs'), issued during the current financial year, on a proportionate basis over the tenure of debentures.

4 Long-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
Secured						
Debentures						
-Redeemable Non-Convertible Debentures [Refer note (a) & (b) herein below] 500,000 (Previous Year: 500,000) 12.75 % Debentures of ₹ 1,000/- each	500,000,000	-	500,000,000	500,000,000	-	500,000,000
Term Loan						
-Vehicle loan [Refer note (c) herein below]	1,643,889	896,666	2,540,555	-	-	-
Total	501,643,889	896,666	502,540,555	500,000,000	-	500,000,000

Note:

- (a) The NCDs are redeemable at the end of 5 years (from date of allotment i.e. 7th March, 2012) at a premium of 5% of the face value. Interest on these debentures is payable semi-annually on 1st April and 1st October. These debentures were rated as CARE BB (-).
- (b) The NCDs are secured by mortgage over the Company's immovable property located in Gujarat, and by hypothecation of stock and trade receivable/ debtors both as agreed between the Company and the Trustee for the Debenture Holders.
- (c) The vehicle loan is hypothecated by vehicle bought and is repayable in balance 34 equated monthly installments of ₹ 74,723/- each.

Notes to Financial Statements (Contd.)

5 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Premium payable on Redemption of Redeemable Non-Convertible Debentures [Refer note 3(b)]	5,341,530	341,530
Total	5,341,530	341,530

6 Long-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits (Non Current Portion) [Refer note 30]		
-Gratuity	109,056	301,153
-Leave Encashment	-	21,547
Others		
Contingent Provisions against Standard Assets [Refer note (a) herein below]	2,300,045	1,377,000
Provisions for Non-Performing Assets [Refer note (a) herein below]	250,000	-
Total	2,659,101	1,699,700

Note:

- (a) Provisions for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision based on the management's best estimate, to the extent considered necessary. The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions year-on-year:

(Amount in ₹)

Particulars	As at 1st April, 2012	Provision made during the year	As at 31st March, 2013
Contingent Provisions against Standard Assets	1,377,000	923,045	2,300,045
Provision for Non-Performing Assets	-	250,000	250,000

7 Short-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured		
Loans from related parties [Refer note 35]	-	65,000,000
0% Optionally Convertible Debentures [Refer note 41]	70,000,000	-
Total	70,000,000	65,000,000

8 Other Current Liabilities - Others

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due on Debentures	28,608,906	-
Interest accrued and due on Borrowings	-	127,480
Unclaimed dividend	122,450	535,654
Other payables		
-Liability for Operating Expenses	3,495,765	899,501
-Statutory Liabilities	3,340,585	1,201,587
Total	35,567,706	2,764,222

9 Short-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits (Current Portion) [Refer note 30]		
-Gratuity	-	1,817
-Leave Encashment	-	3,438
Total	-	5,255

Notes to Financial Statements (Contd.)

10 Fixed Assets

(Amount in ₹)

Particulars	Gross Block/Original Cost			Depreciation/Amortisation and Impairment#			Net Carrying Value	
	As at 1st April, 2012	Additions during the year	Disposals during the year	As at 1st April, 2012	For the year	Disposals during the year	As at 31st March, 2013	As at 31st March, 2012
Tangible Assets :								
Assets for Own Use								
Land-Freehold [Refer Note 4(b)]	1,189,000	-	-	-	-	-	1,189,000	1,189,000
Air-conditioner	127,267	-	-	99,762	3,826	-	23,679	27,505
Office Equipment	170,093	-	-	74,625	17,280	-	78,188	95,468
Furniture & Fixtures	35,400	-	-	35,400	-	-	-	-
Motor Vehicles [Refer note 4(c)]	537,167	5,274,583	-	180,299	290,684	-	5,340,767	356,868
Computers	403,829	145,174	-	211,419	104,263	-	233,321	192,410
Total	2,462,756	5,419,757	-	601,505	416,053	-	6,864,955	1,861,251
<i>Previous year</i>	<i>960,412</i>	<i>1,502,344</i>	<i>-</i>	<i>446,925</i>	<i>154,580</i>	<i>-</i>	<i>1,861,251</i>	

None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

Notes to Financial Statements (Contd.)

11 Deferred Tax Assets (Net)

In terms of Accounting Standard 22, the Deferred Tax Assets (DTA) recognised during the year is ₹ 746,250 (Previous year: ₹ 556,299) and the Deferred Tax Liabilities recognised during the year is ₹ 531,272 (Previous year: ₹ 323,589). Consequently, the net DTA as at 31st March, 2013 stands at ₹ 214,978 (Previous year: ₹ 232,710)

Deferred taxes comprises the following:

Particulars	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Assets		
Depreciation on Fixed asset	-	3,126
Disallowance under Section 43 B	-	106,405
Others	746,250	446,768
Total	746,250	556,299
Deferred Tax Liabilities		
Debenture issue expenses	(463,691)	(323,589)
Depreciation on Fixed asset	(67,581)	-
Total	214,978	232,710

12 Non-Current Investments

Particulars	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Trade Investments (at Cost unless otherwise stated)		
In Equity instruments - Unquoted		
In Subsidiaries		
10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Financial Advisors Private Limited	100,000	100,000
10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Management Consultancy Services Private Limited	100,000	100,000
10,000 (Previous year: 10,000), equity shares of ₹ 10/- each in Golden Goenka Properties & Construction Private Limited	100,000	100,000
In Associate		
3,18,000 (Previous year: 90,000), equity shares of ₹ 10/- each in Aristro Capital Markets Limited	132,216,000	45,000,000
Other Investments (at Cost unless otherwise stated)		
In Equity instruments - Quoted		
2,354 (Previous year: 2,354), equity shares of ₹ 10/- each in Microsec Financial Services Limited [Net of provision for other than temporary diminution aggregating ₹ 222,453 (P.Y. ₹ 222,453)]	55,319	55,319
In Equity instruments - Unquoted		
17,756 (Previous year: Nil), equity shares of ₹ 10/- each in Auto Profiles Limited	10,014,300	-
100,000 (Previous year: Nil), equity shares of ₹ 10/- each in Times Academy Limited	4,500,000	-
800,000 (Previous year: Nil), equity shares of ₹ 10/- each in S2 Capital Services Private Limited [Refer note (a) herein below]	40,000,000	-
Total	187,085,619	45,355,319
Aggregate amount of quoted non-current investments	277,772	277,772
Aggregate market value of quoted non-current investments	74,033	55,319
Aggregate amount of unquoted non-current investments	187,030,300	45,300,000
Aggregate Provision for diminution in the value of non-current Investments	222,453	222,453

All Investments mentioned above are fully paid-up.

Notes to Financial Statements (Contd.)

Note:

- (a) The Company has got the shares of S2 Capital Services Private Limited ["S2"] valued by an Independent Chartered Accountant, as at 31.03. 2013. Further, the Company had entered into an agreement on 15th March, 2013 to sell its investment in S2 @ ₹ 52/- per share (average cost price being ₹ 50/- per share). An advance of ₹ 1,00,00,000/- has been received by the Company against the said agreement, subsequent to the balance sheet date.

Considering the valuation & agreement as aforesaid, the Company is of the view that diminution, other than temporary, has not taken place in the value of investment in S2, as at 31st March, 2013. Consequently, no provision is called for in terms of Accounting Standard 13, "Accounting for Investments", notified by the Central Government under the Companies (Accounting Standards) Rules, 2006

13 Loan Assets

(Amount in ₹)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Long-Term		Short-Term	Long-Term		Short-Term
	Non-Current Maturities	Current Maturities		Non-Current Maturities	Current Maturities	
Considered Good, unless otherwise stated						
Secured						
Loan to Others [Refer note (a) herein below]						
- Two-Wheeler Loans	1,918,243	1,976,599	428,075	-	-	-
- Others	-	-	48,998,000	-	-	102,300,000
Unsecured						
Loan to Related parties [Refer note 35]	-	102,905,000	100,000	25,000,000	-	-
Loan to Others [Refer note (b) herein below]	135,000,000	228,500,000	400,192,120	191,500,000	-	232,000,000
Total	136,918,243	333,381,599	449,718,195	216,500,000	-	334,300,000

Note

- (a) Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security.
- (b) Short-Term, unsecured, Loan to Others includes Non-Performing Assets of ₹ 2,500,000 (Previous Year ₹ Nil)

14 Other Long-Term Advances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Considered Good, unless otherwise stated		
Unsecured		
Capital Advances	26,500,000	-
Security Deposits	207,900	207,900
Other Advances		
-Prepaid Expenses	1,065,645	795,226
Total	27,773,545	1,003,126

Notes to Financial Statements (Contd.)

15 Other Non-Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Considered Good, unless otherwise stated		
Unsecured		
Other Non-Current Assets		
Investments in/Advances for Property Development [Refer note (a) herein below]	179,500,000	-
Total	179,500,000	-

Note:

(a) Investments in/ Advances for Property Development includes the following:-

Sl. No.	Amount invested/advanced (₹)	Purpose	Underlying document	Consideration for amount invested/advanced
1	35,000,000	Financing Property development	"Memorandum of Understanding" (MOU)	Share in sales proceeds of developed property
2	35,000,000			
3	30,000,000			
4	10,000,000			
5	30,000,000			Share in leasehold & other rights of the developed property
6	34,500,000	Financing Purchase of property	"Agreement"	Share in rental/lease income till full repayment of amount invested, failing which 50% or proportionate ownership right over the said property
Total	174,500,000			

The Company has entered into the above mentioned transactions with the broad objective of financing property development & sharing the fruits of the developed property in the future. The transactions are based on interactions with the contracting parties, property development brochures & / or project costing details provided by them.

The Company is of the view that the consideration receivable in future, in the manner as indicated above, will be adequate not only to fully recover the amount invested/advanced but also to result in reasonable profits.

16 Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade Investments (at lower of Cost or Market Price)		
In Equity instruments - Unquoted		
In Associate		
Nil (Previous year: 1,200,000), equity shares of ₹10/- each in S2 Capital Services Private Limited	-	60,000,000
Total	-	60,000,000

17 Stock for Trade

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Stock for Trade [Refer Annexure I to Notes to Financial Statements] (At lower of cost and net realisable value)	42,434,317	102,126,978
Total	42,434,317	102,126,978

Notes to Financial Statements (Contd.)

18 Trade Receivables

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Outstanding for more than six months	1,143,000	-
Other Debts	18,004	47,530,524
Total	1,161,004	47,530,524

Trade Receivable stated above include debts due by Company in which director is a member:

-Aristro Capital Market Limited [Refer note 35] - 46,670,777

19 Cash and Bank Balances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents:		
Cash on Hand	708,659	2,022,804
Balances with Banks		
-In Current Account	1,688,103	24,534,818
-In Unclaimed Dividend Account	122,450	535,654
(A)	2,519,212	27,093,276
Other Bank Balance:		
Fixed Deposit with bank (having balance maturity of more than 3 months) [Refer note (a) herein below]	10,000,000	-
(B)	10,000,000	-
Total (A+B)	12,519,212	27,093,276

Note:

(a) The fixed deposit receipt is pledged with bank as security amounting to ₹ 10,000,000 (Previous year ₹ Nil) for availing overdraft facility.

20 Other Short-Term Advances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, Considered good		
Interest accrued and due on Loans	8,618,876	6,418,516
Other loans and advances		
-Other advances	2,062,955	1,589,103
-Service tax receivable	515,734	252,272
-Prepaid Expenses	363,514	218,539
-MAT Credit Entitlement	138,828	138,828
-Advance Tax [(net of provision for tax ₹ 10,125,960) (Previous year ₹ 3,255,180)]	9,372,906	3,019,854
-Share Application Money Pending Allotment [Refer note (a) herein below]	50,400,000	-
Total	71,472,813	11,637,112

Note:

(a) The Company has entered into an agreement with Purple Advertising Services (P) Ltd. ("Purple") & its Promoter Group to acquire 50,00,000 fully paid up equity shares of par value ₹ 10/- each, at a premium of ₹ 26/- per share. This will enable the Company "to have equal holdings and equal participation in the management and control of the business, funds, assets" of Purple. An amount of ₹ 50,400,000/- has been given to Purple in various tranches between 13.12.2012 & 25.03.2013 against which shares are yet to be allotted to the Company.

Notes to Financial Statements (Contd.)

21 Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due	89,270,809	7,896,740
Interest accrued but not due on Fixed Deposit	632,750	-
Total	89,903,559	7,896,740

22 Revenue From Operations

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Stock for Trade	624,214,940	914,949,545
Income from Loans	134,366,381	36,075,230
Other Financial Services	2,770,000	6,359,986
Processing Charges	328,991	-
Profit on Sale of Current Investments	589,639	739,191
Interest on Investment in Tax-Free Bond	-	362,910
Total	762,269,951	958,486,862

23 Other Income

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Dividend Income From Long-Term Investment	-	2,354
Dividend Income from Stock for Trade	2,224,931	1,593,854
Liabilities No Longer Required Written Back	-	1,000
Interest on Fixed Deposits	703,056	-
Interest on Income Tax Refund	-	4,221
Total	2,927,987	1,601,429

24 Employee Benefits Expense

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries , Allowances and Bonus	6,996,820	4,047,113
Contribution to Provident and Other Funds	(42,285)	302,970
Staff Welfare Expenses	308,038	91,062
Total	7,262,573	4,441,145

25 Finance Cost

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Expense		
Interest on Debentures	63,750,000	10,092,704
Other Interest	10,456,228	9,002,321
Total	74,206,228	19,095,025

Notes to Financial Statements (Contd.)

26 Other Expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Capital & Commodity Market Expenses	1,316,437	2,030,157
Corporate Compliance Fees	1,781,723	3,133,165
Legal & Professional Fees	1,591,740	647,966
Debenture Issue Expenses	352,587	13,254
Auditors' Remuneration [Refer note 27]	1,000,573	457,000
Advertisement, Publicity & Sales Promotion	596,509	237,341
Motor Car Expenses	170,739	272,432
Provision for Diminution in Value of the Long-term investments	-	222,453
Directors' Sitting Fees	184,000	228,000
Printing and Stationery	1,072,141	177,165
Rent	517,635	104,705
Rates and taxes	65,032	4,644
Repair and Maintenance		
-Others	101,509	56,112
Communication Expenses	204,215	133,717
Travelling and Conveyance	892,509	194,679
Electricity Charges	178,540	40,152
Prior period items	-	213,825
Commission	2,089,758	-
Miscellaneous expenses	365,117	435,293
Total	12,480,764	8,602,060

27 Auditors' Remuneration*

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
As Auditors	555,000	350,000
For Taxation Matters	15,000	15,000
For Other Services	426,000	82,500
For Reimbursement of Expenses	4,573	9,500
Total	1,000,573	457,000

*excluding service tax

28 Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
I Contingent Liabilities	Nil	Nil
II Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	40,578,555	Nil

29 Operating lease-in the capacity of lessee

The Company has a cancellable operating lease arrangement for office space for a period of 3 years and is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year amounted to ₹ 515,288 (Previous year: ₹ 104,705).

Notes to Financial Statements (Contd.)

30 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Defined Benefit Plan:

The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC).

(a) Expenses recognised in the Statement of Profit and Loss are as follows:

(Amount in ₹)

Particulars	Gratuity		Leave	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Current services cost	1,02,219	86,001	-	7,446
Interest cost	3,381	-	-	-
Expected return on plan assets	(6,430)	-	-	-
Past Service Cost	-	-	-	-
Net actuarial losses/(gains)	(1,41,455)	2,16,969	-	17,539
Net benefit expense	(42,285)	3,02,970	-	24,985

(b) Net Liability recognised in the Balance Sheet is as follows:

(Amount in ₹)

Particulars	Gratuity		Leave	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	2,63,651	3,02,970	-	24,985
Fair value of plan assets	(1,54,595)	-	-	-
Net liability	1,09,056	3,02,970	-	24,985
- Non-Current	1,09,056	3,01,153	-	21,547
- Current	-	1,817	-	3,438

(c) Changes in the present value of the defined benefit obligations are as follows:

(Amount in ₹)

Particulars	Gratuity		Leave	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening defined benefit obligation	3,02,970	-	-	-
Interest cost	3,381	-	-	-
Current service cost	1,02,219	86,001	-	7,446
Benefit paid	-	-	-	-
Actuarial losses/(gains)	(1,44,919)	2,16,969	-	17,539
Plan Amendments	-	-	-	-
Closing defined benefit obligation	2,63,651	3,02,970	-	24,985

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(Amount in ₹)

Particulars	Gratuity	
	As at 31st March, 2013	As at 31st March, 2012
Opening fair value of plan assets	-	-
Expected return on plan assets	6,430	-
Contribution by the Company	1,48,165	-
Benefits paid	-	-
Actuarial (losses) / gains	-	-
Closing fair value of plan assets	1,54,595	-

Notes to Financial Statements (Contd.)

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Discount rate (%)	8.00%	8.00%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

(f) The amounts for the current and previous years are as follows:

(Amount in ₹)

Particulars	Gratuity		Leave	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Defined benefit obligation	2,63,651	3,02,970	-	24,985
Fair value of plan assets	1,54,595	-	-	-
Deficit	1,09,056	3,02,970	-	24,985
Experience adjustments on plan liabilities – gain/ (loss)	(3,180)	-	-	-
Experience adjustments on plan assets – gain/(loss)	-	-	-	-
Actuarial gain/(loss) due to change on assumptions	(1,41,455)	2,16,969	-	17,539

31 The management is of the view that the business of the Company predominantly falls within a single primary segment viz. “Financial and Related Services” and hence the disclosure requirement of Accounting Standard-17 ‘Segment Reporting’ notified by the Central Government under Companies (Accounting Standards) Rules, 2006, is not applicable.

32 Earnings Per Equity Share

Particulars	2012 - 13	2011 - 12
Profit After Tax attributable to Equity Shareholders (₹)	20,016,041	9,227,044
Weighted average number of Equity Shares (Basic)	47,981,222	30,328,268
Weighted average number of Potential Equity Shares	3,500,000	-
Weighted average number of Equity Shares (Diluted)	51,481,222	30,328,268
Nominal Value of Equity per share (₹)	5	5
Earnings per share (₹) - Basic	0.42	0.30
- Diluted	0.39	0.30

33 The Company has not received any memorandum from ‘Suppliers’ (as required to be filed by the ‘Suppliers’ with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2013 as micro, small or medium enterprises. Consequently, the amount paid / payable to these parties during the year is ₹ Nil (Previous year: ₹ Nil).

34 The Company had declared an interim dividend @ 4%, amounting to ₹ 6,800,080 during the financial year ended 31st March, 2013, out of which ₹ 57,683 is unclaimed as of the reporting date.

Notes to Financial Statements (Contd.)

35 Related Party Disclosures

A. Related Parties:

- i. Holding Company : Risewell Credit Private Limited
(ceased w.e.f. 31st October, 2012)
- ii. Subsidiaries : Golden Goenka Properties & Construction Private Limited
(w.e.f. 9th November, 2011)
: Golden Goenka Financial Advisors Private Limited
(w.e.f. 9th November, 2011)
: Golden Goenka Management Consultancy Services Private Limited
(w.e.f. 9th November, 2011)
- iii. Associates : Aristro Capital Markets Limited
: Purple Advertising Services Private Limited [Refer note 20 (a)]
(w.e.f. 7th December, 2012)
: S2 Capital Services Private Limited
(ceased w.e.f. 7th September, 2012)
- iv. Investing Company : Risewell Credit Private Limited
(w.e.f. 31st October, 2012)

B. Key Management Personnel:

- v. Managing Director : Mr. Girdhari Lal Goenka
(w.e.f. 23rd November, 2011)
: Mr. Vivek Goenka
(Upto 22nd November, 2011)
- vi. Executive Director : Mr. Dinesh Burman
(w.e.f. 30th May, 2012)

C. Relative of Key Management Personnel:

- vii. Wife of Girdhari Lal Goenka , Managing Director : Mrs. Raj Goenka
(w.e.f. 23rd November, 2011)

The following is the summary of transactions with related parties:

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2012-13	2011-12
Holding:			
Risewell Credit Private Limited	Loan taken	425,990,553	65,000,000
	Interest on Loan (TDS ₹ 9,85,026/-)	9,850,273	141,644
	Balance Payable: Loans	-	65,127,480
Subsidiaries:			
Golden Goenka Properties & Construction Private Limited	Loan Given	249,905,000	25,000,000
	Investment in Equity Instrument	-	100,000
	Balance Receivable: Loans	102,905,000	25,000,000

Notes to Financial Statements (Contd.)

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2012-13	2011-12
Golden Goenka Financial Advisors Private Limited	Loan Given	100,000	-
	Investment in Equity Instrument	-	100,000
	Balance Receivable: Loans	100,000	-
Golden Goenka Management Consultancy Services Private Limited	Investment in Equity Instrument	-	100,000
Associates:			
Aristro Capital Markets Limited * As a share broker	Loan Given	6,000,000	-
	Investment in Equity Instrument	600,000	45,000,000
	Mark to Market Margin received/(paid)	(11,267,903)	313,653
	Option Premium Paid	-	54,958
	Direct Expenses on Future & Options	108,277	14,399
	Security transaction Tax	497,754	887,143
	Purchase of Shares & Securities*	185,248,966	388,894,312
	Sales of Shares & Securities*	219,893,018	319,117,522
	Direct Expenses on Shares	578,489	883,317
	Share Speculation Profit/(Loss)	(1,861,713)	528,701
	Sale of Investment	-	948,700
	Balance Receivable/(Payable)	(600,000)	46,670,777
Purple Advertising Services Private Limited (w.e.f. 7th December, 2012)	Investment in Equity Instrument	50,400,000	-
S2 Capital Services Private Limited (ceased w.e.f. 7th September, 2012)	Investment in Equity Instrument	-	60,000,000
Investing Company:			
Risewell Credit Private Limited	Share Application Money Received	-	130,120,000
	Issue of equity shares [including premium of ₹ 150,000,000 (Previous year ₹ 66,720,000)]	200,000,000	150,120,000
	Allotment of 0% Optionally Convertible Debentures	200,000,000	-
	Conversion of 0% Optionally Convertible Debentures	200,000,000	-
Key Management Personnel:			
Mr. Girdhari Lal Goenka	Managerial Remuneration	2,160,000	768,000
	Director Sitting fees	-	35,000
Mr. Dinesh Burman	Managerial Remuneration	256,645	-
	Director Sitting fees	11,000	65,000
Mr. Vivek Goenka	Managerial Remuneration	-	232,000
Relative of Key Management Personnel:			
Mrs. Raj Goenka	Rent paid	15,488	12,000

Notes to Financial Statements (Contd.)

36 Details of loans to Subsidiary Companies and Associates:

(Amount in ₹)

Name of the Company	Maximum Amount Outstanding during		Amount Outstanding as at 31st March,	
	2012-13	2011-12	2013	2012
Golden Goenka Properties & Construction Private Limited	249,905,000	25,000,000	102,905,000	25,000,000
Golden Goenka Financial Advisors Private Limited	100,000	-	100,000	-
Aristro Capital Markets Limited	6,000,000	-	-	-

37 Subsequent to the approval of the shareholders of the Company at Extraordinary General Meeting held on 23rd May, 2012, the Company has issued and allotted on 4th July, 2012, 1,75,00,000 0% Optionally Convertible Debentures (OCD) of par value of ₹ 40/- each, aggregating to ₹ 7000 lakhs to the Promoters/Promoter Group and Non-Promoters on preferential basis. Each OCD, on exercise of conversion option, shall entitle the holder of OCD to apply for and get allotted two equity shares of par value of ₹ 5/-each fully paid up at any time within a period of eighteen months from the date of allotment. As on 31st March, 2013, 1,750,000 OCDs are pending conversion.

38 As certified by one of the Joint Statutory Auditors (Vasudeo & Associates), money received towards 0% Optionally Convertible Debentures ("OCDs") has been fully utilised as per the object of the issue.

39 Subsequent to the approval of the shareholders of the Company at the Annual General Meeting held on 22nd August, 2012, the authorised Equity Share Capital of the Company has increased to ₹ 850,000,000/- divided into 170,000,000 shares of par value of ₹ 5/- each from ₹ 700,000,000/- divided into 140,000,000 shares of par value of ₹ 5/- each.

40 The Board of Directors of the Company at its meeting held on 25th September, 2012 approved the Draft Letter of Offer for Rights Issue of equity shares not exceeding ₹ 13,100 lakh. The Draft Letter of Offer was filed with the Securities and Exchange Board of India (SEBI) on September 27, 2012 and can be accessed on the SEBI website (<http://sebi.gov.in>). The Company has received observations from SEBI vide letter dt. April 03, 2013 and the Company alongwith the lead manager to the issue are in the process of completing the formalities in this regard.

41 The Board of Directors of the Company at its meeting held on 30th May, 2013 approved the issue and allotment of 3,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each in the ratio of two equity shares of par value of ₹ 5/- each fully paid up for one OCD of par value of ₹ 40/- each.

42 Information as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide **Annexure – III** is attached herewith. During the year, the Company has become systemically important (NBFC-ND-SI) as per the aforesaid Prudential Norms and accordingly the additional information as required is given in **Annexure – II**, also attached herewith.

43 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

Signatories to Notes **1** to **43**.

For **Haribhakti & Co.**
(Firm's Registration No. 103523W)
Chartered Accountants

For **Vasudeo & Associates**
(Firm's Registration No. 319299E)
Chartered Accountants

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Notes to Financial Statements (Contd.)

ANNEXURE I TO THE NOTES TO FINANCIAL STATEMENTS [Refer Note 17]

Particulars of Stock for Trade as on 31st March, 2013

Particulars	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(Amount in ₹)	(Amount in ₹)
Equity Shares: Trade				
Aditya Birla Chemicals India Limited	10	7,221	723,141	563,412
Action Construction Equipment	10	32,581	889,208	384,566
Ahmednagar Forgings Limited	10	12,223	1,630,189	1,310,406
Allahabad Bank Limited	10	23,000	3,372,853	2,902,954
Andhra Bank Limited	10	42,000	4,340,188	3,960,070
Andhra Petrochemicals Limited	10	44,200	881,752	528,325
Archies Limited	2	18,500	458,738	273,184
Alstom T&D India Limited	2	4,658	852,217	684,347
Assam Company (India) Limited	1	45,000	309,760	234,820
AstraZeneca Pharma India Limited	2	200	445,266	130,486
Bartronics India Limited	10	10,000	249,375	90,795
Bharti Shipyard Limited	10	31,500	2,719,242	1,117,305
Bharat Heavy Electricals Limited	2	6,500	1,410,737	1,147,587
Camson Bio Technologies Limited	10	6,500	345,618	289,248
CEAT Limited	10	1,500	145,889	140,234
Chisel & Hammer(Mobel) Limited	10	7,500	295,250	-
Cosmo Films Limited	10	12,500	1,052,255	864,925
CREW B.O.S. Products Limited	10	43,155	1,354,040	361,256
Dena Bank	10	10	958	892
Diamond Power Infrastructure Limited	10	6,786	769,074	492,571
EIH Limited	2	4,500	324,667	248,290
Electroherm (India) Limited	10	17,448	1,350,632	357,750
Excel Crop Care Limited	5	2,597	303,601	303,601
Excel Industries Limited	5	7,423	589,877	444,378
HBL Power Systems Limited	1	10,000	207,451	94,188
Hindustan Construction Company Limited	1	19,500	539,725	267,522
Himadri Chemicals & Industries Limited	1	13,101	463,171	162,087
Hindustan Unilever Limited	1	1,500	801,651	697,577
Indraprastha Medical Corporation Limited	10	36,815	1,412,642	1,202,978
Jai Corp Limited	1	1,000	64,950	50,336
Jain Irrigation Systems Limited – DVR	2	500	-	-
Jain Irrigation Systems Limited	2	17,100	1,492,034	1,050,990
Kesoram Industries Limited	10	1,900	196,400	161,705
Lanco Industries Limited	10	3,000	67,560	63,607
Lanco Infratech Limited	1	27,000	339,857	279,899
Lumax Automotive Systems Limited	10	26,229	977,964	456,666
Lumax Auto Technologies Limited	10	8,245	1,314,934	1,085,891
Lyka Labs Limited	10	57,119	904,173	512,914
MIC Electronics Limited	2	110,010	727,892	375,388
Microsec Financial Services Limited	10	3,796	149,315	119,116
Mukand Limited	10	10,801	314,820	291,510
NMDC Limited	1	4,500	793,794	617,582
Opto Circuits India Limited	10	18,000	2,549,450	1,082,958
PNB Gilts Limited	10	10,996	274,235	271,539
Punjab & Sind Bank	10	85,491	6,450,742	4,968,646
RSWM Limited	10	5,000	415,843	415,843
Shree Nath Commercial & Finance Ltd.	1	150,000	11,999,968	3,112,980

Notes to Financial Statements (Contd.)

ANNEXURE I [Contd.]

Particulars	Face Value	Quantity	Cost	Value
	(₹)	(Nos.)	(Amount in ₹)	(Amount in ₹)
SIL Investments Limited	10	15,034	1,353,017	825,010
SJVN Limited	10	7,501	151,270	142,198
Sona Koyo Steering Systems Limited	1	59,130	785,412	580,530
SRF Limited	10	23,519	5,887,601	3,964,595
Standard Industries Limited	5	5,000	95,500	62,359
Sumedha Fiscal Services Limited	10	9,500	200,368	113,744
Tourism Finance Corporation of India Limited	10	19,000	435,873	404,737
Tamilnadu Petroproducts Limited	10	9,527	153,754	100,474
TRF Limited	10	4,000	1,043,322	571,112
Tube Investments of India Limited	2	100	11,997	11,997
Uniphos Enterprises Limited	2	4,094	110,234	73,526
Universal Cables Limited	10	37,374	1,416,607	1,155,988
Zenith Computers Limited	10	38,333	669,440	254,723
			69,587,493	42,434,317
Less: Provision for diminution			27,153,176	
Total			42,434,317	

Notes to Financial Statements (Contd.)

ANNEXURE II TO THE NOTES TO FINANCIAL STATEMENTS [Refer Note 42]

Disclosure of details as required in terms of paragraph 10 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1 Capital to Risk Assets Ratio (CRAR)

Sl.	Items	31st March, 2013
i)	CRAR (%)	61.96%
ii)	CRAR – Tier I Capital (%)	56.69%
iii)	CRAR – Tier II Capital (%)	5.27%

2 Exposure to Real Estate Sector

(Amount in ₹)

Category	31st March, 2013
a) Direct exposure	
i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	2,500,000
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	
a) Residential	-
b) Commercial Real Estate	-
b) Indirect exposure	
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-

Notes to Financial Statements (Contd.)

3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2013 are as follows;

(Amount in ₹)

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	-	-	-	-	-	-	-	-	-
Market Borrowings	74,723	74,723	74,723	224,169	448,328	1,643,889	500,000,000	-	502,540,555
Assets									
Advances (Refer Note (b) below)	396,790,951	5,499,497	203,457	22,128,686	358,477,203	136,918,243	-	-	920,018,037
Investments (including Stock for Trade)	42,434,317	-	-	-	-	54,569,619	-	132,516,000	229,519,936

Notes:

(a) The borrowing indicated above do not include hybrid debt capital instruments amounting to ₹ 70,000,000/- since the same forms part of the Tier II Capital.

(b) Advances represent the maturity pattern of loan assets.

Notes to Financial Statements (Contd.)

(Amount in ₹)

Particulars		Amount Outstanding		
Long term investments				
(1)	Quoted:			
(i)	Shares: (a) Equity	55,319		
	(b) Preference	-		
(ii)	Debentures and bonds	-		
(iii)	Units of mutual funds	-		
(iv)	Government Securities	-		
(v)	Others	-		
(2)	Unquoted:			
(i)	Shares: (a) Equity	187,030,300		
	(b) Preference	-		
(ii)	Debentures and bonds	-		
(iii)	Units of mutual funds	-		
(iv)	Government Securities	-		
(v)	Others (Investment in Funds)	-		
(5) Borrower group-wise classification of assets financed as in (2) and (3) above:				
Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	103,005,000	103,005,000
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	53,320,917	943,192,120	996,513,037
	Total	53,320,917	1,046,197,120	1,099,518,037
(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category		Market Value / Break up or fair value or NAV	Book Value (net of provisions)	
1.	Related Parties			
	(a) Subsidiaries	300,000		300,000
	(b) Companies in the same group	132,216,000		132,216,000
	(c) Other related parties	-		-
2.	Other than related parties	97,279,178		97,003,936
	Total	229,795,178		229,519,936
(7) Other Information:				
Particulars		Amount in ₹		
i.	Gross Non-Performing Assets			
	(a) Related parties			-
	(b) Other than related parties			2,500,000
ii.	Net Non-Performing Assets			
	(a) Related parties			-
	(b) Other than related parties			2,500,000
iii.	Assets acquired in satisfaction of debt			-



Consolidated
Financials



INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GOLDEN GOENKA FINCORP LIMITED

**To the Board of Directors of
Golden Goenka Fincorp Limited**

We have audited the accompanying consolidated financial statements of Golden Goenka Fincorp Limited (“the Company”), its subsidiaries and associate [the Company, its subsidiaries and associate collectively referred to as “the Group”] which comprise the consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components 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 accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, “Consolidated Financial Statements” and Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements” as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of the Company, its subsidiaries and associate.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors as mentioned in the ‘Other Matter’ paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GOLDEN GOENKA FINCORP LIMITED (Contd.)

Emphasis of Matter

We draw attention to Note No. 15(a) to the financial statements, in respect of Investments in/Advances for Property Development aggregating to ₹ 174,500,000/-. The Company is of the view that the amounts invested/advanced are towards ventures which would yield profits in the future. Our opinion is not qualified in respect of this matter.

Other Matter

Financial statements of the subsidiaries, which reflect total assets (net) of ₹ 216,753,184/- as at 31st March, 2013, total revenues of ₹ 6,615,726/- and net cash outflows amounting to ₹ 121,105/- for the year then ended as considered in the Consolidated Financial Statements, have been audited by one of us. Also, the financial statements of an associate, in which the share of profit of the group is ₹ 225,475/- for the year ended 31st March, 2013, as considered in the Consolidated Financial Statements, have been audited by one of us.

For **Haribhakti & Co.**
Chartered Accountants
[Firm's Registration No. 103523W]

For **Vasudeo & Associates**
Chartered Accountants
[Firm's Registration No. 319299E]

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2013

Consolidated Balance Sheet as at 31st March, 2013

(Amount in ₹)

	Note	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	327,502,000	170,002,000
Reserves and Surplus	3	598,285,655	118,298,604
		925,787,655	288,300,604
Non-Current Liabilities			
Long-Term Borrowings	4	609,643,889	500,000,000
Other Long-Term Liabilities	5	5,341,530	341,530
Long-Term Provisions	6	2,659,101	1,699,700
		617,644,520	502,041,230
Current Liabilities			
Short-Term Borrowings	7	70,000,000	65,000,000
Other Current Liabilities			
- Current Maturities of Long-Term Borrowings	4	896,666	-
- Others	8	40,721,616	2,777,704
Short-Term Provisions	9	-	5,255
		111,618,282	67,782,959
TOTAL		1,655,050,457	858,124,793
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible assets		6,908,671	1,861,251
- Intangible assets		55,710	55,710
		6,964,381	1,916,961
Deferred Tax Assets (Net)	11	218,923	233,946
Non-Current Investments	12	189,384,143	47,428,368
Long-Term Loans and Advances			
- Loan Assets	13	136,918,243	216,500,000
- Other Long-Term Advances	14	27,773,545	1,003,126
Other Non-Current Assets	15	394,943,753	-
		749,238,607	265,165,440
Current Assets			
Current Investments	16	-	60,000,000
Stock for Trade	17	42,434,317	102,126,978
Trade Receivables	18	1,395,004	47,530,524
Cash and Bank Balances	19	12,619,652	27,314,821
Short-Term Loans and Advances			
- Loan Assets	13	449,618,195	334,300,000
- Other Short-Term Advances	20	72,400,143	11,570,904
Other Current Assets			
- Current Maturities of Long-Term Loan Assets	13	230,476,599	-
- Other Current Assets	21	89,903,559	8,199,165
		898,847,469	591,042,392
TOTAL		1,655,050,457	858,124,793

Significant Accounting Policies and Notes to Consolidated Financial Statements
The Notes referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

1 to 41

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

(Amount in ₹)

	Note	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue From Operations	22	768,625,677	958,486,862
Other Income	23	3,187,987	1,937,457
Total		771,813,664	960,424,319
EXPENSES			
Purchases of Shares, Mutual Funds & Commodities		583,206,860	984,900,200
Changes in Stock for Trade		59,692,662	(70,207,232)
Employee Benefits Expense	24	7,579,326	4,441,145
Finance Cost	25	79,227,734	19,095,025
Depreciation/Amortisation and Impairment	10	420,837	154,580
Other Expenses	26	13,566,094	8,638,287
Total		743,693,513	947,022,005
Profit before Provisions & Tax		28,120,151	13,402,314
Contingent Provisions against Standard Assets		923,045	1,351,827
Provision for Non-Performing Assets		250,000	-
		1,173,045	1,351,827
Profit Before Tax		26,947,106	12,050,487
Tax Expense:			
- Current tax		6,775,663	2,994,991
- MAT Credit Entitlement		-	(138,828)
- Deferred Tax		15,024	(233,946)
Total Tax for the current year		6,790,687	2,622,217
Income Tax in respect of earlier years		(8,380)	-
Profit After Tax but before Share of Profit of Associate		6,782,307	2,622,217
Share of Profit of Associate		225,475	2,373,049
Profit After Tax		20,390,274	11,801,319
Earnings per Equity Share (Par Value ₹ 5/- per Equity Share)	31		
Basic (₹)		0.42	0.39
Diluted (₹)		0.40	0.39

Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 41

The Notes referred to above form an integral part of the Statement of Profit and Loss

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

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(Amount in ₹)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Cash Flow from Operating Activities		
Profit Before Tax	26,947,106	12,050,487
Adjustment for:		
Depreciation/Amortisation and Impairment	420,837	154,580
Provision for Diminution in value of the Long-Term Investments	-	222,453
Contingent Provisions against Standard Assets	923,045	1,351,827
Provision for Non-Performing Assets	250,000	-
Profit on Sale of Current Trade Investments (Net)	(589,639)	(739,191)
Dividend Income	-	(2,354)
Interest Income from Investment in Fixed Deposit/Bonds	(703,056)	(362,910)
Interest Income on Loans	-	(336,028)
Liabilities No Longer Required written back	-	(1,000)
Provision for Diminution in value of Stock for Trade	10,462,106	16,654,482
Operating Profit before Working Capital Changes	37,710,399	28,992,346
Adjustments for:		
Increase / (Decrease) in Liabilities and Provisions	39,034,884	2,277,983
Decrease / (Increase) in Trade Receivables	46,135,520	(41,680,670)
Decrease / (Increase) in Stock for Trade	49,230,555	(86,861,715)
Decrease / (Increase) in Loans and Advances/Other Assets	(823,416,678)	(557,721,303)
Cash Generated from/(used) Operations	(651,305,320)	(654,993,359)
Direct Taxes Paid	(13,811,448)	(5,719,154)
Net Cash (Used in)/Generated from Operating Activities	a (665,116,768)	(660,712,513)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,468,257)	(1,553,054)
(Increase) / Decrease in Investments	(101,730,300)	(112,773,665)
(Increase) / Decrease in Fixed Deposit	(10,000,000)	-
Interest Income from Investment in Fixed Deposit/Bonds	703,056	362,910
Proceeds from Sale of Current Trade Investments	20,589,639	8,512,856
Dividend Received	-	2,354
Net Cash (Used)/ Generated in Investing Activities	b (95,905,862)	(105,448,599)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Share Capital	630,000,000	232,000,000
Increase / (Decrease) in Non-Convertible Debentures	-	500,000,000
Increase / (Decrease) in Optionally Convertible Debentures	70,000,000	-
Increase / (Decrease) in Long-Term Borrowings	108,000,000	-
Increase / (Decrease) in Unsecured Short-Term Borrowings	(65,000,000)	65,000,000
Increase / (Decrease) in Vehicle Loan	1,643,888	-
Interim Dividend Paid	(7,213,284)	(6,264,426)
Corporate Dividend Tax Paid	(1,103,143)	(1,103,143)
Net Cash (Used)/ Generated in Financing Activities	c 736,327,461	789,632,431

Consolidated Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

(Amount in ₹)

		Year ended 31st March, 2013	Year ended 31st March, 2012
Net Increase/(Decrease) in Cash & Cash Equivalents	a+b+c	(24,695,169)	23,471,319
Cash & Cash Equivalents at the beginning of the year		27,314,821	3,843,502
Cash & Cash Equivalents at the end of the year		2,619,652	27,314,821

Explanations:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer



Significant Accounting Policies and Notes to the Consolidated Financial Statements

1 Significant Accounting Policies

1.1 Basis of Preparation

The consolidated financial statements of the Company have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit Accepting or Holding) Company ('NBFC'). The consolidated financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

Presentation and disclosure in Consolidated Financial Statements

From the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

Operating Cycle

As per the revised Schedule VI, "An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents".

For the Company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Company is assumed to have a duration of 12 months.

Current and Non-Current Asset

An asset is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realised within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

Current and Non-Current Liability

A liability is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycles; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

1.2 Use of estimates

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Any revision to the accounting estimates are recognised prospectively in the current and future years.

Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.3 Principles of Consolidation

Golden Goenka Fincorp Limited (the Holding Company, hereinafter referred to as “the Company”), its subsidiaries and associate are collectively referred to as ‘the Group’. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard 21 (AS-21) “Consolidated Financial Statements” and Accounting Standard 23 (AS-23) “Accounting for Investments in Associates in Consolidated Financial Statements” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company’s separate financial statements.
- c) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company’s portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- d) The excess of Holding Company’s portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- e) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.

1.4 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Tangible Fixed Assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortisation and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit or Loss.

b) Depreciation/Amortisation

Depreciation/Amortisation is provided on the Written Down Value Method (“WDV”) as per the rates and in the manner prescribed in Schedule XIV of the Act. Management’s estimates the useful lives of fixed assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.


Depreciation / Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.



Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.5 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis.

Cost is arrived at on weighted average method for the purpose of valuation of investments.

1.6 Stock for Trade

Stock for Trade is carried at lower of cost and market price, determined category-wise.

1.7 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges, amounts received, assets not paid for, etc.

1.8 Provisioning / Write-off of assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate. Provision for other financial services is also made on similar basis.

1.9 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Revenue from sale of Stock for Trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Income from Loan Assets is recognised in the Statement of Profit and Loss on accrual basis as per the term and condition of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the RBI, applicable to NBFC.
- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instrument (future and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.10 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

investment financial loan

Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.11 Retirement and other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out as at the balance sheet date. The Company has taken a policy administered by Life Insurance Corporation of India. Actuarial gains/losses are charged to the Statement of Profit and Loss and are not deferred.

b) Compensated Absences

Short term compensated expenses are charged to the Statement of Profit and Loss in the year in which the related service is rendered.

c) Provident Fund and Employee State Insurance

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employee State Insurance is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

1.12 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.13 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Financing and Related Services' and 'Property Development and Construction' as primary reportable segments.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Fixed assets used in the Group's business have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

1.14 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

1.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Significant Accounting Policies and Notes to the Consolidated Financial Statements (Contd.)

1.16 Cash and Cash Equivalents

Cash and cash equivalents in the Cash Flow Statement comprises of cash on hand, cash at bank, demand deposits with banks, cheques on hand, remittances in transit and short-term highly liquid investments with an original maturity of three months or less.

1.17 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.18 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their 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. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

Notes to Consolidated Financial Statements

2 Share Capital

(Amount in ₹)

Particulars	As at	
	31st March, 2013	31st March, 2012
Authorised		
Equity Shares, ₹ 5/- par value per share 170,000,000 (Previous year: 140,000,000), Equity Shares	850,000,000	700,000,000
	850,000,000	700,000,000
Issued, Subscribed and Fully Paid-up		
Equity Shares, ₹ 5/- par value per share 65,500,400 (Previous year: 34,000,400), Equity Shares	327,502,000	170,002,000
	327,502,000	170,002,000

3 Reserves and Surplus

(Amount in ₹)

Particulars	As at	
	31st March, 2013	31st March, 2012
Securities Premium Reserve		
Opening Balance	111,658,470	-
Add: Addition during the year	472,500,000	112,000,000
Less: Utilised for Premium on Redemption of Debentures	5,000,000	341,530
Closing Balance	579,158,470	111,658,470
Special Reserve [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934]		
Opening Balance	3,623,740	1,778,331
Add: Transfer from Surplus in the Statement of Profit and Loss	4,003,208	1,845,409
Closing Balance	7,626,948	3,623,740
General Reserves		
Opening Balance	372,892	372,892
Closing Balance	372,892	372,892
Surplus in the Statement of Profit and Loss		
Opening Balance	2,643,502	590,815
Add: Net Profit for the year	20,390,274	11,801,319
Amount available for appropriation	23,033,776	12,392,134
Appropriations:		
Interim Dividend	6,800,080	6,800,080
Corporate Dividend Tax on Interim Dividend	1,103,143	1,103,143
Special Reserve	4,003,208	1,845,409
Closing Balance	11,127,345	2,643,502
Total Reserves and Surplus	598,285,655	118,298,604

4 Long-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Non-Current Maturities	Current Maturities	Total	Non-Current Maturities	Current Maturities	Total
Secured						
Debentures						
-Redeemable Non-Convertible Debentures 500,000 (Previous Year: 500,000) 12.75 % Debentures of ₹ 1,000/- each	500,000,000	-	500,000,000	500,000,000	-	500,000,000
Term Loan						
-Vehicle loan	1,643,889	896,666	2,540,555	-	-	-
Unsecured						
Loans from related parties	108,000,000	-	108,000,000	-	-	-
Total	609,643,889	896,666	610,540,555	500,000,000	-	500,000,000

Notes to Consolidated Financial Statements (Contd.)

5 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Premium payable on redemption of Redeemable Non-Convertible Debentures	5,341,530	341,530
Total	5,341,530	341,530

6 Long-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits (Non Current Portion)		
-Gratuity	109,056	301,153
-Leave Encashment	-	21,547
Others		
Contingent Provisions against Standard Assets	2,300,045	1,377,000
Provisions For Non-Performing Assets	250,000	-
Total	2,659,101	1,699,700

7 Short-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured		
Loans from related parties	-	65,000,000
0% Optionally Convertible Debentures	70,000,000	-
Total	70,000,000	65,000,000

8 Other Current Liabilities - Others

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due on Debentures	28,608,906	-
Interest accrued and due on Borrowings	4,519,355	127,480
Unclaimed Dividend	122,450	535,654
Other payables		
-Liability for Operating Expenses	3,583,169	912,983
-Statutory Liabilities	3,887,736	1,201,587
Total	40,721,616	2,777,704

9 Short-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits (Current Portion)		
-Gratuity	-	1,817
-Leave Encashment	-	3,438
Total	-	5,255

Notes to Consolidated Financial Statements (Contd.)

10 Fixed Assets

(Amount in ₹)

Particulars	Gross Block/Original Cost			Depreciation/Amortisation and Impairment#			Net Carrying Value		
	As at 1st April, 2012	Additions during the year	Disposals during the year	As at 31st March, 2013	As at 1st April, 2012	For the year 2013	Disposals during the year 2013	As at 31st March, 2013	As at 31st March, 2012
Tangible Assets:									
Assets for Own Use									
Land-Freehold	1,189,000	-	-	1,189,000	-	-	-	1,189,000	1,189,000
Air-conditioner	127,267	-	-	127,267	99,762	3,826	-	23,679	27,505
Office Equipment	170,093	-	-	170,093	74,625	17,280	-	78,188	95,468
Furniture and Fixtures	35,400	-	-	35,400	35,400	-	-	-	-
Motor Vehicles	537,167	5,274,583	-	5,811,750	180,299	290,684	-	5,340,767	356,868
Computers	403,829	193,674	-	597,503	211,419	109,047	-	277,037	192,410
Total	2,462,756	5,468,257	-	7,931,013	601,505	420,837	-	6,908,671	1,861,251
Intangible Assets:									
Goodwill @	55,710	-	-	55,710	-	-	-	55,710	55,710
Total	55,710	-	-	55,710	-	-	-	55,710	55,710
Total Fixed Assets	2,518,466	5,468,257	-	7,986,723	601,505	420,837	-	6,964,381	1,916,961
Previous year	960,412	1,558,054	-	2,518,466	446,925	154,580	-	1,916,961	

None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

@ Goodwill arising on consolidation of Subsidiaries.

Notes to Consolidated Financial Statements (Contd.)

11 Deferred Tax Assets (Net)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Assets		
Depreciation on Fixed asset	3,945	3,126
Disallowance under Section 43 B	-	106,405
Others	746,250	448,004
Total	750,195	557,535
Deferred Tax Liabilities		
Debenture issue expenses	(463,691)	(323,589)
Depreciation on Fixed asset	(67,581)	-
Total	218,923	233,946

12 Non-Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
In Equity instruments - Unquoted	189,328,824	47,373,049
In Equity instruments - Quoted	55,319	55,319
Total	189,384,143	47,428,368

13 Loan Assets

(Amount in ₹)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Long - Term			Long - Term		
	Non-Current Maturities	Current Maturities	Short-Term	Non-Current Maturities	Current Maturities	Short-Term
Considered good, unless otherwise Stated						
Secured						
Loan to Others						
-Two-Wheeler Loans	1,918,243	1,976,599	428,075	-	-	-
-Others	-	-	48,998,000	-	-	102,300,000
Unsecured						
Loans to related parties	-	-	-	25,000,000	-	-
Loan to Others	135,000,000	228,500,000	400,192,120	191,500,000	-	232,000,000
Total	136,918,243	230,476,599	449,618,195	216,500,000	-	334,300,000

14 Other Long-Term Advances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Considered good, unless otherwise Stated		
Unsecured		
Capital Advances	26,500,000	-
Security Deposits	207,900	207,900
Other advances		
-Prepaid Expenses	1,065,645	795,226
Total	27,773,545	1,003,126

Notes to Consolidated Financial Statements (Contd.)

15 Other Non-Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Considered Good, unless otherwise stated		
Other Non-Current Assets		
Investments in/Advances for Property Development [Refer note (a) herein below]	394,943,753	-
Total	394,943,753	-

Note:

(a) Investments in/Advances for Property Development includes the following:-

Sl. No.	Amount invested/advanced (₹)	Purpose	Underlying document	Consideration for amount invested/advanced
1	35,000,000	Financing Property development	“Memorandum of Understanding” (MOU)	Share in sales proceeds of developed property
2	35,000,000			
3	30,000,000			
4	10,000,000			
5	30,000,000			
6	34,500,000	Financing Purchase of property	“Agreement”	Share in rental/lease income till full repayment of amount invested, failing which 50% or proportionate ownership right over the said property
Total	174,500,000			

The Company has entered into the above mentioned transactions with the broad objective of financing property development & sharing the fruits of the developed property in the future. The transactions are based on interactions with the contracting parties, property development brochures & / or project costing details provided by them.

The Company is of the view that the consideration receivable in future, in the manner as indicated above, will be adequate not only to fully recover the amount invested/advanced but also to result in reasonable profits.

16 Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
In Equity instruments - Unquoted	-	60,000,000
Total	-	60,000,000

17 Stock for Trade

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Stock for Trade	42,434,317	102,126,978
Total	42,434,317	102,126,978

18 Trade Receivables

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Outstanding for more than six months	1,143,000	-
Other Debts	252,004	47,530,524
Total	1,395,004	47,530,524

Notes to Consolidated Financial Statements (Contd.)

19 Cash and Bank Balances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents:		
Cash on Hand	718,917	2,033,962
Balances with Banks		
- In Current Account	1,778,285	24,745,205
- In Unclaimed Dividend Account	122,450	535,654
(A)	2,619,652	27,314,821
Other Bank Balance:		
Fixed Deposit with bank (having balance maturity of more than 3 months and less than 12 months)	10,000,000	-
(B)	10,000,000	-
Total (A+B)	12,619,652	27,314,821

20 Other Short-Term Advances

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Interest accrued and due on Loans	8,921,301	6,418,516
Other loans and advances		
-Other advances	2,062,955	1,589,103
-Service tax receivable	515,734	252,272
-Prepaid Expenses	363,514	218,539
-MAT Credit Entitlement	138,828	138,828
-Advance Tax (net of provision for tax)	9,997,811	2,953,646
-Share Application Money Pending Allotment	50,400,000	-
Total	72,400,143	11,570,904

21 Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due	89,270,809	8,199,165
Interest accrued but not due on Fixed Deposit	632,750	-
Total	89,903,559	8,199,165

22 Revenue From Operations

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Stock for Trade	624,214,940	914,949,545
Income from Loans	134,366,381	36,075,230
Other Financial Services	2,770,000	6,359,986
Interest received from others	6,355,726	-
Processing Charges	328,991	-
Profit on Sale of Current Investments	589,639	739,191
Interest on Investment in Tax-Free Bond	-	362,910
Total	768,625,677	958,486,862

Notes to Consolidated Financial Statements (Contd.)

23 Other Income

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Dividend Income From Long-Term Investment	-	2,354
Dividend Income from Stock for Trade	2,224,931	1,593,854
Liabilities No Longer Required Written Back	-	1,000
Interest on Fixed Deposits	703,056	-
Interest on Income Tax Refund	-	4,221
Commission Received	260,000	-
Interest Income from Loan	-	336,028
Total	3,187,987	1,937,457

24 Employee Benefits Expense

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries , Allowances and Bonus	7,305,286	4,047,113
Contribution to Provident and Other Funds	(42,285)	302,970
Staff Welfare Expenses	316,325	91,062
Total	7,579,326	4,441,145

25 Finance Cost

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Expense		
Interest on Debentures	63,750,000	10,092,704
Other Interest	15,477,734	9,002,321
Total	79,227,734	19,095,025

26 Other Expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Capital & Commodity Market Expenses	1,316,437	2,030,157
Corporate Compliance Fees	1,788,059	3,134,365
Legal & Professional Fees	2,041,740	647,966
Debenture Issue Expenses	352,587	13,254
Auditors' Remuneration	1,012,573	470,482
Advertisement, Publicity & Sales Promotion	796,509	237,341
Motor Car Expenses	170,739	272,432
Provision for Diminution in Value of the Long-term investments	-	222,453
Directors' Sitting Fees	184,000	228,000
Printing and Stationery	1,072,141	182,545
Rent	517,635	104,705
Rates and Taxes	72,532	18,309
Repair and Maintenance		
-Others	101,509	56,112
Communication Expenses	204,215	133,717
Travelling and Conveyance	1,292,509	194,679
Electricity Charges	178,540	40,152
Prior Period Items	-	213,825
Commission	2,089,758	-
Miscellaneous Expenses	374,611	437,793
Total	13,566,094	8,638,287

Notes to Consolidated Financial Statements (Contd.)

27 In accordance with Accounting Standard 21 “Consolidated Financial Statements” notified by Central Government under Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements” notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

28 The details of subsidiaries and associates are as follows:–

Name of the Company	Country of Incorporation	% Holding as at 31st March, 2013	% Holding as at 31st March, 2012
Subsidiaries			
Golden Goenka Financial Advisors Private Limited	India	100%	100%
Golden Goenka Management Consultancy Services Private Limited	India	100%	100%
Golden Goenka Properties & Construction Private Limited	India	100%	100%
Associates			
Aristro Capital Markets Private Limited	India	35.33%	10.03%
S2 Capital Services Private Limited (ceased w.e.f. 7th September, 2012)	India	16.00%	24.00%*
Purple Advertising Services Private Limited (w.e.f. 7th December, 2012) [Refer note (a) herein below]	India	0.00%	-

*Based on information provided by the management and relied upon by the Auditor. This Investment has been acquired and held exclusively with a view to subsequent disposal in the near future, hence not considered for consolidation.

Note:

(a) The company has entered into an agreement with Purple Advertising Services (P) Ltd (“Purple”) & it’s Promoter Group to acquire 50,00,000 fully paid up equity shares of par value ₹ 10/- each, at a premium of ₹ 26/- per share. An amount of ₹ 50,400,000 has been given to Purple in various tranches between 13.12.2012 & 25.03.2013 against which shares are yet to be allotted to the Company. Based on the agreement mentioned above, the Company is having “significant influence” over Purple and hence, Purple has been considered as an Associate in terms of Accounting Standard 23 (AS-23) ‘Accounting for Investments in Associates’ notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

29 Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
I Contingent Liabilities -Bank Guarantee	Nil	1,003,000
II Commitments Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	40,578,555	Nil

30 Operating lease-in the capacity of lessee

The Company has a cancellable operating lease arrangement for office space for a period of 3 years and is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year amounted to ₹ 515,288 (Previous year: ₹ 104,705).

Notes to Consolidated Financial Statements (Contd.)

31 Earnings Per Equity Share

Particulars	2012 - 13	2011 - 12
Profit After Tax attributable to Equity Shareholders (₹)	20,390,274	11,801,319
Weighted average number of Equity Shares (Basic)	47,981,222	30,328,268
Weighted average number of Potential Equity Shares	3,500,000	-
Weighted average number of Equity Shares (Diluted)	51,481,222	30,328,268
Nominal Value of Equity per share (₹)	5	5
Earnings per share (₹) - Basic	0.42	0.39
- Diluted	0.40	0.39

32 Segment Reporting

- (i) The Group has identified two reportable segment viz. 'Financing & Related Services' and 'Property Development & Construction' segment. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns associated with the segments.
- (ii) The Group has identified business segment as the 'primary segment' for the purpose of disclosure. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis. Group operates in a single Geographical segment. Hence, secondary Geographical segment information disclosure is not required.
- (iii) The accounting policies adopted for segment reporting are in line with the accounting policies used in preparation of the financial statements with following additional policies for segment reporting.

(Amount in ₹)

Particulars	Financing and Related Services		Property Development & Construction		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue						
External Sales	765,683,413	962,456,119	6,355,726	-	772,039,139	962,456,119
Add: Unallocable Income					-	341,249
Total					772,039,139	962,797,368
Segment Results	43,645,837	26,402,262	1,334,220	-	44,980,057	26,402,262
Add: Unallocable Income					-	341,249
Less : Unallocable administrative expenses					17,807,475	12,319,975
Profit before tax					27,172,582	14,423,536

(Amount in ₹)

Particulars	Financing and Related Services		Property Development & Construction		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Assets	1,418,205,110	823,298,777	215,443,752	-	1,633,648,862	823,298,777
Add: Unallocable Corporate / other Assets					11,046,034	31,499,596
Add: Advance Income-tax (including tax deducted at source) (net)					9,997,811	2,953,646
Add: MAT Credit Entitlement					138,828	138,828
Add: Deferred Tax Asset					218,923	233,946
Total					1,655,050,458	858,124,793
Segment Liabilities	606,500,481	566,846,010	112,519,355	-	719,019,836	566,846,010
Add: Unallocable Corporate / other Liabilities					10,242,966	2,978,179
Total					729,262,802	569,824,189
Cost incurred to acquire fixed assets (excluding capital advances)	-	-	-	-	5,468,257	1,558,054
					5,468,257	1,558,054

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

Particulars	Financing and Related Services		Property Development & Construction		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Depreciation/amortisation	-	-	-	-	-	-
Add: Unallocated depreciation/amortisation					420,837	154,580
					420,837	154,580
Non cash expenses other than depreciation and amortisation (included in measuring segment results)	28,326,221	18,228,763	-	-	28,326,221	18,228,763

(iv) The reportable Segments are further described below:

'Financing and related services' segment includes all loans and advances to individuals, firms & corporates, consultancy & advisory services relating to finance, trading in shares, securities and commodities. 'Property Development & Construction' segment includes construction & development of residential & commercial properties.

33 Related Party Disclosures

A. Related Parties:

- i. Holding Company : Risewell Credit Private Limited (ceased w.e.f. 31st October, 2012)
- ii. Associates : Aristro Capital Markets Limited
: Purple Advertising Services Private Limited [Refer note 28] (w.e.f. 7th December, 2012)
: S2 Capital Services Private Limited (ceased w.e.f. 7th September, 2012)
- iii. Investing Company : Risewell Credit Private Limited (w.e.f. 31st October, 2012)

B. Key Management Personnel:

- iv. Managing Director : Mr. Girdhari Lal Goenka (w.e.f. 23rd November, 2011)
: Mr. Vivek Goenka (Upto 22nd November, 2011)
- v. Executive Director : Mr. Dinesh Burman (w.e.f. 30th May, 2012)

C. Relative of Key Management Personnel:

- vi. Wife of Girdhari Lal Goenka , Managing Director : Mrs. Raj Goenka (w.e.f 23rd November, 2011)

The following is the summary of transactions with related parties:

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2012-13	2011-12
Investing Company:			
Risewell Credit Private Limited	Loan taken	425,990,553	65,000,000
	Interest on Loan (TDS ₹ 9,85,026/-)	9,850,273	141,644
	Balance Payable: Loans	-	65,127,480
Associates:			
Aristro Capital Markets Limited * As a share broker	Loan Given	6,000,000	-
	Investment in Equity Instruments	600,000	45,000,000
	Mark to Market Margin received/(paid)	(11,267,903)	313,653
	Option Premium Paid	-	54,958
	Direct Expenses on Future & Options	108,277	14,399
	Security transaction Tax	497,754	887,143
	Purchase of Shares & Securities*	185,248,966	388,894,312
	Sales of Shares & Securities*	219,893,018	319,117,522
	Direct Expenses on Shares	578,489	883,317
	Share Speculation Profit / (Loss)	(1,861,713)	528,701
	Sale of Investment	-	948,700
Balance Receivable/ (Payable)	(600,000)	46,670,777	

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2012-13	2011-12
Purple Advertising Services Private Limited (w.e.f. 7th December, 2012)	Investment in Equity instruments	50,400,000	-
S2 Capital Services Private Limited (ceased w.e.f. 7th September, 2012)	Investment in Equity instruments	-	60,000,000
Investing Company:			
Risewell Credit Private Limited	Share Application Money Received	-	130,120,000
	Issue of equity shares	200,000,000	150,120,000
	Allotment of 0% Optionally Convertible Debentures	200,000,000	-
	Conversion of 0% Optionally Convertible Debentures	200,000,000	-
Key Management Personnel:			
Mr. Girdhari Lal Goenka	Managerial Remuneration	2,160,000	768,000
	Director Sitting fees	-	35,000
Mr. Dinesh Burman	Managerial Remuneration	256,645	-
	Director Sitting fees	11,000	65,000
Mr. Vivek Goenka	Managerial Remuneration	-	232,000
Relative of Key Management Personnel:			
Mrs. Raj Goenka	Rent Paid	15,488	12,000

- 34** Subsequent to the approval of the shareholders of the Company at Extraordinary General Meeting held on 23rd May, 2012, the Company has issued and allotted on 4th July, 2012 1,75,00,000 0% Optionally Convertible Debentures (OCD) of par value of ₹ 40/- each, aggregating to ₹ 7000 lakhs to the Promoters/Promoter Group and Non-Promoters on preferential basis. Each OCD, on exercise of conversion option, shall entitle the holder of OCD to apply for and get allotted two equity shares of par value of ₹ 5/-each fully paid up at any time within a period of eighteen months from the date of allotment. As on 31st March, 2013, 1,750,000 OCDs are pending conversion.
- 35** As certified by one of the Joint Statutory Auditors (Vasudeo & Associates), money received towards 0% Optionally Convertible Debentures ("OCDs") has been fully utilised as per the object of the issue.
- 36** Subsequent to the approval of the shareholders of the Company at the Annual General Meeting held on 22nd August, 2012, the authorised Equity Share Capital of the Company has increased to ₹ 850,000,000/- divided into 170,000,000 shares of par value of ₹ 5/- each from ₹ 700,000,000/- divided into 140,000,000 shares of par value of ₹ 5/- each.
- 37** The Board of Directors of the Company at its meeting held on 25th September, 2012 approved the Draft Letter of Offer for Rights Issue of equity shares not exceeding ₹ 13,100 lakh. The Draft Letter of Offer was filed with the Securities and Exchange Board of India (SEBI) on September 27, 2012 and can be accessed on the SEBI website (<http://sebi.gov.in>). The Company has received observations from SEBI vide letter dt. April 03, 2013 and the Company alongwith the lead manager to the issue are in the process of completing the formalities in this regard.
- 38** The Company has got the shares of S2 Capital Services Private Limited ["S2"] valued by an Independent Chartered Accountant, as at 31.03.2013. Further, the Company had entered into an agreement on 15th March, 2013 to sell its investment in S2 @ ₹ 52/- per share (average cost price being ₹ 50/- per share). An advance of ₹ 1,00,00,000/- has been received by the Company against the said agreement, subsequent to the balance sheet date.
- Considering the valuation & agreement as aforesaid, the Company is of the view that diminution, other than temporary, has not taken place in the value of investment in S2, as at 31st March, 2013. Consequently, no provision is called for in terms of Accounting Standard 13, "Accounting for Investments", notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- 39** The Board of Directors of the Company at its meeting held on 30th May, 2013 approved the issue and allotment of 3,500,000 equity shares of par value of ₹ 5/- each fully paid up at a premium of ₹ 15/- each to Promoter Group on conversion of 1,750,000 0% Optionally Convertible Debentures ("OCDs") of par value of ₹ 40/- each in the ratio of two equity shares of par value of ₹ 5/- each fully paid up for one OCD of par value of ₹ 40/- each.
- 40** Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

Notes to Consolidated Financial Statements (Contd.)

41 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Act subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

Information on Subsidiary Companies Pursuant to Direction Under Section 212(8) of the Companies Act, 1956 is given below:

(Amount in ₹)

Sr. No	Particulars	Golden Goenka Financial Advisors Private Limited	Golden Goenka Management Consultancy Services Private Limited	Golden Goenka Properties & Construction Private Limited
1	Financial year ending on	31st March, 2013	31st March, 2013	31st March, 2013
2	Currency	₹	₹	₹
3	Shares of the Subsidiary Company held on the above date and extent of holding			
	a) Number of equity shares	10,000	10,000	10,000
	b) Extent of Holding	100%	100%	100%
4	Share Capital	100,000	100,000	100,000
5	Reserves & Surplus	4,544	(19,431)	309,161
6	Total Liabilities	261,724	84,569	216,406,891
7	Total Assets	261,724	84,569	216,406,891
8	Investments	-	-	-
9	Turnover	240,000	20,000	6,355,726
10	Profit/(Loss) before Taxation	36,663	11,388	139,302
11	Provision for Taxation	1,585	-	37,010
12	Profit/(Loss) after Taxation	35,078	11,388	102,292
13	Proposed Dividend	-	-	-

Signatories to Notes 1 to 41.

For **Haribhakti & Co.**
Chartered Accountants
(Firm's Registration No. 103523W)

For **Vasudeo & Associates**
Chartered Accountants
(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

V. D. Agarwal
Partner
Membership No. 054784

CA G. L. Goenka
Chairman & Managing Director

Dinesh Burman
Executive Director

Place: Kolkata
Date: 30th May, 2013

Amrita Mohta
Company Secretary

S. K. Dabriwala
Chief Financial Officer



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Forward Looking Statement

Statements contained in this Report, may constitute "forward-looking statements". Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In addition these, other important factors that could cause actual results to differ materially from our expectations include international economic and political conditions; changes in laws, regulations and accounting standards; distributor and licensee relationships and actions; effectiveness of spending and marketing programmes; and unusual weather patterns. Golden Goenka Fincorp Limited does not undertake publicly to update or revise any forward looking statement that may be made in this Report, whether as a result of new information, future events or otherwise. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements.

Golden Goenka Fincorp Limited

Registered Office:

1st, British Indian Street, Room No. B-10

Kolkata – 700 069, West Bengal, India

Phone: +91 33 2262 3827

Email: shareholders@goldengoenka.com

Website: www.goldengoenka.com



Growth • Wealth • Success

Registered Office:

1st British Indian Street, Room no. B- 10
Kolkata- 700 069

PROXY FORM

Folio No

DP ID No.

No. of Shares

Client ID No.

I/We

of

being a Member/Members of M/s. Golden Goenka Fincorp Ltd. hereby appoint

of or failing him /her

of

as my / our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 12th August, 2013 at 11.30 A.M. and/or at any adjournment thereof.

Signed this day of2013

Signature



Note: The Proxy must be deposited at the Registered Office of the Company at 1st, British Indian Street, Room No- B 10, Kolkata – 700 069 not less than 48 hours before the commencement of the meeting.



Growth • Wealth • Success

Registered Office:

1st British Indian Street, Room no. B- 10
Kolkata- 700 069

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE.

Name of the Shareholder (In Block Letters)

Register Folio No/DP ID & Client ID No.

No. of Shares held.....

.....

Name of the Proxy (In Block Letters) in case the Proxy attends instead of the Shareholder(s).

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 on Monday, 12th August, 2013 at 11.30 A.M.

Signature of the Shareholder or Proxy.....

Ref No. GGFL/072013/SE/05

Date: 30.07.2013

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001.
(Company Code: 530579)

To,
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata- 700001
(Company Code: 10017059)

Dear Sir,

Sub: Compliance under Listing Agreement

In compliance of Clause 31 of Listing Agreement, we are enclosing herewith Form A in respect of financial year 2012-2013 in the prescribed format.

This is for your information and record.

Thanking You

Yours faithfully,

For Golden Goenka Fincorp Limited

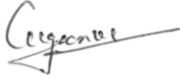




Amrita Mohta

Amrita Mohta
(Company Secretary)



Encl: As Above

FORM A

1.	Name of the Company	Golden Goenka Fincorp Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Appeared first time Drawing attention to Note No. 15 (a) to the financial statements
5.	To be signed by-	
	<ul style="list-style-type: none"> Managing Director 	<p align="center">For Golden Goenka Fincorp Limited</p> <p align="center"></p> <p align="center">Girdhari Lal Goenka (Managing Director)</p>
	<ul style="list-style-type: none"> CFO 	<p align="center">For Golden Goenka Fincorp Limited</p> <p align="center"></p> <p align="center">Shiv Kumar Dabriwala (Chief Financial Officer)</p>
	<ul style="list-style-type: none"> Auditors of the company 	<p align="center">For Haribhakti & Co. Chartered Accountants (Firm's Registration No. 103523W)</p> <p align="center"></p> <p align="center">Anand Kumar Jhunjunwala Partner Membership No. 056613</p>
		<p align="center">For Vasudeo & Associates Chartered Accountants (Firm's Registration No. 319299E)</p> <p align="center"></p> <p align="center">V.D. Agarwal Partner Membership No. 054784</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p align="center">For Golden Goenka Fincorp Limited</p> <p align="center"></p> <p align="center">N. K. Choraria (Chairman – Audit Committee)</p>