



ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2014

INDIAN BASE METALS COMPANY LIMITED

34, GANESH CHANDRA AVENUE, 4TH FLOOR, KOLKATA - 700 013



BOARD OF DIRECTORS	:	Sri Ramesh Bansal Sri Gouri Shankar Agarwal Sri Sevanti Lal Desai Sri Ram Gopal Bhattacharjee Sri Raj Kumar Gattani
BANKERS	:	HDFC Bank AXIS Bank
AUDITORS	:	P. K. DROLIA & CO <i>Chartered Accountants</i> 9, Crooked Lane, Kolkata – 700 069
REGISTERED OFFICE	:	34, Ganesh Chandra Avenue 4th Floor, Kolkata - 700 013 Phone : (033) 2237 1747, 2236 9154 Fax : (033) 2221 9113 E-mail : bansaframesh@hotmail.com
CIN	:	U27209WB1971PLC028015
SHARES LISTED ON	:	CALCUTTA STOCK EXCHANGE

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NOTICE

Notice is hereby given that the **43rd Annual General Meeting** of the Company will be held at 34, Ganesh Chandra Avenue, Kolkata - 700013 on **Tuesday, 30th September, 2014, at 11.00 A.M.** for transacting the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Ramesh Bansal (DIN 00420589) who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint Statutory Auditors:

"RESOLVED that M/s. P.K Drolia & Co. (FRN 316057E) with the Institute of Chartered Accountants of India) be and is hereby re-appointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors."

SPECIAL BUSINESS :

4. **Appointment of Mr. Ramesh Bansal (holding DIN: 00420589) as a Whole Time Director of the Company**

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution:

"RESOLVED THAT pursuant to the provision of Section 196, 197, 203 of the Companies Act, 2013 and the Rules made there under and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the consent of the Company be and is hereby accorded to the appointment of Mr. Ramesh Bansal (holding DIN: 00420589) as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 30th September, 2014, on the terms and conditions including remuneration recommended by the Nomination and Remuneration Committee, as set out below.

- i. Salary not exceeding Rs. 30,000 (Rupees thirty thousand only) per month, as may be decided/ approved hereafter from time to time.
- ii. Reimbursement of medical expenses incurred for treatment of himself and family (wife and children), up to a limit of one month's salary in a year or three months' salary in a bloc of three years.
- iii. Provision of free unfurnished accommodation by the Company, provided that the expenditure to be incurred by the Company for hiring accommodation shall be subject to a ceiling of 60% (sixty percent) of salary, over and above 10% (ten percent) payable by himself plus gas, electricity, water and furnishings (non-interchangeable), to be evaluated as per Income Tax Rules, 1962.



- iv. Fees of clubs, subject to maximum of two clubs. Admission/life membership fees not payable.
- v. Leave Travel Concession for himself and family once in a year to and from any place in India, as per rules of the Company.
- vi. Gratuity at the rate not exceeding $\frac{1}{2}$ (one-half) month's salary for each completed year of service, to be payable on termination of appointment with the Company.
- vii. Provision by the Company of a car with driver for official use and a telephone at his residence, provided that the expenditure on long-distance personal calls shall be recovered.
- viii. Leave accumulated but not availed of during his tenure of appointment shall be allowed to be encashed on termination of appointment."

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to him in a particular financial year will be subject to overall ceiling limit laid down in Sections 196 & 197 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Ramesh Bansal."

"RESOLVED FURTHER THAT in the event of any loss or absence or inadequacy of profits of the Company in any financial year, during the tenure of the office of Mr. Ramesh Bansal, the remuneration mentioned in the draft agreement shall be paid to Mr. Ramesh Bansal as minimum remuneration and same shall be subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time in this regard, as minimum remuneration."

5. Appointment of Mr. Vivek Agarwal (DIN 00738899) as Independent Director u/s 149 of the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution :

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act Clause 49 of the Listing Agreement as amended from time to time, Mr. Vivek Agarwal (DIN 00738899), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 87 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of



Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years starting from 30th September, 2014.

6. **Appointment of Mr. Gouri Shankar Agarwal (DIN 00420921) as Independent Director u/s 149 of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution :

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act Clause 49 of the Listing Agreement as amended from time to time, Mr. Gouri Shankar Agarwal (DIN 00420921) a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years starting from 30th September, 2014.

7. **Appointment of Mr. Raj Kumar Gattani (DIN 00421284) as Independent Director u/s 149 of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution :

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act Clause 49 of the Listing Agreement as amended from time to time, Mr. Raj Kumar Gattani (DIN 00421284) a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years starting from 30th September, 2014.

8. **Appointment of Mr. Santosh Kumar Agarwal (DIN 00420655) as Non-Executive Director.**

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution :

"RESOLVED THAT pursuant to the provisions of sections 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, Mr. Santosh Kumar Agarwal (DIN 00420655), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 87 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with deposit from a Member proposing him as a candidate for the office of director under the provisions of Section 160 of the Companies Act, 2013, be and is



hereby appointed as an Non - Executive Director of the Company, liable to retire by rotation."

9. **Appointment of Mrs. Mala Bansal (DIN 00469733), as Non-Executive Director**

To consider and if thought fit, to pass, with or without modification the following resolution as Ordinary resolution :

"**RESOLVED THAT** pursuant to the provisions of sections 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, Mrs. Mala Bansal (DIN 00469733), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 87 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting in respect of whom the Company has received a notice in writing along with deposit from a Member proposing her as a candidate for the office of director under the provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Non-Executive Director of the Company, liable to retire by rotation."

By Order of the Board
For Indian Base Metals Company Limited

(RAMESH BANSAL)

DIN : 00420589

Director

Place: Kolkata

Date : 18th August, 2014

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be deposited with the company, at its registered office at least 48 hours before the time of the meeting. Proxies submitted on behalf of the Companies.

A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.



4. Pursuant to the provisions of Section 91 of the Companies act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from 28th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
5. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
7. Members/proxies are requested to bring the attendance slips sent herewith duly signed for attending the meeting.
8. The Company has appointed Ms. Amber Ahmad, Practising Company Secretary, Kolkata, as the Scrutinizer for conducting the E-Voting process in a fair and transparent manner.
9. Copies of the Annual Report will not be distributed at the meeting. Members/proxies are requested to bring their copies of the same to the meeting.
10. **VOTING THROUGH ELECTRONIC MEANS**
 - i) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means. As an alternative to vote physically at the AGM, and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)
 - ii) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting :
 - iii) **The instructions for shareholders voting electronically are as under :**
 - (i) The voting period begins on September 25, 2014 at 10.00 A.M. and ends on September 26, 2014 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,



- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc. <p>Example :</p> <ul style="list-style-type: none"> (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245. (2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052.
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date) of August 29, 2014.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.



- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "INDIAN BASE METALS CO. LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com



11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 29th August, 2014.
12. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 29th August, 2014.
13. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 29th August, 2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
14. Ms. Amber Ahmad, Practising Company Secretary (Certificate of Practice Number 8581) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
15. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to Calcutta Stock Exchange Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice :

Item No. 4

Mr. Ramesh Bansal, is liable to retire by rotation at this Annual General Meeting pursuant to Section 152(6) and being eligible offers himself to be re-appointed. He is further proposed to be appointed as Whole-time Director of the Company, subject to his being re-appointed as Director. The Board of Directors at their meeting held on 18th August, 2014 has, subject to the approval of the members and being re-appointed as Director, appointed Mr. Ramesh Bansal, Director of the Company as Whole time Director, for a period of 5(five) years starting from 30th September, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

Mr. Ramesh Bansal, born on 11th November, 1957, is a Commerce Graduate from Kolkata and has vast knowledge and experience in the management of companies. He has been in the industry for more than 20 years and is adept at taking intricate business decisions. He has vast experience in Tea Industry also and is serving on the Board of many Companies.

It is proposed to seek member's approval for the appointment of and remuneration payable to Mr. Ramesh Bansal as Whole time Director of the Company, in terms of the applicable provisions of the Act.

Mr. Ramesh Bansal is interested in the resolution set out at item No. 4 which pertains to his appointment as a Whole-time Director. Mr. Santosh Kumar Agarwal and Mrs. Mala Bansal being relatives of Mr. Ramesh Bansal are interested in this resolution.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

**Item No. 5**

Pursuant to Article 87 of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, Mr. Vivek Agarwal was appointed as an Additional Director of the Company with effect from 18th August, 2014 by the Board of Directors of the Company and holds office as Director up to the date of ensuing Annual General Meeting. As required under Section 160 of the above Act the Company has received a notice in writing from a member of the Company together with requisite deposit, proposing the appointment of Mr. Vivek Agarwal as an Independent Director of the Company.

Mr. Vivek Agarwal, born on 29th January, 1967, is a Commerce Graduate, Kolkata. He has vast experience in managing and NBFC Companies, serving on the Board of many other Companies since more than 10 years. Mr. Vivek Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Vivek Agarwal, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Board therefore, recommends the Resolution to be passed as an Ordinary Resolution by the Members.

He is interested in the resolution set out at item No. 5 which pertains to his appointment as a Director.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.5 of the Notice.

Item No. 6

Mr. Gouri Shankar Agarwal is a Non-Executive Independent Director of the Company since 25th September, 2004. Mr. Gouri Shankar Agarwal is a director whose period of office of directors is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Gouri Shankar Agarwal as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years starting from 30th September, 2014, not liable to retire by rotation.

Mr. Gouri Shankar Agarwal does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received notice in writing from a member along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Gouri Shankar Agarwal for the office of Director of the Company.

Mr. Gouri Shankar Agarwal, born on 10th July, 1954, did his higher secondary and entered corporate world at an early age, thus having very rich experience of handling intricate business transactions. He is also on board of several other Companies. In the opinion of the Board, Mr. Gouri Shankar Agarwal fulfills the conditions of an Independent Director specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management. The Board considers that his continued association would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Gouri Shankar Agarwal is concerned or interested in the resolution set out at item No. 6, which pertains to his appointment.



None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.6 of the Notice Item No. 7

Mr. Raj Kumar Gattani is a Non-Executive Independent Director of the Company since 25th September, 2004. He is a director whose period of office of directors is liable to determination by rotation under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Raj Kumar Gattani as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years starting from 30th September, 2014, not liable to retire by rotation.

Mr. Raj Kumar Gattani does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received notice in writing from a member along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company.

Mr. Raj Kumar Gattani, born on 25th November, 1957, is a commerce graduate from Kolkata, has vast experience in the field of management and administration. He is also on board of several other Companies. In the opinion of the Board, Mr. Raj Kumar Gattani fulfills the conditions of an Independent Director specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management. The Board considers that his continued association would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Raj Kumar Gattani is concerned or interested in the resolution set out at item No. 7, which pertains to his appointment.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.7 of the Notice **Item No. 8**

Pursuant to Article 87 of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, Mr. Santosh Kumar Agarwal was appointed as an Additional Director of the Company with effect from 18th August, 2014 by the Board of Directors of the Company and holds office as Director up to the date of ensuing Annual General Meeting. As required under Section 160 of the above Act the Company has received a notice in writing from a member of the Company together with requisite deposit, proposing the appointment of Mr. Santosh Kumar Agarwal as an Independent Director of the Company.

Mr. Santosh Kumar Agarwal, born on 10th April, 1953, is a Commerce Graduate from Kolkata. He has served on the Board of the Company since 17th November, 1998 till 12th March, 2013 but had resigned from the Board due to some other urgent pre-occupation in 2013. However, he has now consented to be re-appointed as a non-executive director of the company, liable to retire by rotation. He has rich experience of managing many companies of different nature and stature since more than years 20 years. The Board therefore, recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Santosh Kumar Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.



He is interested in the resolution set out at item No. 8 which pertains to his appointment as a Director and his brother Mr. Ramesh Bansal and Mrs. Mala Bansal being relatives are also interested in this resolution.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.8 of the Notice.

Item No.9

As per the provisions of Section 149 (1) of the Act and amended clause 49 of the Listing Agreement, the Company should have at least one Woman Director. Accordingly, Mrs. Mala Bansal was appointed on 18th August, 2014 as an Additional Director of the Company by the Board of Directors pursuant to the provisions contained in Article 87 of the Articles of Association of the Company and section 161 of the Companies Act, 2013. According to the provisions of the said Article and the said Section, she will hold office only upto the date of this Annual General Meeting. As required under Section 160 of the above Act, a notice has been received from a member signifying his intention to propose her as a candidate for the office of Director.

Mrs. Mala Bansal being associated with the family business for a very long period of time is capable of handling the business efficiently and profitably. It is, therefore, in the Company's interest that it should continue to avail of her services as member on the Board. It is in the above circumstances that the resolution mentioned in this item of the notice is proposed to be passed and recommended for your acceptance.

Except Mrs. Mala Bansal being an appointee and her relatives Mr. Santosh Kumar Agarwal and Mr. Ramesh Bansal, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 9 of the notice.



DIRECTORS' REPORT TO SHAREHOLDERS

The Directors present the annual report together with the audited Financial Account for the year ended 31st March, 2014

FINANCIAL RESULTS

Particulars Results	31.03.2014	31.03.2013
Profit before taxation	11,52,559	10,69,160
Less : Provision for Taxation	3,56,141	3,33,953
Profit after taxation	7,96,418	7,35,207
Less : Transfer to Statutory Reserve	1,99,105	1,83,802
	5,97,313	5,51,405
Add : Profit brought forward from last year	86,83,346	81,31,941
Balance carried over	92,80,659	86,83,346

REVIEW OF OPERATION :

During the year under review the Company's gross income has increased to Rs. 1,432,014/- from Rs. 12,68,035/-. Profit after tax has increased to Rs.7,96,418/- from Rs.7,35,207/- Your Directors are continuously looking for newer avenues for future growth of the Company.

DIVIDEND :

Your directors feel that it is prudent to plough back the profits for the future growth of the Company. Therefore the Directors do not recommend any dividend for the year under report.

DIRECTORS :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vivek Agarwal (DIN- 00738899), Mr. Santosh Kumar Agarwal (DIN -00420655) and Mrs. Mala Bansal (DIN 00469733) have been appointed as an Additional Directors on Board to hold office up to the date of the ensuing Annual General Meeting. In terms of Section 160 of the Companies Act, 2013, the Company has received requisite notices in writing from members of the Company proposing Mr. Vivek Agarwal to be appointed as Non Executive Independent Director, Mr. Santosh Kumar Agarwal to be appointed as Non-executive Director, liable to retire by rotation and proposing Mrs. Mala Bansal to be appointed as Non-Executive Director, liable to retire by rotation.

Mr. Raj Kumar Gattani (DIN: 00421284) and Mr. Gouri Shankar Agarwal (DIN: 00420921), being Non-executive Directors of the Company, are being appointed as Independent Directors for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

**DIRECTORS' REPORT** (Contd.)

Mr. Ramesh Bansal (DIN: 00420589) shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Subject to the approval of the members in the general meeting and his being re-appointed, he has been proposed to be appointed as Whole-time Director of the Company for a period of five years starting from the conclusion of this Annual General Meeting on the terms and conditions agreed to by the Board of Directors and Mr. Ramesh Bansal.

Mr. Ram Gopal Bhattacharjee (DIN- 00421441) and Mr. Seventilal Amrit Lal Desai (DIN - 01243501) have expressed their unwillingness to continue as Directors and tendered resignations from the Board. They been associated with the Company for more than ten years. The Board places on record its appreciation of the valuable contributions and services rendered by the both Mr. Bhattacharjee and Mr. Desai during their tenure as Director.

The Company has received declarations from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement. All the directors of the Company have also confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014]

Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice.

DEPOSITS :

During the year under report the Company neither invited nor accepted any deposit.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm having :

1. That in the preparation of annual accounts for the financial year ended 31st March, 2014, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. Selected such accounting policies and have applied them consistently and made judgements 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 and loss of the Company for that period;
3. Taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. Prepared the annual accounts on a going concern basis.

DISCLOSURES UNDER SECTION 217(1)(d) OF THE COMPANIES ACT, 1956 :

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the company and date of this report.

**PARTICULARS OF EMPLOYEES :**

There is no employee in the company whose particulars are required to be given under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended.

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

The particulars pursuant to Section 217(1) (e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further during the year under review the company has neither earned nor used any foreign exchange.

REPORT ON CORPORATE GOVERNANCE :

A detailed report on corporate governance in accordance with the clause 49 of the Listing agreement with Stock exchange and Auditor's Certificate thereon are annexed.

AUDITORS :

M/s. P.K. Drolia & Co. (FRN 316057E) with the Institute of Chartered Accountants of India) retire at the conclusion of the forth coming Annual General meeting. He is proposed to be re-appointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors.

As required under Section 139 of the Companies Act, 2013, the Company has obtained written consent from M/s. P.K Drolia & Co. to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the Rules made there under, as may be applicable.

COMPLIANCE :

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI. The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the RBI Act, 1934 and other applicable rules/regulations/guidelines issued from time to time.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank the Central and the State Governments, statutory authorities, bankers, vendors and business associates and the shareholders for their continued interest and valued support.

For and on behalf of the Board

Place : Kolkata

Date : 18.08.2014

Ramesh Bansal

Director



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments

The business of the Company is that of a Non-Banking Financial Company mainly consisting of investments and lending activities. The NBFC Sector is undergoing a significant transformation at present and has come to be recognized as an important element of the financial sector. The overall performance of the Company in the year 2013-14 has been satisfactory, growth of Indian economy is expected to increase further to 6.7% in FY 2015.

Outlook

India is regaining economic momentum and growth is expected to recover gradually to its high long-term potential, says the latest India Development Update of the World Bank. According to the Update, growth is expected to increase further to 6.7% in FY 2015. Recent data point to some improvements in economic activity: inflation and trade deficit came down in recent months, while private consumption and investment growth had accelerated. The Company hopes to perform well during the current fiscal year.

Opportunities threats & performance

The Company is operating in finance sector since a long time; as such there are good prospects of future growth for expanding further activities in this direction. The Company is geared up to meet the challenges of increased prices, increased compliances and volatile economy.

Risk & Concerns

The Company's business exposure to the normal financial and market risk continue to be monitored and managed by experienced people at all levels duly strengthened from time to time by the system and processes commensurate with volume of the business activities and perceived risk requirements.

Fulfillment of RBI norms and Standards

The Company continues to fulfill all applicable norms and standards laid down by the Reserve Bank of India pertaining to prudential norms, income recognition, accounting standards, asset classification and provisioning of bad and doubtful debts as applicable to (NBFCs - ND.)

Internal Control & their adequacy

The Company has adequate internal control system commensurate with size of the Company and the nature of the business with regard to the fixed assets. The Audit Committee of the Board periodically reviews the internal control system for their adequacy and extent of their implementation.

Cautionary Statement

Statement in the management Discussion and Analysis describing the Company's objectives exceptions or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement due to several factors such as climatic conditions, economic conditions, government regulations, taxation, natural calamities, over which the company does not have any control.



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

The Company believes in transparent dealings and integrity and compliance of Rules and Regulations. The Company firmly believes that good Corporate Governance is pre requisite to meet the stakeholder's requirements and needs. The mandatory requirements of the Code of Corporate governance as per Clause 49 of the Listing Agreement have been implemented by your Company.

2. Board of Directors

The composition and category of Directors as on 31st March 2014 are as follows:

- a) The Board of Directors comprises of Mr. Ramesh Bansal as Promoter Executive Director, Mr. Gouri Shankar Agarwal, Mr. Raj Kumar Gattani, Mr. Ram Gopal Bhattacharjee and Mr. Seventilal Amritlal Desai as Independent Non-executive Director.

Pursuant to requirements of Companies Act, 2013, there should be atleast one-third directors on the Board as Independent Director. Since, Mr. Seventilal Amritlal Desai and Mr. Ram Gopal Bhattacharjee, both Independent directors have tendered resignations, the composition has been revised by inducting Mr. Vivek Agarwal, Non-Executive Independent Director and Mr. Santosh Kumar Agarwal, Non-Executive Director on Board. Mrs. Mala Bansal has also been appointed on the Board as Non-Executive Director.

- b) There is no nominee Director. The number of Non Executive Directors is more than 50% of the strength of the Board while the number of independent Directors is more than one-third of such strength.
- c) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows;

Director	Category	Board Meetings attended	Attendance at AGM held on 06.09.2013	Other Directorship	Committee Memberships	
					Member	Chairman
Ramesh Bansal	P.E.D	4	Yes	4	Nil	Nil
Gouri Shankar Agarwal	I.N.E.D	4	Yes	2	Nil	Nil
Raj Kumar Gattani	I.N.E.D	4	Yes	0	Nil	Nil
Ram Gopal Bhattacharjee	I.N.E.D	2	No	0	Nil	Nil
Seventilal Amritlal Desai	I.N.E.D	2	Yes	0	Nil	Nil

P.E.D - Promoter Executive Director

I.N.E.D - Independent Non-Executive Director

During the year under review, four Board meetings were held on 30/04/2013, 26/07/2013, 21/10/2013 and 20/01/2014.

The time gap between any two meetings was not more than four calendar months.

The company had no pecuniary relationship with any non executive Director during the year.



REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Code of Conduct

The Board has laid down a Code of Conduct for Board members and senior management staff of the Company. The Board members and senior management staff affirmed compliance with the said code of conduct.

4. Committees

I. Audit Committee

- a) The Board of Directors at their meeting held earlier today has changed the terms of reference of the Audit Committee to align the same in terms with Clause 49(II)(A) of the Listing Agreement and Section 177 of the Companies Act, 2013 (Earlier Section 292A of the Companies Act, 1956)

The terms of reference to include –

- i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - iii) examination of the financial statement and the auditors' report thereon;
 - iv) approval or any subsequent modification of transactions of the company with related parties;
 - v) scrutiny of inter-corporate loans and investments;
 - vi) valuation of undertakings or assets of the company, wherever it is necessary;
 - vii) evaluation of internal financial controls and risk management systems;
 - viii) to oversee the vigil mechanism and provide direct access to Audit Committee chairperson, under vigil mechanism.
 - ix) to discuss issues with internal and statutory auditors.
 - x) to seek information from any employee and to obtain legal and professional advice as and when necessary.
 - xi) to discuss the scope of internal audit with internal auditors.
 - xii) to provide any clarification on matters relating to audit in the Annual General Meeting.
- (b) The composition of the Audit Committee has also been altered due to change in composition of Board to include Mr. Vivek Agarwal, Non-Executive Independent Director in place of Mr. Seventilal Amritlal Desai. The composition and details of meeting attended by its members during the year ended 31st March, 2014 are given below :

Name of the Member	Position	No. of meetings attended
Mr. Gouri Shankar Agarwal	Chairman	4
Mr. Raj Kumar Gattani	Member	4
Mr. Seventilal Amritlal Desai	Member	4

- (c) The Audit Committee met 4 times during the financial year.



REPORT ON CORPORATE GOVERNANCE (Contd.)

II. Nomination and Remuneration Committee (formerly termed as Remuneration Committee) :

(a) Pursuant to the provision of Section 178(1) of the Companies Act, 2013, the Board of Director at their meeting held earlier today renamed the Remuneration Committee as "Nomination and Remuneration Committee" and redefined the terms of reference.

(i) Terms of reference of Nomination and Remuneration Committee are broadly given below:

- To identify individuals who are qualified to become Directors and in senior management in accordance with the criteria as per the policy approved by the Board and recommend to the Board about their appointment and removal.
- To carry out the evaluation of the performance of Directors.
- To formulate the policy to determine the qualifications, positive attributes and independence for appointment/ reappointment as Directors in the Company.
- To formulate the remuneration policy of Directors, key managerial personnel and other employees and recommend the same to the Board.
- To formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company.
- To devise the policy on the Board diversity.

(b) The composition of Nomination & Remuneration Committee has also been changed due to change in composition of Board, Mr. Vivek Agarwal, Non-Executive Independent Director replaced Mr. Ram Gopal Bhattacharjee and Mr. Gouri Shankar Agarwal, Non_executive Independent Director has been inducted in place of Mr. Seventilal Amritlal Desai.

Presently the Committee comprised of 3 Directors all of whom are Non-executive and Independent:

- a. Mr. Ram Gopal Bhattacharjee
- b. Mr. Raj Kumar Gattani
- c. Mr. Seventilal Amritlal Desai

The Committee met twice during the year and all the Directors attended the meeting.

None of the Non-executive Directors are given any remuneration as sitting fees or otherwise.

Details of remuneration paid to the Whole-time Director for the year ended 31st March, 2014

SALARY	PERQUISITES	OTHER BENEFITS
Nil	Nil	Nil

III. Stakeholders Relationship Committee (formerly termed as Shareholders/Investors Grievance Committee):

The Company has renamed the Shareholders & Investors Grievance Committee as 'Stakeholders Relationship Committee' in compliance with Section 178(5) of the Companies Act, 2013 and further proposed amendment in Clause 49 of the Listing Agreement with Stock Exchanges.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- (i) Terms of reference of Stakeholders Relationship Committee has also been redefined and are broadly given below :
- a) The Stakeholders Relationship Committee looks into matters of shareholders/investors viz transfer/credit of shares to their demat account, non-receipt of dividend / notices / annual reports etc.
- ii) The Composition of the Committee has been changed by inducting Mr.Santosh KumarAgarwal, Non-Executive Director, to replace outgoing Director Mr. Ram Gopal Bhattacharjee.

The Committee presently consists of three directors :

- a. Mr. Ramesh Bansal (Promoter Executive Director)
- b. Mr. Gouri Shankar Agarwal (Independent Non-Executive Director)
- c. Mr. Ram Gopal Bhattacharjee (Independent Non-Executive Director)

The Committee met 2 times.

Name, address, designation of Compliance Officer :

Mr. Ramesh Bansal, Director
71, Ganesh Chandra Avenue, Kolkata - 700013

No. of shareholders complaints received during the year ended 31.03.2014	Nil
No. of complaints not solved to the satisfaction of shareholders	Nil
No. of pending share transfer as on 31.03.2014	Nil

5. General Body Meeting

- a) Location and time where last three AGM were held :

DATE	LOCATION	TIME
23.09.2011	Registered Office	4 PM
10.09.2012	Registered Office	4 PM
06.09.2013	Registered Office	4 PM

- b) No special resolution was put through postal ballot in the last AGM and no postal ballot is proposed for this year also.
- c) No Extra-Ordinary General Meeting was held during the year.

6. Disclosures**(i) Materially Significant Related Party Transactions**

There are no materially significant related party transactions having potential conflicts with the interests of the Company at large.

(ii) Compliances

The Company has duly complied with all rules, regulations, terms of the agreements prescribed/entered



REPORT ON CORPORATE GOVERNANCE (Contd.)

with Stock Exchange(s), SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Mechanism

With a view to implement the highest ethical standards in the course of business, the Company has formed and adopted a whistle blower policy which provides a platform for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

(iv) Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with the mandatory requirements and fulfilled the following non-mandatory requirements as prescribed in annexure 1D of the clause 49 of the Listing Agreement with Stock Exchanges:

- i) The Company has remuneration committee the information of which is provided under the section "Remuneration Committee"
- ii) There are no audit qualifications in the Company's Financial Statements for the year under reference.
- iii) The Company has not adopted the other non-mandatory requirements of clause 49 of the Listing Agreement relating to imparting training to the non-executive directors and evaluation of their performance.

7. Reconciliation of Share Capital Audit

A qualified practicing company secretary carries out a secretarial audit to reconcile admitted capital with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued and paid up capital is in agreement with total numbers of shares held in physical form and total number of dematerialized share held with NSDL and CDSL.

8. Means of Communication

Quarterly and annual financial results are regularly published in the Financial Express (English) and Duranta Barta (Bengali) newspaper. The Management Discussion & Analysis Report forms part of Annual Report.

9. General Shareholder Information

a) Annual General Meeting - date time and venue

The Annual General Meeting will be held on the 30th day of September, 2014 at the office of the Company at 34, Ganesh Chandra Avenue, Kolkata - 700013. As required under clause 49 of Listing Agreement the particulars of Directors seeking re-appointment at the Annual General Meeting are set out in the notice convening the same.

- b) Financial Calendar :** Year ending - 31st March
Last Annual General Meeting held on - 6th September, 2013

c) Book Closure Period : 28th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).

d) Dividend payment date : The Board has not recommended any dividend.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****10. Listing of Stock Exchange and Stock Code :** The Company's securities are listed at

The Calcutta Stock Exchange Association Limited, Kolkata.

Listing fees as prescribed have been paid to the aforesaid Stock Exchanges up to 2014-2015.

11. Market price data : Not available.**12. Registrars and Transfer Agent and share transfer system :**

Niche Technologies Pvt. Ltd.

D-511, Bagree Market

71, B.R B.B Road, Kolkata- 700001

Phone : 2234-3576

E-mail : nichetechpl@nichetechpl.com

13. Share transfer system :

a) **Physical Form :** Share transfer in physical form is to be lodged either at the registered office of the Company. Transfers are normally processed within 15 days from date of the receipt, provided the documents are all complete in all respects. The executive Director is empowered to approve transfers.

b) **Demat Form :** The Company has made arrangements to dematerialize its shares through National Securities Depository Limited and Central Depository Services (India) Limited.

14. Distribution of Shareholding as on 31/03/2014

NOMINAL VALUE OF SHAREHOLDING (Rs.)	NO. OF MEMBERS	PERCENTAGE (%)	NO. OF SHARES HELD	% TO TOTAL SHARES
1-500	1099	91.05	355450	11.84
501- 1000	18	1.49	11800	0.39
1001 - 5000	22	1.82	79300	2.64
5001 - 10000	36	2.98	315100	10.50
10001 - 50000	22	1.82	558800	18.62
50001 - 100000	7	0.58	481950	16.06
100001 & above	3	0.25	1198900	39.95
TOTAL	1207	100.00	3001300	100.00



SHAREHOLDING PATTERN AS ON 31/03/2014

CATEGORY	SHARES HELD	% OF TOTAL
1. Promoters		
-Indian Promoters	1214350	40.461
- Foreign Promoters	0	—
2. Person Acting in Concert	0	—
** SUB TOTAL**	1214350	40.461
NON-PROMOTER'S HOLDING		
3. Institutional Investors		
a. Mutual Funds & UTI	0	00.00
b. Banks, FIs, Insurance companies, (Central/State Govt, institutions)	0	00.00
c. Foreign Institutional Investors	0	00.00
SUBTOTAL	0	00.00
4. Others		
a. Private Corporate Bodies	892200	
b. Indian Public	894750	
c. NRIs/OCBs	0	
d. Others	0	
SUB TOTAL	1786950	59.539
GRAND TOTAL	3001300	100

15. Dematerialisation of shares : 46.81% of the total equity capital was held in dematerialized form with the NSDL & CDSL as on 31st March, 2014.
16. Outstanding GDR/ADRS/Warrants or any convertible instruments, conversion dates and likely impact of equity : Not applicable.
17. Address of correspondence : Indian Base Metals Ltd.
34, G.C Avenue, 4th Floor
Kolkata-700013

For and on behalf of the Board

Place : Kolkata
Date : 18.08.2014

Ramesh Bansal
Director



AUDITOR'S REPORT UNDER (RESERVE BANK OF INDIA) NBFC DIRECTION 1998

TO
The Board of Directors
Indian Base Metals Co. Ltd.

1. We have audited the attached Balance Sheet of INDIAN BASE METALS COMPANY LIMITED as at 31st March, 2014 and also Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed hereto (collectively referred as the 'financial statements') and issued our audit opinion dated 8th May, 2014 thereon. These financial statements are the responsibility of the Company's Management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified in paragraph 2 of the audit report.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, issued by the Reserve Bank of India ('the Bank') and amended from time to time ('the Directions'), based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 of the Directions:
 - a. The Company is engaged in the business of a Non-Banking Financial Companies as defined under the Reserve Bank of India Act, 1934 and obtained the Certificate of Registration (COR) bearing No.B05-00816 dated 12.03.1998 from the Reserve Bank of India.
 - b. The resolution for non acceptance of public deposits has been passed on in the meeting of board of Directors.
 - c. The Company has not accepted any public deposits during the year;
 - d. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it for the year ended March 31, 2014;

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

9, Crooked Lane, Kolkata-69
Dated : 08.05.2014

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



INDEPENDENT AUDITORS' REPORT

To the Members of **INDIAN BASE METALS COMPANY LIMITED**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the 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.



INDEPENDENT AUDITORS' REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

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

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

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

9, Crooked Lane, Kolkata-69
Dated : 08.05.2014



ANNEXURE TO AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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) In our opinion and according to the information and explanations given to us, no fixed assets has been disposed of by the company during the year.
- (ii) (a) The Company has no inventory. Accordingly, the provisions stated in paragraph 4 (ii)(b), and (c) of the order are not applicable.
- (iii) (a) As informed, the Company has granted unsecured loans to companies, firms and other parties, covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties were four and the maximum amount involved during the year was Rs. 20653296.00 The outstanding loan amount at the end of financial year was Rs. 14782936.00
- (b) The Company had not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not prima facie, prejudicial to the interest of the Company and the parties are regular in making repayment and interest as stipulated.
- (d) In our opinion & according to the information & explanations given to us, there is no overdue amount of loans granted to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (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 fixed assets. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, as per information & explanation given to us, the Company do not have any internal audit but in our opinion existing internal control system involves reasonable internal checking of the financial records, commensurate with the size & nature of its business.
- (viii) In our opinion, the As per information & explanation given to us, the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act are not applicable to the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company does not have any dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the year.



ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (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 such case by the management.

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

(P. K. Drolia)
Proprietor

Membership No. 52629

9, Crooked Lane, Kolkata-69

Dated : 08.05.2014



BALANCE SHEET AS AT 31ST MARCH, 2014

EQUITY AND LIABILITIES	NOTE NO.	31.03.2014 ₹	31.03.2013 ₹
1. Shareholder's Fund			
(a) Share Capital	1	28,788,250	28,788,250
(b) Reserve & Surplus	2	10,120,030	9,323,611
2. Current Liabilities	3		
(a) Other Current Liabilities		10,110	7,050
(b) Short Term Provision		1,586,116	1,271,235
TOTAL		40,504,506	39,390,146
ASSETS			
Non Current Assets			
(a) Fixed Assets			
Tangible Assets	4	6,989	11,648
(b) Non Current Investment	5	18,339,043	18,339,043
(c) Long Term Loan & Advances	6	20,219,636	17,413,088
CURRENT ASSETS	7		
A. Cash & Cash Equivalents		37,711	2,014,943
B. Other Current Assets		1,901,127	1,611,425
TOTAL		40,504,506	39,390,146
Significant Accounting Policies	13		

As per our report of even date.

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

CA P.K. Drolia
Proprietor
M.No. 052629
Place : Kolkata
Date : 08/05/2014

On Behalf of the Board of Directors

Ramesh Bansal
Director

Ram Gopal Bhattacharjee
Director

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

PARTICULARS	NOTE NO.	31.03.2014	31.03.2013
		₹	₹
I. Income from Operations	8	1,428,926	1,266,622
II. Other income	9	3,088	1,413
III. Total Revenue		1,432,014	1,268,035
IV. EXPENSES			
Employee Benefit Expenses	10	97,993	75,522
Depreciation & Amortisation Exp.	11	4,659	17,472
Other Expenses	12	176,803	105,881
Total Expenses		279,455	198,875
V. Profit before exceptional and extra-ordinary items and tax	(III-IV)	1,152,559	1,069,160
VI. Exceptional/Extraordinary Items		—	—
VII. Profit before extraordinary items and tax	(V-VI)	1,152,559	1,069,160
VIII. Profit before tax	(VII-VIII)	1,152,559	1,069,160
IX. Tax Expense			
Current Tax		356,141	333,953
X. Profit/(Loss) for the year	(IX-X)	796,418	735,207
Earnings per Equity Share (Basic or Diluted) Face value Rs. 10/-		0.28	0.26
Significant Accounting Policies	13		

As per our report of even date.

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

CA P.K. Drolia
Proprietor
M.No. 052629
Place : Kolkata
Date : 08/05/2014

On Behalf of the Board of Directors

Ramesh Bansal
Director

Ram Gopal Bhattacharjee
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	<u>For the year ended 31.03.14</u>	<u>For the year ended 31.03.13</u>
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	1,152,559	1,069,160
Dividend Received	(235)	(1,413)
Depreciation	4,659	17,472
Operating Profit before Working Capital Changes	<u>1,156,983</u>	<u>1,085,219</u>
Adjustment for :		
Loans & Advances (Net)	(2,806,548)	914,726
Payables	3,060	5
Cash Flow from Operations	<u>(1,646,505)</u>	<u>1,999,950</u>
Income Tax Paid / Adjusted	(330,962)	(383,550)
Net Cash Flow from Operating Activities	<u>(1,977,467)</u>	<u>1,616,400</u>
Cash Flow from Investing Activities		
Dividend Received	235	1,413
Net Cash (Used)/Raised from Investing Activities	<u>235</u>	<u>1,413</u>
Cash Flow from Financing Activities	<u>—</u>	<u>—</u>
Net Cash (Used) Raised from Financing Activities	<u>—</u>	<u>—</u>
Net Increase/(Decrease) in Cash Flow from activities	<u>(1,977,232)</u>	<u>1,617,813</u>
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)		
Opening Cash & Cash Equivalents	2,014,943	397,130
Closing Cash & Cash Equivalents	<u>37,711</u>	<u>2,014,943</u>

Notes :

- 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.
- Cash and Cash equivalent at the end of the year consist of :

	<u>31.03.2014</u>	<u>31.03.2013</u>
a) Cash in hand	7,794	1,533
b) Balance with Banks in Current Account	29,916	2,013,410
	<u>37,711</u>	<u>2,014,943</u>

As per our report of even date.

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

CA P.K. Drolia
Proprietor
M.No. 052629
Place : Kolkata
Date : 08/05/2014

On Behalf of the Board of Directors

Ramesh Bansal
Director

Ram Gopal Bhattacharjee
Director



NOTES TO THE FINANCIAL STATEMENTS

		31. 03. 2014	Amount in ₹ 31. 03. 2013
NOTE - 1			
1.1 Details of Authorised, Issued, Subscribed and Paid share capital			
AUTHORISED			
33,00,000	(3300000) Equity Shares of Rs. 10/- each.	33,000,000	33,000,000
20000	(20000) 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- each.	2,000,000	2,000,000
		<u>35,000,000</u>	<u>35,000,000</u>
ISSUED			
3,001,300	(3,001,300) Equity Shares of Rs. 10/- each.	30,013,000	30,013,000
SUBSCRIBED AND PAID UP			
3,001,300	(3,001,300) Equity Shares of Rs. 10/- each full paid up cash	30,013,000	30,013,000
	Less : Call in Arrear	1,224,750	1,224,750
		<u>28,788,250</u>	<u>28,788,250</u>

1.2 Reconciliation of Shares outstanding at the beginning and at the end of reporting period :

	31.03.2014		31.03.2013	
	No.	Amount	No.	Amount
Shares outstanding at the beginning of the year	3,001,300	30,013,000	3,001,300	30,013,000
Less : Calls in arrear		1,224,750		1,224,750
		<u>28,788,250</u>		<u>28,788,250</u>
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	3,001,300	28,788,250	3,001,300	28,788,250

1.3 Terms/rights attached to equity shares

1.3.1 The Company has only one class of issued equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders and any other as the Memorandum or Articles may prescribe in relation to the same.

1.4 The following is the list of the shareholders holding more than 5% equity shares :

Name of the Shareholder	31.03.2014		31.03.2013	
	No.	%age	No.	%age
Bansal Agro & Tea Manufacture Pvt. Ltd.	880,000	29.32	880,000	29.32
Sahul Finance Limited	214,900	7.16	214,900	7.16

1.5 Calls Unpaid :

Share money (Call) Pending	(1,224,750)	(1,224,750)
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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Amount in ₹

NOTE 2 : RESERVES & SURPLUS

Particulars	31.03.2014	31.03.2013
Statutory Reserve		
Opening	640,266	456,464
Add : Transfer from Surplus/(Deficit)	199,105	183,802
	839,371	640,266
Surplus/(Deficit)		
Balance as per the last financial statements	8,683,346	8,131,941
Add : Transfer from Statement of Profit and Loss	796,418	735,207
	9,479,764	8,867,147
Less : Transfer to Statutory Reserve	199,105	183,802
	9,280,660	8,683,346
Total Reserves & Surplus	10,120,030	9,323,611

NOTE 3 : CURRENT LIABILITIES

OTHER CURRENT LIABILITIES

Audit Fees Payable	10,000	7,000
Statutory Liabilities		
Professional Tax	110	50
	10,110	7,050

SHORT TERM PROVISIONS

Provision For Taxation	1,586,116	1,271,235
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TANGIBLE ASSETS

NOTE 4 : FIXED ASSETS

Description	Rate	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As at 01.04.13	Additions/ (Deduction)	As at 31.03.14	As at 01.04.13	For the Year	Adjust-ment	As at 31.03.14	As at 31.03.14	As at 31.03.13
Computer	60%	170,850	-	170,850	159,202	4,659	-	163,861	6,989	11,648
Total		170,850	-	170,850	159,202	4,659	-	163,861	6,989	11,648
Previous Year		170,850	-	170,850	141,730	17,472	-	159,202	11,648	

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	Amount in ₹			
NOTE 5 : NON CURRENT INVESTMENT (Cost)				
Particulars	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Nos.	Nos.		
QUOTED SHARES (Fully paid up)				
Grasim Industries Limited	100	100	39,050	39,050
Hindustan Motor Ltd.	1700	1700	43,650	43,650
JCT Ltd.	1713	1713	7,537	7,537
MRPL Ltd.	1000	1000	58,000	58,000
Sanghi Polysters Ltd.	100	100	213	213
Gangadharam Appliances Ltd.	680	680	1,360	1,360
Life Line Drug (Injects) Ltd.	1000	1000	3,050	3,050
Nihon Nirman Ltd.	4712	4712	7,279	7,279
Resonance Specialties Limited	800	800	2,320	2,320
Cosmos Spinning Ltd.	1000	1000	2,000	2,000
Ravijitej Export Ltd.	1000	1000	5,350	5,350
Enkay Texofood India Ltd.	200	200	600	600
Orkey Silk Mills Ltd.	1000	1000	2,100	2,100
ATV Projects India Ltd.	150	150	300	300
Malanpur Steel Ltd.	389	389	1,025	1,025
Adani Power Ltd.	500	500	52,975	52,975
Upper Ganges Sugar Mills Ltd.	500	500	48,811	48,811
Assam Co. Ltd.	3000	3000	54,823	54,823
			<u>330,443</u>	<u>330,443</u>
UNQUOTED SHARES (Fully paid up)				
Rahimpur Tea Co. Ltd.	195500	195500	8,770,900	8,770,900
Simulbarie Tea Co. Pvt. Ltd.	16824	16824	3,233,700	3,233,700
Bihar Bengal Tea Co. Pvt. Ltd.	120000	120000	3,600,000	3,600,000
Bansal Agro & Tea Mfg. Pvt. Ltd.	240400	240400	2,404,000	2,404,000
			<u>18,008,600</u>	<u>18,008,600</u>
Total (1+2)			<u>18,339,043</u>	<u>18,339,043</u>
Market value of Quoted Shares as at 31/03/2014			<u>420,394</u>	

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	Amount in ₹	
	31.03.2014	31.03.2013
NOTE : 6 SHARE CAPITAL		
PARTICULARS	31.03.2014	31.03.2013
Bodies Corporate		
Khatan Foods Pvt Ltd, Jaipur	3,368,605	—
Mogulkata Tea Co Pvt Ltd., Kolkata	1,301,603	—
Rahimpur Tea Co. Ltd. Kol	5,564,568	8,892,846
Simulbarie Tea Co. Pvt. Ltd. Kol	4,548,160	1,120,242
	<u>14,782,936</u>	<u>10,013,088</u>
Others		
Camellia Tea Group Pvt. Ltd. Kol	2,400,000	2,400,000
Goyal Knitfab Pvt. Ltd., Surat	2,633,150	—
Pankaj Kamdar, Koikata	403,550	—
Tea Samrat, Kolkata	—	5,000,000
	<u>5,436,700</u>	<u>7,400,000</u>
	<u>20,219,636</u>	<u>17,413,088</u>
NOTE : 7 CURRENT ASSETS		
CASH AND CASH EQUIVALENTS		
Balances with Banks in Current Account :		
AXIS Bank	14,049	9,464
HDFC Bank	15,867	2,003,946
Cash on Hand	7,794	1,533
	<u>37,711</u>	<u>2,014,943</u>
OTHER CURRENT ASSETS		
Balance with Revenue Authorities :		
Income Tax Advance	1,901,127	1,611,425
NOTE : 8 REVENUE FROM OPERATIONS		
Interest on Loan	1,428,926	1,266,622
	<u>1,428,926</u>	<u>1,266,622</u>
NOTE : 9 OTHER INCOME		
Dividend	235	1,413
Long Term Capital gain	2,853	—
	<u>3,088</u>	<u>1,413</u>

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

	Amount in ₹	
NOTE : 10 EMPLOYEE BENEFIT EXPENSES		
PARTICULARS	31.03.2014	31.03.2013
Salary & Leave	93,190	75,522
Bonus	4,803	—
	<u>97,993</u>	<u>75,522</u>
NOTE : 11 DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	4,659	17,472
	<u>4,659</u>	<u>17,472</u>
NOTE : 12 OTHER EXPENSES		
Audit Fees	10,000	7,000
Bank charges	674	584
Filing Fees	1,500	1,500
Legal & Professional Expenses	34,500	17,000
Rates & Taxes	5,750	3,711
Repair & Maintenance - Car Expenses	—	8,428
Telephone Expenses	3,533	4,477
Printing & Stationery	13,819	10,600
Membership Fees	75,799	27,528
Office Expenses	23	876
Result Publication Expenses	31,205	24,177
	<u>176,803</u>	<u>105,881</u>



NOTES TO THE FINANCIAL STATEMENTS (Contd.)

**NOTE – 13 : SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED ON 31ST MARCH, 2014**

1. Basis of Preparation :

- 1.1 The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting.
- 1.2 These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956 and Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- 1.3 The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- 1.4 All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Revenue Recognition :

All items of Income & expenses are recognized in the Profit & Loss Statement on accrual basis.

3. Fixed Assets and Depreciation / Amortisation :

- 3.1 Fixed Assets are stated at Cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.
- 3.2 Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.
- 3.3 Depreciation is provided on Written down value method applying the rates prescribed in the Income Tax Rules, 1962.

4. Tax on Income :

- 4.1 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.
- 4.2 Deferred Tax is recognized on timing difference; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subjects to the consideration of prudence are recognized and carried forward

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

5. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving certain degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Contingent Assets are neither recognized nor disclosed in the financial statements.

6. Investments :

6.1 Investments are classified as "Non Current investment".

6.2 All long term investments are stated at cost. Provision for diminution in value, other than temporary, is considered wherever necessary on individual basis.

7. 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.

8. Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, Earnings per Share notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share have been computed by dividing net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit (loss) after tax for the year by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Particulars	31.03.2014	31.03.2013
Profit after taxes (₹)	796,418	735,207
Weighted average No. of shares	2,878,825	2,878,825
Basic Earnings per share (₹)	0.28	0.26

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

9. The Provisions of Payment of Gratuity Act, 1972. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State insurance Act, 1948 are not applicable to the company.
10. Related party disclosures as per AS 18, issued by the Institute of Chartered Accountants of India. Summary of Transactions with Related Parties :

Summary of Transactions with Related Parties :

(Amount in ₹)

Name of the related party	Nature of relationship	Nature of Transaction	Amount received	Balance as at 31st March, 2014
Rahimpur Tea Co. Ltd.	Brother as Director	Interest Received	651,913.00	5,564,568.00
The Simulbarie Tea Co. Pvt. Ltd.	Brother as Director	Interest Received	214,354.00	4,548,160.00
Khatan Foods Pvt Ltd,	Brother as Director	Interest Received	409,561.00	3,368,605.00
Mogulkata Tea Co Pvt Ltd.	Brother as Director	Interest Received	1,603.00	1,301,603.00

11. Figures pertaining to previous year have been rearranged/regrouped, reclassified and restated, wherever considered necessary, to conform to the classification adopted in the current year.

As per our report of even date.

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

On Behalf of the Board of Directors

CA P.K. Drolia
Proprietor
M.No. 052629
Place : Kolkata
Date : 08/05/2014

Ramesh Bansal
Director

Ram Gopal Bhattacharjee
Director


INDIAN BASE METALS COMPANY LIMITED

Regd. Office : 34, Ganesh Chandra Avenue, 4th Floor, Kolkata-700 013

CIN : L27209WB1971PLC028015

ATTENDANCE SLIP

Registered Folio/DP ID & Client ID	
Name & Address of the Member	
E-mail ID :	

- I hereby record my presence at the 43rd Annual General Meeting of the Company, to be held on Tuesday, 30th day of September, 2014 at 34, Ganesh Chandra Avenue, Kolkata - 700013 at 11.00 a.m.
- Signature of the Member/ Proxy Present.

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password
140906030	Please refer to Note No. 10 - III in the Notice of the AGM	

**INDIAN BASE METALS COMPANY LIMITED**

Regd. Office : 34, Ganesh Chandra Avenue, 4th Floor, Kolkata-700 013

CIN : U27209WB1971PLC028015

PROXY FORM

(FORM MGT -11)

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule (19) of the Companies (Management and Administration) Rules, 2014

43RD ANNUAL GENERAL MEETING (TUESDAY, 30TH SEPTEMBER, 2014)

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No/ Client ID	
DP ID	

I/We, being the member (s) of shares of the above named Company, hereby appoint.

- Name:
Address:
Email id: Signature:, or failing him/her
- Name:
Address:
Email id: Signature:, or failing him/her
- Name:
Address:
Email id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014 at 34, Ganesh Chandra Avenue, Kolkata- 700013 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	For	Against
ORDINARY BUSINESS			
1.	Adoption of the Audited Statement of Profit & Loss for the year ended 31st March, 2014, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mr. Ramesh Bansal, who retires by rotation and being eligible offers himself for re-appointment.		
3.	To re-appoint M/s. P.K Drolia & Co. as Statutory Auditors of the Company and fix their remuneration.		
SPECIAL BUSINESS			
4.	Appointment of Mr. Ramesh Bansal as Whole-time Director.		
5.	Appointment of Mr. Vivek Agarwal as an Independent Director		
6.	Appointment of Mr. Gouri Shankar Agarwal as an Independent Director		
7.	Appointment of Mr. Raj Kumar Gattani as an Independent Director		
8.	Appointment of Mr. Santosh Kumar Agarwal as an Non-executive Director		
9.	Appointment of Mrs. Mala Bansal as Non-executive Director		

Signed this day of 2014

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the meeting.