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**ANNUAL REPORT & ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2016**



**INDIAN BASE METALS COMPANY LIMITED**  
34, GANESH CHANDRA AVENUE, 4TH FLOOR, KOLKATA - 700 013

# INDIAN BASE METALS COMPANY LIMITED

42nd Annual Report & Accounts 2015-2016



|                           |   |  |
|---------------------------|---|--|
| <b>BOARD OF DIRECTORS</b> | : | Sri Ramesh Bansal<br>Sri Gouri Shankar Agarwal<br>Sri Santosh Kumar Agarwal<br>Sri Mala Bansal<br>Sri Vivek Agarwal<br>Sri Raj Kumar Gattani                   |
| <b>BANKERS</b>            | : | HDFC Bank<br>AXIS BANK   |
| <b>AUDITORS</b>           | : | P. K. DROLIA & CO<br><i>Chartered Accountants</i><br>9, Crooked Lane, Kolkata - 700 069  |
| <b>REGISTERED OFFICE</b>  | : | 34, Ganesh Chandra Avenue<br>4th Floor, Kolkata - 700 013<br>Phone : (033) 2237 1747 / 2236 9154<br>Fax : (033) 2221 9113<br>E-mail : bansalramesh@hotmail.com |
| <b>CIN</b>                | : | L27209WB1971PLC028015  |
| <b>SHARES LISTED ON</b>   | : | CALCUTTA STOCK EXCHANGE  |

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## NOTICE

Notice is hereby given that the 45th Annual General Meeting of the Company will be held at 34, Ganesh Chandra Avenue, Kolkata-700013 on Friday, 30th September, 2016, at 03.00 P.M. for transacting the following business :

### ORDINARY BUSINESS :

#### Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 along with report of Board of Directors and Auditors thereon.

#### Item No. 2 – Appointment of Director

To appoint a Director in place of Mrs. Mala Bansal (DIN: 00469733) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment.

#### Item No. 3 – Appointment of Auditors and fixing their remuneration

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

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. P. K. Drolia & CO., Chartered Accountants (FRN 316057E), 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 in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending March 31, 2017.

### SPECIAL BUSINESS :

#### Item No. 4 – To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Mr. Amit Gattani :

“RESOLVED THAT pursuant to provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Amit Gattani (DIN : 07508282) who was appointed as an Additional Director by the Board of Directors with effect from May 20, 2016 on the Board of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 87 of Article of Association of the





## NOTICE Contd...

Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the company to hold office upto 30th September, 2019."

By Order of the Board

Sd/-

Ramesh Bansal

Whole-time Director

DIN : 00420589

Place : Kolkata

Date : 17th August, 2016

### 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. 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 **Saturday, 24th September, 2016 to Friday, 30th September, 2016** (both days inclusive).
4. 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.
5. 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.
6. Members/proxies are requested to bring the attendance slips sent herewith duly signed for attending the meeting.



## NOTICE Contd...

- 7. 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.
8. The business set out in the Notice will be transacted through remote e-voting and ballot paper at the venue of the meeting and the Company is providing facility for the same. The complete details of the instructions for remote e-voting and voting at the venue of the AGM are annexed to this notice.
9. **VOTING THROUGH ELECTRONIC MEANS**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI Listing Obligations & Disclosure Requirements Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - III. The instructions for shareholders voting electronically are as under :
    - (i) The remote e-voting period commences on 27th September, 2016 (10:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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.





**NOTICE Contd...**

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

| For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)   |
|  | <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li></ul>   |
|  | <ul style="list-style-type: none"><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul> |
| DOB  | 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   |
| Bank Account Number (DBD)                                  | Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.   |
|  | <ul style="list-style-type: none"><li>Please Enter the DOB or Bank Account Number in order to Login.</li></ul>  |
|  | <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company then please enter the member-id/ folio number in the Bank Account Number details field as mentioned in above instruction (iv).</li></ul>  |

- (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 Company Name i.e. **INDIAN BASE METALS COMPANY LIMITED** on which you choose to vote.



**NOTICE** Contd...

- (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 & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user which 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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). or contact them at 1800 200 5533.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of





**NOTICE Contd...**

the Company as on the cut-off date of 23rd September, 2016. A person who is not a member as on cut off date should treat this notice for information purpose only.

11. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficial owners position list provided by depositories as at closing hours of business, on 5th August, 2016.
12. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
13. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
14. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 23rd September, 2016 are requested to send the written / email communication to the Company at [bansalramesh@hotmail.com](mailto:bansalramesh@hotmail.com) in by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
15. Ms. Amber Ahmad, Company Secretary in whole time practice (Certificate of Practice Number 8581) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website : [www.indianbasemetals.com](http://www.indianbasemetals.com) and on the website of CDSL. The same will be communicated to the stock exchange viz. Calcutta Stock Exchange Limited where the shares of the company are listed.

**EXPLANATORY STATEMENT :**

**Item No. 4.**

Shri Amit Gattani (DIN : 07508282) was appointed as Additional Director by the Board of Directors of the Company on 20th May, 2016 to fill up the intermittent vacancy caused due to the sad demise of Shri Raj Kumar Gattani on 23rd February, 2016. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. A notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director. In terms of Section 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, Shri Amit Gattani being eligible offers himself for appointment, and is proposed to be appointed as an

**NOTICE Contd..**

Independent Director to hold office upto 30th September, 2019. In terms of provisions of Section 149 and Section 152 of the Companies Act, 2013, he shall not be liable to retire by rotation. In the opinion of the Board, Shri Amit Gattani fulfills the conditions specified in the Acts, and Rules made thereunder, and SEBI (LODR) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management.

Shri Amit Gattani does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Shri Amit Gattani, born on 5th October, 1981, is a commerce graduate from Kolkata, has vast experience in the field of management and administration. 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. Amit Gattani concerned or interested in the resolution set out at item No. 04, 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. 04 of the Notice.

**Information pursuant to Regulation 36(3) of the (Listing Obligations and Disclosure Requirements) Regulations 2015 on Directors recommended for appointment/ reappointment at the 45th Annual General Meeting Vide Item No. 2 of the Notice as follows :**

|  |   |
|--|---|
| <b>PARTICULARS</b>   | <b>MALA BANSAL</b>  |
| DIN  | 00469733  |
| Date Of Birth  | 30.10.1961  |
| Date of appointment  | 18.08.2014  |
| Qualification  | INTERMEDIATE  |
| Experience   | Mrs. Mala Bansal is an Intermediate pass.   |
|  | 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. She has been serving the board of this company since 2 years. She has experience of handling various business transactions and taking administrative decisions. |
| Directorship   | 1. Indian Base Metals Company Limited   |
| Membership & Chairmanship of Committees of Listed Entities (Including Audit Committee & Stakeholders Relationship Committee) | —   |
| Number of shares held in the Company   | —   |
| Relationship with any director of the company  | Santosh Kumar Agarwal – Relation  |





## BOARD'S REPORT

Dear Shareholders,

### Performance / Operations :

The Directors have pleasure in presenting the 45th Annual Report together with the Audited Statement of Accounts of Indian Base Metals Company Limited ("the Company") and its associates and subsidiaries for the year ended March 31, 2016.

### Financial Performance :

The summarized standalone and consolidated results of your Company and its associates/subsidiaries are given in the table below :

| Particulars  | Financial Year ended |            |              |            |
|--|----------------------|------------|--------------|------------|
|  | Standalone           |            | Consolidated |            |
|  | 31/03/2016           | 31/03/2015 | 31/03/2016   | 31/03/2015 |
| Total Income   | 1,452,712            | 1,638,358  | 1,666,387    | 1,638,358  |
| Profit/(loss) before Interest, Depreciation & Tax (EBITDA) | 926,691              | 1,168,804  | 805,006      | 1,168,804  |
| Finance Charges  | —                    | —          | —            | —          |
| Depreciation   | 2,113                | 2,796      | 2,113        | 2,796      |
| Provision for Income Tax (including for earlier years)     | 288,419              | 360,297    | 281,835      | 360,297    |
| Net Profit/(Loss) After Tax                                | 636,159              | 805,711    | 21,873,505   | 8,829,032  |
| Profit/(Loss) brought forward from previous year           | 9,884,942            | 9,280,660  | 17,908,266   | 9,280,660  |
| Amount transferred consequent to Reserves                  | 159,040              | 201,428    | 159,040      | 201,425    |
| Profit/(Loss) carried to Balance Sheet                     | 10,362,061           | 9,884,943  | 39,622,731   | 17,908,266 |

\*previous year figures have been regrouped / rearranged wherever necessary.

### Operational Review :

During the year Company's total sales including other income is Rs. 1,452,712/- as compared to Rs. 1,638,358/- in the previous year. The net profit after tax is Rs. 636,159/- as against Rs. 805,711/- in the previous year.

### Dividend :

With a view to conserve resources the Company has not declared any dividend during the year.





## BOARD'S REPORT *Contd...*

### Reserves :

The Company proposes to carry Rs. 159,040/- to Statutory Reserves in terms of Section 45IC of RBI Act, 1934.

### Deposits :

Your company being a non deposit taking NBFC registered with RBI did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

### Capital/Finance :

There has been no change in the Financial Structure of the Company during the year.

As on 31st March, 2016, the issued, subscribed and paid up share capital of your Company stood at Rs.3,00,13,000/-, comprising 30,01,300 Equity shares of Rs.10/- each.

### Extract of Annual Return :

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, **Extract of Annual Return** is Annexed as **Annexure 1**.

### Details of Board Meetings :

During the year, 7 (Seven) Board meetings as on 30th April, 2015, 14th May, 2015, 29th July, 2015, 14th August, 2015, 29th October, 2015, 29th January, 2016, and 24th March, 2016 respectively and 4 (Four) Audit Committee Meetings as on 14th May, 2015, 29th July, 2015, 29th October, 2015, and 29th January, 2016 respectively, & 1 (One) Nomination & Remuneration Committee Meeting on 30th April, 2015, were held and duly convened. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Particulars of Loan, Guarantees and Investments under Section 186 :

Since your Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India having principal business of giving of loans and making investments in the ordinary course of business, the provisions of Section 186 of the Companies Act, 2013 do not apply to the Company.

### Particulars of Contracts or Arrangements with Related Parties :

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Further the additional disclosure pursuant to Regulation 34(3) and 53(f) read with Para - A of Schedule - V of SEBI, Listing Obligations and Disclosure Requirements Regulations, 2015 is given in note no 15.11



## BOARD'S REPORT Contd...

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report :

No such change took place during the period under review.

### Compliance with Non-Banking Financial Companies (Reserve Bank) Directions :

The Company has complied with relevant provisions of the Reserve Bank of India Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended. The Company has also been submitting periodic returns and audited statements regularly.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :

Particulars as required under Section 134(3)(m) read with sub-rule 3(A) and (B) of Rule 8 of Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption do not apply to the Company. There was no Foreign Exchange Earnings and Outgo during the FY 2015-16.

### Subsidiaries, Joint Venture or Associates :

As on 31st March, 2016 the Company has 4 (Four) Associate Companies and nil joint venture companies. During the financial year, the company has 4 (Four) subsidiary companies. Details of subsidiaries and associate companies are as under :

| Sl. | Name  | CIN                   | % of Shares Holding | Subsidiary/ Associate/ Joint Venture |
|-----|---|-----------------------|---------------------|--------------------------------------|
| 1.  | <b>Pincers Auto Limited</b><br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013         | U50102WB2015PLC205884 | 100.00%             | Subsidiary                           |
| 2.  | <b>Sarvlok Commodities Limited</b><br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013  | U51909WB2015PLC205894 | 100.00%             | Subsidiary                           |
| 3.  | <b>Scorn Trade Link Limited</b><br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013     | U51909WB2015PLC205893 | 100.00%             | Subsidiary                           |
| 4.  | <b>Vishawdham Dealtrade Limited</b><br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013 | U51909WB2015PLC205891 | 100.00%             | Subsidiary                           |





**BOARD'S REPORT** *Contd...*

| Sl. | Name  | CIN                   | % of Shares Holding | Subsidiary/ Associate/ Joint Venture |
|-----|---|-----------------------|---------------------|--------------------------------------|
| 5.  | <b>Bansal Agro &amp; Tea Manufacture Pvt Ltd</b><br>71, Ganesh Chandra Avenue,<br>N 12, 3rd Floor, Kolkata – 700013                       | U65921WB1992PTC054507 | 25.06               | Associate                            |
| 6.  | <b>Rahimpur Tea Co. Ltd.</b><br>71, Ganesh Chandra Avenue,<br>3rd Floor, Kolkata – 700013   | U01132WB1938PLC009444 | 39.49               | Associate                            |
| 7.  | <b>Bihar Bengal Tea Company Private Limited</b><br>71, Ganesh Chandra Avenue,<br>Kolkata – 700013   | U15491WB1998PTC087889 | 48.00               | Associate                            |
| 8.  | <b>Epic Alloy Steel Private Limited</b><br>132D, O. P. Jindal Industrial Park,<br>Vill – Punjipathra, Gharghoda Road,<br>Raigarh – 496106 | U13209CT2003PTC016111 | 38.04               | Associate                            |

We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company for its subsidiaries and associates which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary and associate and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report [Annexure 2].

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary will be available on our website [www.indiabasemetals.com](http://www.indiabasemetals.com). These documents will also be available for inspection during business hours at the registered office of the Company.

**Risk Management Policy :**

The Company's business exposure to the normal financial and market risks continue to be monitored and managed by experienced people commensurate with the volume of business activities and the perceived risk requirements.

**Directors and Key Managerial Personnel :**

Mrs. Mala Bansal (DIN : 00469733), Non-Executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year due to sad demise of Mr. Raj Kumar Gattani, independent director of Company on 23rd February, 2016, a casual vacancy arose which was duly filled up by appointment of Mr. Amit Gattani (DIN : 07508282) on 20th May, 2016.





## BOARD'S REPORT Contd...

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 3 and forms a part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of (Managerial Personnel) Rules, 2014, so statement pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

Brief resumes in terms of Regulation 36(3) of the (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Director being reappointed forms part of the notice of the ensuing Annual General Meeting.

### Details of significant & material orders passed by the regulators or courts or tribunal :

No such orders have been passed which has impact on the going concern status and company's operations in future.

### Internal financial controls :

The Company has adequate internal financial controls that commensurate with the size and nature of its business. The company has appointed internal auditors whose reports are reviewed by the Audit Committee of the Board. The Audit Committee of the Board periodically reviews the internal control systems/procedures for their adequacy and the extent of their implementation.

### Declaration by Independent Director :

The Company has received necessary declaration from each of the Independent Directors under section 149(7) of the Companies Act, 2013 to the effect that the respective Director meets the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and SEBI Listing Obligations & Disclosure Requirements, Regulations, 2015.

### Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from its Holding or subsidiary :

No such commission has been received.

### Corporate Social Responsibility (Policy) :

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

### Audit Committee :

The details of composition of the Committees of the Board of Directors are as under :



## BOARD'S REPORT *Contd...*

The Audit Committee comprises of 2 Non-Executive Independent Directors and 1 Executive Whole-time Director, all of whom are financially literate. The composition of Audit Committee is as under :

| SL. No. | Name                      | Chairman / Members                           |
|---------|---------------------------|--|
| 1.      | Mr. Gouri Shankar Agarwal | Chairman, Non-Executive Independent Director |
| 2.      | Mr. Vivek Agarwal         | Member, Non-Executive Independent Director   |
| 3.      | Mr. Ramesh Bansal         | Member, Whole-time Director                  |

During the year, the Committee had met on 14th May, 2015, 29th July, 2015, 29th October, 2015, and 29th January, 2016.

### Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees :

#### Board Evaluation :

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Obligations & Disclosure Requirements, Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### Nomination & Remuneration Committee Policy :

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

- (a) The Nomination and Remuneration Committee has adopted a policy which deals with manner of selection of individuals who are qualified to become Directors, CEO & Managing Director as well as senior management and their remuneration as per the said policy.
- (b) Criteria of selection of Non-Executive Directors.





## BOARD'S REPORT *Contd...*

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

The Committee met once during the year on 30.04.2015 and all three members attended the meeting.

### Vigil Mechanism / Whistle Blower Policy :

The company has adopted a Whistle Blower Policy, for employees to report about any unethical behavior, actual or suspected fraud or violation of the company's ethics policy. No personnel have been denied access to the Chairman of the Audit Committee.

### Code of Conduct :

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees and senior members staff. The Board members and senior members staff have affirmed compliance with said code of conduct. The declaration of Chief Finance Officer of the Company in regarding affirmation of code of conduct is attached as Annexure - 5.

### Certificate by Whole-time Director and Chief Financial Officer (CFO) :

The Certificate given by whole time Director and Chief Financial Officer under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 upon Financial Statements of the company is attached herewith as Annexure - 6.

### Prevention of insider trading :

The Company has also adopted a Code of Conduct for Prevention of Insider Trading which encapsulates the restrictions, formats and the rules of conduct to be followed by the Company's directors, officers/ connected persons. The Board members, senior management, connected person and staff affirmed compliance with the said code of conduct.

All Board Directors and the designated employees have confirmed compliance with the Code.





## BOARD'S REPORT *Contd...*

### **Corporate Governance And Management Discussion & Analysis Reports :**

The Corporate Governance provisions as stipulated in Regulation 15(2)(a) under Chapter IV of (SEBI, Listing Obligations & Disclosure Requirements), 2015 is applicable to listed entities having paid up equity share capital not exceeding Rupees Ten crores and Networth not exceeding Rupees Twenty-five crores as on the last day of the previous financial year. Since, the Company does not fall under the foregoing category, Corporate Governance provisions are not applicable to the Company.

The Management Discussion & Analysis Report for the period under review as stipulated under Regulation 34(3) read with Schedule V of SEBI, Listing Obligations & Disclosure Requirements, Regulations 2015, which form an integral part of this Report, is set out as separate **Annexure - 7**.

### **Particulars of Employees :**

None of the Managerial Personnel of the Company are drawing remuneration in excess of the limits set out in Companies Act, 2013 the rules framed there under.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 :**

The following is a summary of complaints of sexual harassment of women at workplace received and disposed of during the year 2015-16.

**No. of complaints received : Nil**

**No. of complaints disposed off : Nil**

### **Auditors :**

#### **Statutory Auditors, their Report and Notes to Financial Statements :**

The Auditors, P. K. Drolia & Co., Chartered Accountants (FRN : 316057E) retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### **Internal Auditors :**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014 the Company has appointed M/s. Ahmad & Nanawatty, Chartered Accountants (FRN : 322546E), to undertake the Internal Audit of the Company for the F.Y. 2015-2016. There stood no adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2016.

### **Secretarial Auditor :**

In terms of Section 204 of the Act and Rules made there under, Ms. Amber Ahmad, Practicing Company Secretary have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 4** to this report. The report is self-explanatory and do not call for any further comments.



## BOARD'S REPORT *Contd...*

### Fraud Reporting :

Pursuant to the provisions of Section 134(3)(ca) of the Companies (Amendment) Act, 2015, no fraud has been reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

### Directors' Responsibility Statement :

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

### Acknowledgement :

The Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of our Company. Directors would also like to thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board  
Indian Base Metals Company Limited

Date : 17th August, 2016

Place : Kolkata

Director

Name : Santosh Kumar Agarwal

DIN : 00420655

Whole-time Director

Name : Ramesh Bansal

DIN : 00420589





MGT - 9

Annexure - 1

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2016

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

**I. REGISTRATION AND OTHER DETAILS**

|      |   |   |
|------|---|---|
| i)   | CIN   | L27209WB1971PLC028015   |
| ii)  | Registration Date   | 24/06/1971  |
|      |   | Public Company  |
| iii) | Name of the Company   | Indian Base Metals Co Ltd   |
| iv)  | Category / Sub Category of the Company                                    | Company having share capital<br>NBFC  |
| v)   | Address of Registered Office & Contact details                            | 34, Ganesh Chandra Avenue<br>Kolkata - 700013<br>Ph No. : (033) - 2237-1747<br>Email ID : bansalramesh@hotmail.com<br>Website : www.indianbasemetals.com      |
| vi)  | Whether shares listed on recognized Stock Exchange(s)                     | YES   |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Niche Technologies Pvt. Ltd.<br>C - 444, Bagree Market<br>71, B.R.B.B. Road<br>Kolkata - 700 001<br>033 - 2234 3576<br>Email ID : nichetechpl@nichetechpl.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| SN | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|----|--|----------------------------------|------------------------------------|
| 1  | Interest on loan                                 | 6492                             | 100                                |



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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

(No. of Companies for which information is being filled) - 8)

| Sl. | Name  | CIN                   | % of Shares Holding | Subsidiary/ Associate/Joint Venture |
|-----|---|-----------------------|---------------------|-------------------------------------|
| 1.  | Pincers Auto Limited<br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013  | U50102WB2015PLC205884 | 100.00              | Subsidiary                          |
| 2.  | Sarylok Commodities Limited<br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013   | U51909WB2015PLC205894 | 100.00              | Subsidiary                          |
| 3.  | Scorn Trade Link Limited<br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013  | U51909WB2015PLC205893 | 100.00              | Subsidiary                          |
| 4.  | Vishawdham Dealtrade Limited<br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013  | U51909WB2015PLC205891 | 100.00              | Subsidiary                          |
| 5.  | Bansal Agro & Tea Manufacture Pvt Ltd<br>71, Ganesh Chandra Avenue, N12, 3rd Floor,<br>Kolkata - 700013                       | U65921WB1992PTC054507 | 25.06               | Associate                           |
| 6.  | Rahimpur Tea Co. Ltd.<br>71, Ganesh Chandra Avenue, 3rd Floor,<br>Kolkata - 700013  | U01132WB1938PLC009444 | 39.49               | Associate                           |
| 7.  | Bihar Bengal Tea Company Private Limited<br>71, Ganesh Chandra Avenue,<br>Kolkata - 700013                                    | U15491WB1998PTC087889 | 48.00               | Associate                           |
| 8.  | Epic Alloy Steel Private Limited<br>132 D, O.P. Jindal Industrial Park, Vill-Punjipathra,<br>Charghoda Road, Raigarh - 496106 | U13209CT2003PTC016111 | 38.04               | Associate                           |





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**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding :**

| Category of Shareholders                              | No. of Shares held at the beginning of the year [As on 1-April-2015] |          |                  |                   | No. of Shares held at the end of the year [As on 31-March-2016] |          |                  |                   | % Change during the year |
|---|--|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|   | Demat  | Physical | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>                                   |  |          |                  |                   |   |          |                  |                   |                          |
| (1) Indian  |  |          |                  |                   |   |          |                  |                   |                          |
| a) Individual / HUF                                   | 3,34,350   | —        | 3,34,350         | 11.140            | 3,34,350  | —        | 3,34,350         | 11.140            | —                        |
| b) Central Govt                                       | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| c) State Govt(s)                                      | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| d) Bodies Corp.                                       | 8,80,000   | —        | 8,80,000         | 29.321            | 8,80,000  | —        | 8,80,000         | 29.321            | —                        |
| e) Banks / FI   | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| f) Any other  | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| <b>Sub Total (A1)</b>                                 | <b>1,214,350</b>   | <b>—</b> | <b>1,214,350</b> | <b>40.461</b>     | <b>1,214,350</b>  | <b>—</b> | <b>1,214,350</b> | <b>40.461</b>     | <b>—</b>                 |
| (2) Foreign   |  |          |                  |                   |   |          |                  |                   |                          |
| a) NRIs - Individuals                                 | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| b) Other - Individuals                                | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| c) Bodies Corporate                                   | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| d) Banks / FI   | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| e) Any Other  | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| <b>Sub Total (A2)</b>                                 | <b>—</b>   | <b>—</b> | <b>—</b>         | <b>—</b>          | <b>—</b>  | <b>—</b> | <b>—</b>         | <b>—</b>          | <b>—</b>                 |
| <b>Total Shareholding of Promoter (A) = (A1)+(A2)</b> | <b>1,214,350</b>   | <b>—</b> | <b>1,214,350</b> | <b>40.461</b>     | <b>1,214,350</b>  | <b>—</b> | <b>1,214,350</b> | <b>40.461</b>     | <b>—</b>                 |
| <b>B. Public Shareholding</b>                         |  |          |                  |                   |   |          |                  |                   |                          |
| 1. Institutions                                       |  |          |                  |                   |   |          |                  |                   |                          |
| a) Mutual Funds                                       | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| b) Banks / FI   | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| c) Central Govt                                       | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| d) State Govt(s)                                      | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| e) Venture Capital Funds                              | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| f) Insurance Companies                                | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| g) FIs  | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| h) Foreign Venture Capital Funds                      | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| i) Others (specify)                                   | —  | —        | —                | —                 | —   | —        | —                | —                 | —                        |
| <b>Sub-total (B)(1) :</b>                             | <b>—</b>   | <b>—</b> | <b>—</b>         | <b>—</b>          | <b>—</b>  | <b>—</b> | <b>—</b>         | <b>—</b>          | <b>—</b>                 |



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| Category of Shareholders  | No. of Shares held at the beginning of the year [As on 1-April-2015] |                  |                  |                   | No. of Shares held at the end of the year [As on 31-March-2016] |                  |                  |                   | % Change during the year |
|---|--|------------------|------------------|-------------------|---|------------------|------------------|-------------------|--------------------------|
|   | Demat  | Physical         | Total            | % of Total Shares | Demat   | Physical         | Total            | % of Total Shares |                          |
| <b>2. Non-Institutions</b>  |  |                  |                  |                   |   |                  |                  |                   |                          |
| a) Bodies Corp.   |  |                  |                  |                   |   |                  |                  |                   |                          |
| i) Indian   | 1,00,000   | 7,92,200         | 8,92,200         | 29.727            | 1,00,000  | 7,92,200         | 8,92,200         | 29.727            | —                        |
| ii) Overseas  | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| b) Individuals  |  |                  |                  |                   |   |                  |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 450  | 7,14,100         | 7,14,550         | 23.808            | 450   | 7,14,100         | 7,14,550         | 23.808            | —                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 90,000   | 90,200           | 1,80,200         | 6.004             | 90,000  | 90,200           | 1,80,200         | 6.004             | —                        |
| c) Others (specify)   |  |                  |                  |                   |   |                  |                  |                   |                          |
| Non Resident Indians  | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| Overseas Corporate Bodies   | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| Foreign Nationals   | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| Clearing Members  | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| Trusts  | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| Foreign Bodies - D R  | —  | —                | —                | —                 | —   | —                | —                | —                 | —                        |
| <b>Sub-total (B)(2) :</b>   | <b>1,90,450</b>  | <b>1,95,6500</b> | <b>1,786,950</b> | <b>59.539</b>     | <b>1,90,450</b>   | <b>1,95,6500</b> | <b>1,786,950</b> | <b>59.539</b>     | <b>—</b>                 |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                | <b>1,90,450</b>  | <b>1,95,6500</b> | <b>1,786,950</b> | <b>59.539</b>     | <b>1,90,450</b>   | <b>1,95,6500</b> | <b>1,786,950</b> | <b>59.539</b>     | <b>—</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                            | <b>—</b>   | <b>—</b>         | <b>—</b>         | <b>—</b>          | <b>—</b>  | <b>—</b>         | <b>—</b>         | <b>—</b>          | <b>—</b>                 |
| <b>Grand Total (A+B+C)</b>  | <b>1,404,800</b>   | <b>1,596,500</b> | <b>3,001,300</b> | <b>100</b>        | <b>1,404,800</b>  | <b>1,596,500</b> | <b>3,001,300</b> | <b>100</b>        | <b>—</b>                 |





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ii) Shareholding of Promoter :

| SN | Shareholder's Name                      | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|----|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|    |   | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1  | Bansal Agro & Tea Manufacture Pvt. Ltd. | 8,80,000                                  | 29.321                           | —  | 8,80,000                            | 29.321                           | —  | —   |
| 2  | Bela Bansal                             | 1,04,000                                  | 3.465                            | —  | 1,04,000                            | 3.465                            | —  | —   |
| 3  | Mahendra Prasad Bansal                  | 65,000                                    | 2.166                            | —  | 65,000                              | 2.166                            | —  | —   |
| 4  | Pawan Bansal                            | 65,350                                    | 2.177                            | —  | 65,350                              | 2.177                            | —  | —   |
| 5  | Ramesh Bansal                           | 40,000                                    | 1.333                            | —  | 40,000                              | 1.333                            | —  | —   |
| 6  | Santosh Kumar Agarwal                   | 60,000                                    | 1.999                            | —  | 60,000                              | 1.999                            | —  | —   |

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

iv) Shareholding Pattern of top ten Shareholders :

(other than Directors, Promoters and Holders of GDRs and ADRs) :

| SN | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|---|---|----------------------------------|---|----------------------------------|
|    |   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1. | <b>Sahul Finance Limited</b>  |   |                                  |   |                                  |
|    | At the beginning of the year  | 2,14,900                                  | 7.160                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year  | —   | —                                | 2,14,900                                | 7.160                            |
| 2. | <b>Purbasha Resources Limited</b>   |   |                                  |   |                                  |
|    | At the beginning of the year  | 1,00,000                                  | 3.332                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year  | —   | —                                | 1,00,000                                | 3.332                            |



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| SN | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 3. | <b>Blue Print Securities Ltd.</b>  |   |                                  |   |                                  |
|    | At the beginning of the year   | 81,900                                    | 2.729                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 81,900                                  | 2.729                            |
| 4. | <b>RUP Trade Comm. Pvt. Ltd.</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 55,600                                    | 1.853                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 55,600                                  | 1.853                            |
| 5. | <b>Besto Tradecomm. Pvt. Ltd.</b>  |   |                                  |   |                                  |
|    | At the beginning of the year   | 54,100                                    | 1.803                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 54,100                                  | 1.803                            |
| 6. | <b>Aalekha Software Pvt. Ltd.</b>  |   |                                  |   |                                  |
|    | At the beginning of the year   | 46,300                                    | 1.543                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 46,300                                  | 1.543                            |
| 7. | <b>Ityadi Project Pvt. Limited</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 46,300                                    | 1.543                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 46,300                                  | 1.543                            |





MGT - 9 Contd...

| SN | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 8. | Vikash Agarwal   |   |                                  |   |                                  |
|    | At the beginning of the year   | 40,000                                    | 1.333                            | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 40,000                                  | 1.333                            |

|    |  |        |       |        |       |
|----|--|--------|-------|--------|-------|
| 9. | Balaji Management Services Pvt. Ltd.   |        |       |        |       |
|    | At the beginning of the year   | 37,000 | 1.233 | —      | —     |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —      | —     | —      | —     |
|    | At the end of the year   | —      | —     | 37,000 | 1.233 |

|     |  |        |       |        |       |
|-----|--|--------|-------|--------|-------|
| 10. | Caravan Marketing Pvt. Ltd.  |        |       |        |       |
|     | At the beginning of the year   | 33,300 | 1.110 | —      | —     |
|     | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —      | —     | —      | —     |
|     | At the end of the year   | —      | —     | 33,300 | 1.110 |

v) Shareholding of Directors and Key Managerial Personnel :

| SN | Shareholding of each Directors and each Key Managerial Personnel   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1. | Santosh Kumar Agarwal  |   |                                  |   |                                  |
|    | At the beginning of the year   | 60,000                                    | 1.9991                           | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 60,000                                  | 1.9991                           |



**MGT - 9 Contd...**

| SN | Shareholding of each Directors and each Key Managerial Personnel   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 2. | <b>Ramesh Bansal</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 40,000                                    | 1.3328                           | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 40,000                                  | 1.3328                           |
| 3. | <b>Mala Bansal</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 0   | 0                                | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 0                                       | 0                                |
| 4. | <b>Vivek Agarwal</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 0   | 0                                | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 0                                       | 0                                |
| 5. | <b>Raj Kumar Gattani</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 0   | 0                                | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 0                                       | 0                                |
| 6. | <b>Gouri Shankar Agarwal</b>   |   |                                  |   |                                  |
|    | At the beginning of the year   | 0   | 0                                | —                                       | —                                |
|    | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : | —   | —                                | —                                       | —                                |
|    | At the end of the year   | —   | —                                | 0                                       | 0                                |





MGT - 9 Contd...

V) **INDEBTEDNESS**

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

|  | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|-----------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                 |          |                       |
| i) Principal Amount  |                                     |                 |          |                       |
| ii) Interest due but not paid                              |                                     |                 |          |                       |
| iii) Interest accrued but not due                          |                                     |                 |          |                       |
| <b>Total (i+ii+iii)</b>                                    |                                     |                 |          |                       |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                 |          |                       |
| • Addition   |                                     |                 |          |                       |
| • Reduction  |                                     | NIL             |          |                       |
| <b>Net Change</b>  |                                     |                 |          |                       |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                 |          |                       |
| i) Principal Amount  |                                     |                 |          |                       |
| ii) Interest due but not paid                              |                                     |                 |          |                       |
| iii) Interest accrued but not due                          |                                     |                 |          |                       |
| <b>Total (i+ii+iii)</b>                                    |                                     |                 |          |                       |

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| SN | Particulars of Remuneration   | Name of MD/WTD/ Manager | Total Amount<br>(Rs. in lakhs) |
|----|---|-------------------------|--------------------------------|
| 1  | Gross salary  |                         |                                |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                         |                                |
|    | (b) Value of perquisites w/s 17(2) Income-tax Act, 1961                             |                         |                                |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                         |                                |
| 2  | Stock Option  |                         |                                |
| 3  | Sweat Equity  |                         | NIL                            |
| 4  | Commission<br>- as % of profit<br>- others, specify...                              |                         |                                |
| 5  | Others, please specify  |                         |                                |
|    | <b>Total (A)</b>  |                         |                                |
|    | Ceiling as per the Act  |                         |                                |



**MGT - 9 Contd...**

**B. Remuneration to other directors :**

| SN                             | Particulars of Remuneration                | Name of Directors |  | Total Amount |
|--------------------------------|--|-------------------|--|--------------|
|                                |  |                   |  |              |
| 1                              | Independent Directors                      | NIL               |  |              |
|                                | Fee for attending board committee meetings |                   |  |              |
|                                | Commission                                 |                   |  |              |
|                                | Others, please specify                     |                   |  |              |
|                                | Total (1)                                  |                   |  |              |
| 2                              | Other Non-Executive Directors              |                   |  |              |
|                                | Fee for attending board committee meetings |                   |  |              |
|                                | Commission                                 |                   |  |              |
|                                | Others, please specify                     |                   |  |              |
|                                | Total (2)                                  |                   |  |              |
| Total (B)=(1+2)                |  |                   |  |              |
| Total Managerial Remuneration  |  |                   |  |              |
| Overall Ceiling as per the Act |  |                   |  |              |

**C. Remuneration to key managerial personnel other than MD/MANAGER/WTD :**

| SN | Particulars of Remuneration   | Key Managerial Personnel |                                  |     |                                |
|----|---|--------------------------|----------------------------------|-----|--------------------------------|
|    |   | CEO                      | Sonia Harish<br>Shahdarpuri (CS) | CFO | Total Amount<br>(Rs. in lakhs) |
| 1  | Gross salary  |                          | 1.09                             |     | 1.09                           |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          |                                  |     |                                |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          |                                  |     |                                |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |                                  |     |                                |
| 2  | Stock Option  |                          |                                  |     |                                |
| 3  | Sweat Equity  |                          |                                  |     |                                |
| 4  | Commission  |                          |                                  |     |                                |
|    | - as % of profit  |                          |                                  |     |                                |
|    | others, specify...  |                          |                                  |     |                                |
| 5  | Others, please specify  |                          |                                  |     |                                |
|    | Total   |                          |                                  |     |                                |





MGT - 9 Contd...

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : None

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed. | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | NIL   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | NIL   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | NIL   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

For and on behalf of the Board  
Indian Base Metals Company Limited

Date : 17th August, 2016.  
Place : Kolkata

*Director*  
Name : Santosh Kumar Agarwal  
DIN : 00420655

*Whole-time Director*  
Name : Ramesh Bansal  
DIN : 00420589



AOC-I

Annexure - 2

**Form No. AOC-I**

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

Statement containing salient features of the financial statement of  
Subsidiaries / Associate Companies / Joint Ventures

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.) :

| Sl. No. | Particulars   | Details   |
|---------|---|---|
| 1.      | Name of the subsidiary  | Pincers Auto Limited                              |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Reporting period of holding & subsidiary are same |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA  |
| 4.      | Share capital   | 5,00,000  |
| 5.      | Reserves & surplus  | (37,180)  |
| 6.      | Total assets  | 34,538,320  |
| 7.      | Total Liabilities   | 34,538,320  |
| 8.      | Investments   | 34,479,500  |
| 9.      | Turnover  | NIL   |
| 10.     | Profit before taxation  | (35,820)  |
| 11.     | Provision for taxation  | 1,360   |
| 12.     | Profit after taxation   | (37,180)  |
| 13.     | Proposed Dividend   | NIL   |
| 14.     | % of shareholding   | 100%  |

| Sl. No. | Particulars   | Details   |
|---------|---|---|
| 1.      | Name of the subsidiary  | Scorn Trade Link Limited                          |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Reporting period of holding & subsidiary are same |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA  |
| 4.      | Share capital   | 5,00,000  |
| 5.      | Reserves & surplus  | (26,965)  |
| 6.      | Total assets  | 1,474,035   |
| 7.      | Total Liabilities   | 1,474,035   |
| 8.      | Investments   | 3,932,000   |
| 9.      | Turnover  | NIL   |
| 10.     | Profit before taxation  | (35,820)  |





AOC-I Contd...

| Sl. No. | Particulars            | Details  |
|---------|------------------------|----------|
| 11.     | Provision for taxation | (8,855)  |
| 12.     | Profit after taxation  | (26,965) |
| 13.     | Proposed Dividend      | NIL      |
| 14.     | % of shareholding      | 100%     |

| Sl. No. | Particulars   | Details   |
|---------|---|---|
| 1.      | Name of the subsidiary  | Sarvlok Commodities Ltd.                          |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Reporting period of holding & subsidiary are same |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA  |
| 4.      | Share capital   | 5,00,000  |
| 5.      | Reserves & surplus  | (30,764)  |
| 6.      | Total assets  | 18,274,236  |
| 7.      | Total Liabilities   | 18,274,236  |
| 8.      | Investments   | 19,048,000  |
| 9.      | Turnover  | 176,064   |
| 10.     | Profit before taxation  | (33,280)  |
| 11.     | Provision for taxation  | (2,516)   |
| 12.     | Profit after taxation   | (30,764)  |
| 13.     | Proposed Dividend   | NIL   |
| 14.     | % of shareholding   | 100%  |

| Sl. No. | Particulars   | Details   |
|---------|---|---|
| 1.      | Name of the subsidiary  | Vishawdham Dealtrade Ltd.                         |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Reporting period of holding & subsidiary are same |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA  |
| 4.      | Share capital   | 5,00,000  |
| 5.      | Reserves & surplus  | (20,192.18)                                       |
| 6.      | Total assets  | 499,307.82  |
| 7.      | Total Liabilities   | 499,307.82  |
| 8.      | Investments   | 492,000   |
| 9.      | Turnover  | NIL   |
| 10.     | Profit before taxation  | (16,765.18)                                       |
| 11.     | Provision for taxation  | 3427  |
| 12.     | Profit after taxation   | (20,192.18)                                       |
| 13.     | Proposed Dividend   | NIL   |
| 14.     | % of shareholding   | 100%  |



AOC-I Contd...

Notes : The following information shall be furnished at the end of the statement :

1. Names of subsidiaries which are yet to commence operations : NA
2. Names of subsidiaries which have been liquidated or sold during the year : NA

**Part "B" : Associates and Joint Ventures**

| Sl. No. | Name of Associates/Joint Ventures   | Bihar Bengal Tea Company Private Limited | Bansal Agro & Tea Manufacture Pvt. Ltd. | Rahimpur Tea Co. Ltd.      | Epic Alloy Steel Private Limited |
|---------|---|--|---|----------------------------|----------------------------------|
| 1.      | Latest audited Balance Sheet Date   | 31.03.2016                               | 31.03.2016                              | 31.03.2016                 | 31.03.2016                       |
| 2.      | Shares of Associate/Joint Ventures held by the company on the year end    |  |   |                            |                                  |
|         | No. of Equity Shares  | 1,20,000                                 | 2,40,400                                | 1,95,500                   | 268,800                          |
|         | No. of Preference Shares  | —  | —                                       | —                          | —                                |
|         | Amount of Investment in Associates/Joint Venture                          | 3,600,000                                | 2,404,000                               | 8,770,900                  | 2,688,000                        |
|         | Extend of Holding (%)   | 48.00                                    | 25.06                                   | 39.49                      | 38.04                            |
| 3.      | Description of how there is significant influence                         | More than 20% shareholding               | More than 20% shareholding              | More than 20% shareholding | More than 20% shareholding       |
| 4.      | Reason why the associate/joint venture is not consolidated                | N.A.                                     | N.A.                                    | N.A.                       | N.A.                             |
| 5.      | Networth attributable to Shareholding as per latest audited Balance Sheet | 5,033,480                                | 9,169,804                               | 12,406,538                 | 92,041,537                       |
| 6.      | Profit / Loss for the year  | 409,593                                  | 3,592,512                               | 113,340                    | 79,162,983                       |
|         | i. Considered in Consolidation  | 196,605                                  | 900,206                                 | 44,764                     | 20,210,872                       |
|         | ii. Not Considered in Consolidation                                       | 212,988                                  | 2,692,306                               | 68,576                     | 58,952,111                       |

Notes : The following information shall be furnished :

1. Names of associates or joint ventures which are yet to commence operations : None
2. Names of associates or joint ventures which have been liquidated or sold during the year : None

For and on behalf of the Board  
Indian Base Metals Company Limited

Date : 17th August, 2016  
Place : Kolkata

Director  
Name : Santosh Kumar Agarwal  
DIN : 00420655

Whole-time Director  
Name : Ramesh Bansal  
DIN : 00420589





AOC-I Contd...

### Annexure - 3

Ratio of Remuneration of Executive Directors to the median remuneration of the employees of the Company as on 31st March, 2016 :

a) The Ratio of remuneration of Executive Directors to the median remuneration of employees of the Company is given below :

| Name of the Director        | Designation       | Remuneration per annum (Amount in Lac) | Median Remuneration per annum (Amount in Rs.) | Ratio (Remuneration of Director to Median Remuneration) |
|-----------------------------|-------------------|--|---|---|
| i) Sonia Harish Shahdadpuri | Company Secretary | Rs. 1,09,010                           | Rs. 96,000                                    | 1 : 0.88  |

b) The median remuneration of employees as on 31st March, 2016 was Rs. 96,000/-. There were 3 permanent employees on the rolls of the Company, as on 31st March, 2016.

c) There is no significant increase in remuneration of Company Secretary as compared to the remuneration of the previous year ended 31.03.2015. No comparison with increase of median remuneration of employees is applicable as required vide rule 5(1) (ii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as per exemption notification dated 30.06.2016.



## SECRETARIAL AUDIT REPORT

Annexure - 4

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016

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

To,  
The Members,  
**Indian Base Metals Co. Ltd.**  
34, Ganesh Chandra Avenue, 4th Floor,  
Kolkata - 700013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIAN BASE METALS CO. LTD.** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016 ('Audit Period')**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

- I. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Indian Base Metals Co. Ltd. ("The Company")** for the financial year ended 31st March, 2016 according to the provisions of :
  - i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the audit period);





## SECRETARIAL AUDIT REPORT *Contd...*

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the audit period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (not applicable to the Company during the audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the audit period);
- (vi) Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non-Banking Financial Companies (Non-Deposit Taking) and guidelines, directions and instructions issued by RBI through notifications and circulars in respect of Non Banking Financial Institutions.
- (vii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **2. I have also examined compliance with the applicable clauses of the following :**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India which became effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.



## SECRETARIAL AUDIT REPORT Contd...

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

### 3. I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

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

I further report that during the audit period the Company has five subsidiary companies.

This Report is to be read with my letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

Place : Kolkata

Date : 16th August, 2016

**Amber Ahmad**  
Practising Company Secretary  
COP No. : 8581





## ANNEXURE TO THE SECRETARIAL AUDIT REPORT

### 'Annexure - A'

To,  
The Members,  
**Indian Base Metals Co. Ltd.**  
34, Ganesh Chandra Avenue, 4th Floor,  
Kolkata - 700013

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata  
Date : 16th August, 2016

**Amber Ahmad**  
Practising Company Secretary  
COP No. : 8581



## DECLARATION

Annexure - 5

### Declaration by Whole-time Director on compliance of Code of Conduct

I, Mr. Ramesh Bansal, Whole Time Director of Indian Base Metals Co. Ltd. hereby declare that all the Board members and Senior Management personnel have affirmed for the year ended 31 March, 2016 compliance with the Code of Conduct as laid down by the Company.

Kolkata : 17th August, 2016

Mr. Ramesh Bansal  
Whole Time Director





## AUDIT CERTIFICATE

Annexure - 6

### Certificate by Whole-time Director and Chief Financial Officer (CFO)

The Board of Directors

**Indian Base Metals Co. Ltd.**

We have reviewed the financial statements and the cash flow statement of **Indian Base Metals Co. Ltd.** for the financial year 2015-16 and certify that :

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2016 and that to the best of our knowledge and belief;
  - a. these statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations;
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of :
  - i. significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date : 17th August, 2016

**Mr. Ramesh Bansal**  
Chief Financial Officer &  
Whole Time Director



## MANAGEMENT DISCUSSION AND ANALYSIS

Annexure - 7

### Management Discussion and Analysis

#### Indian Economy Overview

Despite continuing global headwinds, India's GDP clocked 7.6% growth in 2015-16, making it one of the fastest growing economies in the world. The Government of India (GoI) focused on strengthening the economy with various pro-reform policy initiatives to improve the country's social and physical infrastructure and set structural drivers for long-term sustainable economic growth. India's trade deficit came down to \$5.1 billion in March 2016 owing to a sharp decline of upto 21% in imports. The government's adherence to keeping the fiscal deficit within target while managing growth is a positive step, especially in view of the stress and uncertainty in the global economy. The government has targeted to narrow the fiscal deficit to 3.5% in 2016-17, after maintaining its 3.9% target for 2015-16. Consumer price inflation is also within normal range, hovering around 5%. Government initiatives, low interest rates, decline in fiscal deficit and moderate inflation have enabled the Indian economy to achieve strong growth estimates. Policy adjustments and improved macro-economic environment have helped India attract more FDI flows during the year compared to last year. With government's growth agenda intact and the tide turning favorable on the economic front, India looks poised to perform better than its global counterparts in 2016-17 and is expected to grow at closer to 8% in 2016-17.

#### NBFCs in India

The share of NBFCs has steadily grown. So far, non-banking finance companies (NBFCs) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015.<sup>1</sup> In terms of financial assets, NBFCs have recorded a healthy growth—a compound annual growth rate (CAGR) of 19% over the past few years—comprising 13% of the total credit and expected to reach nearly 18% by 2018-19. NBFCs have emerged as vital intermediaries and have competed strongly with banks and financial institutions. NBFCs operate under certain regulatory constraints, which put them at a disadvantage vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realise their full potential and thereby perform their duties with greater efficiency. The NBFC sector has been engaged in steady consolidation during the past few years and has been witness to weaker NBFCs gradually exiting, paving the way for a stronger sector. However, the current decline in the number of registered NBFC is mainly due to cancellation of certificates of registration. In the year 2015 RBI has cancelled certificate of registration of approx 56 NBFC companies.





## MANAGEMENT DISCUSSION AND ANALYSIS *Contd...*

### Opportunity and threats

The positive trend of growth in the economy should lead to credit growth as well. The sluggish business environment has proven to be tough for NBFCs. This can be attributed to stagnation in infrastructural development, stunted growth, impulsive law making, bad political environment, and distressed business.

The revised regulatory framework of RBI is designed to focus supervisory attention to those NBFCs which genuinely can pose risks to the financial system and bring operational freedom to smaller NBFCs. The foremost step in this direction was the revision in the threshold for systemic significance from 100 crore INR to 500 crore INR. Under the new regulatory framework, non-deposit accepting NBFCs with total assets less than 500 crore INR are considered as not being systemically important and subject to a light touch regulation. Those with total assets above 500 crore INR are considered as systemically important non-deposit accepting NBFCs and have been subjected to a more stringent set of regulations.

### Government Initiatives

The finance minister in his Budget Speech on 29 February, 2016 announced the government's intention to permit FDI in all financial activities which are regulated by an Indian regulator under the automatic route.

NBFCs shall be eligible to claim tax deduction to the extent of 5% of total income on account of provision for bad and doubtful debts (NPAs). It has been a long awaited demand to treat the provision of bad debts of NBFCs at par with that of Indian banks in terms of tax deduction. This has only been moderately met as the prescribed percentage is less than that allowed for banks. However, this is a positive development for NBFCs reducing the tax outgo for them. It has provided them a much sought after relief, especially in these rising NPAs scenario. Reversal of input tax is proposed to provide additional options to banking companies, financial institutions and non-banking financial companies, with respect to nontaxable services provided by them by way of extending deposits, loans and advances. FDI will be allowed beyond the 18 specified NBFC activities under the automatic route. This move will help in promoting ease of doing business and attracting overseas investments by doing away with the need of seeking government approvals. In 2015 Union Budget, the finance minister announced that NBFCs would be considered as an eligible financial institution for SARFAESI benefits. However, the corresponding amendment in the SARFAESI Act is yet to be introduced. This move would facilitate faster liquidation of immovable assets for recovery of bad loans

### Risks and Concerns

Being in the credit business, the Company is exposed to risks that are innate to the business environment which include market, credit, operational, human resource, interest, liquidity and economic risks. Further, unforeseen natural disasters and geopolitical problems may also have an adverse impact on the Company's business. The Company takes all measures to address all possible risks and mitigate them effectively.



## MANAGEMENT DISCUSSION AND ANALYSIS *Contd...*

### Internal Control Systems

The Company has an effective internal control system to ensure reliable financial reports, operating effectiveness and overall efficiency. All its activities comply with applicable laws and regulations. The Company has adequate internal control systems proportionate with the size and nature of its business being framed in a manner which ensures optimum resource utilisation and strict compliance with all statutes. The audit committee reviews the adequacy of the internal control systems and follow-up actions are implemented immediately, if required.

### Outlook

The NBFC segment is a catalyst to the economic development of the country. The RBI is constantly striving to bring necessary changes in the NBFC regulatory space to proactively provide regulatory support to the segment and also to ensure financial stability in the long run. We hope that the forthcoming changes in the pipeline will further strengthen the robustness of the NBFC sector and allow them to operate in an enabling regulatory environment.

### Cautionary Statement

Statements in this report on management discussion and analysis, describing the Company's objectives, estimates, expectations or predictions are all 'forward-looking statements' within the meaning of the applicable securities laws and regulations. These statements are based on certain assumptions and expectations regarding future events. The Company assumes no responsibility whatsoever to publicly amend, modify or revise any 'forward-looking statements' on the basis of any subsequent information, developments and events.





## INDEPENDENT AUDITORS' REPORT

### Independent Auditors' Report

To The Members of INDIAN BASE METALS COMPANY LIMITED

We have audited the accompanying financial statements of INDIAN BASE METALS COMPANY LIMITED (the company), which comprise the Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in



## INDEPENDENT AUDITORS' REPORT Contd...

the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2016 and its profit for the year ended on that date.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".





**INDEPENDENT AUDITORS' REPORT** *Contd...*

- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- a. The company does not have any pending litigations which would impact its financial position.
  - b. The company did not have any long term contracts including derivative contract during the year for which there were any material foreseeable losses nor have any outstanding derivative contract at the year end.
  - c. The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year because there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**P. K. Drolia**  
*Partner*  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### "ANNEXURE A" 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 31/03/2016 ]

- (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) Since the company have no immovable properties, the clause relating thereto is inapplicable
- (ii) The Company has no inventory. Accordingly, the provisions stated in paragraph 3(ii) of the order is not applicable.
- (iii) (a) As informed, the Company has granted unsecured loans to companies or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and the terms & conditions. of the grant of such loans are not, prima facie, prejudicial to the interest of the company.
- (b) The schedule of repayment of principal and payment of interest are regular as stipulated and no amount is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans & investment made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, hence directives issued by the Reserve Bank of India and provision of Sections 73 to 76 of the Companies Act are not applicable.
- (vi) As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans & borrowings a financial institution, bank, government or dues to debenture holders.





**ANNEXURE TO INDEPENDENT AUDITORS' REPORT Contd...**

- (ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by the way of initial public offer or further public offer (including debt instrument) nor taken any term loan during the year. Therefore, clause (ix) of the paragraph 3 of the said order is not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.
- (xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) On the basis of our examination of records and according to the information and explanations given to us, the Company has entered into transactions with the related parties and have complied with the provisions of Section 177 and 188 of the Act. The names of related parties as required by Accounting Standard 18 have been disclosed in the Financial Statements.
- (xiv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.
- (xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **P. K. Drolia & Co.**

*Chartered Accountants*

Firm Registration No.316057E

**P. K. Drolia**

*Partner*

Membership No.52629

Place : Kolkata

Date : 20/05/2016



**ANNEXURE TO INDEPENDENT AUDITORS' REPORT** *Contd...*

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIAN BASE METALS COMPANY LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of INDIAN BASE METALS COMPANY LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





## ANNEXURE TO INDEPENDENT AUDITORS' REPORT Contd...

audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. K. Drolia  
Partner  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016



**ANNEXURE TO INDEPENDENT AUDITORS' REPORT Contd...**

**AUDITORS REPORT IN TERMS OF NON-BANKING FINANCIAL COMPANIES (RESERVE BANK) DIRECTIONS, 2008**

To,  
The Board of Directors  
**INDIAN BASE METALS COMPANY LIMITED**  
34, Ganesh Chandra Avenue,  
Kolkata - 700013

As required by the "Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008" ("the Directions") issued by the Reserve Bank of India ("the Bank") in exercise of powers conferred by Section 45MA of the Reserve Bank of India Act, 1934, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we hereby report that:

**A) In the case of All Non-Banking Financial Companies**

1. The Company is engaged in the business of a Non-Banking Financial Institution and has duly attained a Certificate of Registration (COR) from the Bank.
2. The Company is holding COR issued by the Bank. It has more than 50% of its assets in investment in shares and securities. It has earned more than 50% of its income from financial assets by way of dividend, income from investments and interests.

Based on the above, we are of the opinion that the Company is entitled to hold such Certificate of Registration (COR) as on 31st March, 2016.

3. The Company is primarily engaged as Investment Company and is not in Asset Financing. Accordingly Para 3(A)(iii) of the Directions is not applicable.

**B) In the case of a Non-Banking Financial Company Accepting / Holding Public Deposits**

The Company being a Non-Banking Financial Company not accepting/holding public deposits Para 3(B) of the Directions is not applicable.

**C) In the case of a Non-Banking Financial Company Not Accepting / Holding Public Deposits**

1. The Board of Directors have duly passed a resolution on 30.04.2015 for the non acceptance of the "public deposits" within the meaning of paragraph 2(1)(xix) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.





**ANNEXURE TO INDEPENDENT AUDITORS' REPORT Contd...**

2. The Company has not accepted any "public deposit" within the meaning of paragraph 2(1)(xix) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 for the financial year ended 31st March, 2016.
3. The Company has complied with the Prudential Norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as far as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
4. The Company is not Systematically Important non-deposit taking NBFC as defined in paragraph 2(1)(xix) of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and accordingly Para 3(c)(iv) of the Directions is not applicable.

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

**P. K. Drolia**  
*Partner*  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016



**BALANCE SHEET AS AT 31ST MARCH, 2016**

| <u>Particulars</u>                   | <u>Note No.</u> | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--------------------------------------|-----------------|-------------------|-------------------|
| <b><u>EQUITY AND LIABILITIES</u></b> |                 |                   |                   |
| <b>1 Shareholders' Funds</b>         |                 |                   |                   |
| (a) Share Capital                    | 1               | 30,013,000        | 30,013,000        |
| (b) Reserve and Surplus              | 2               | 11,561,900        | 10,925,742        |
| <b>2 Current Liabilities</b>         | 3               |                   |                   |
| (a) Other Current Liabilities        |                 | 29,081            | 57,649            |
| (b) Short Term Provision             |                 | 1,872,118         | 1,946,413         |
| <b>TOTAL</b>                         |                 | <b>43,476,099</b> | <b>42,942,804</b> |
| <b><u>ASSETS</u></b>                 |                 |                   |                   |
| <b>1 Non Current Assets</b>          |                 |                   |                   |
| (a) Fixed Assets                     |                 |                   |                   |
| Tangible Assets                      | 4               | 2,080             | 4,193             |
| (b) Non Current Investment           | 5               | 19,739,043        | 20,143,043        |
| (c) Long - Term Loans and Advances   | 6               | 19,061,487        | 20,424,956        |
| <b>2 Current Assets</b>              | 7               |                   |                   |
| (a) Cash & Cash Equivalents          |                 | 36,523            | 21,718            |
| (b) Other Current Assets             |                 | 4,636,966         | 2,348,894         |
| <b>TOTAL</b>                         |                 | <b>43,476,099</b> | <b>42,942,804</b> |
| Significant Accounting Policies      | 13              |                   |                   |

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016

On behalf of the Board of Directors

**Ramesh Bansal**  
Director  
DIN : 00420589

**Santosh Kr. Agarwal**  
Director  
DIN : 00420655

**Sonia Shahdapuri**  
Company Secretary  
M.No. A36835





**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

| <u>Particulars</u>   | <u>Note No.</u> | <u>31.03.2016</u> | <u>31.03.2015</u> |
|--|-----------------|-------------------|-------------------|
| I Income from Operations   |                 |                   |                   |
| II Other Income  | 8               | 1,452,712         | 1,638,358         |
|  | 9               | —                 | —                 |
| III Total Revenue  |                 | <u>1,452,712</u>  | <u>1,638,358</u>  |
| IV <b>EXPENSES</b>   |                 |                   |                   |
| Employee Benefit expenses  |                 |                   |                   |
| Depreciation & Amortisation exp.                                   | 10              | 300,936           | 93,262            |
| Other Expenses   | 11              | 2,113             | 2,796             |
|  | 12              | 225,085           | 376,292           |
| Total Expenses   |                 | <u>528,134</u>    | <u>472,350</u>    |
| V Profit before exceptional and extra-ordinary items and tax       | (III-IV)        | 924,578           | 1,166,008         |
| VI Exceptional / Extraordinary Items                               |                 | —                 | —                 |
| VII Profit After exceptional / extraordinary items and tax         | (V-VI)          | 924,578           | 1,166,008         |
| VIII Profit before tax   |                 | 924,578           | 1,166,008         |
| IX <b>Tax Expense</b>  |                 |                   |                   |
| Current Tax  |                 | 286,002           | 360,297           |
| Earlier year Income Tax  |                 | 2,417             | —                 |
| X Profit / (Loss) for the Year                                     | (VIII- IX)      | <u>636,159</u>    | <u>805,711</u>    |
| Earnings per Equity Share (Basic or Diluted)<br>Face value Rs.10/- |                 | 0.21              | 0.27              |

Significant Accounting Policies

13

As per our report of even date

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016

On behalf of the Board of Directors

**Ramesh Bansal**  
Director  
DIN : 00420589

**Santosh Kr. Agarwal**  
Director  
DIN : 00420655

**Sonia Shahdapuri**  
Company Secretary  
M.No. A36835



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

| Particulars   | 31.03.2016         | 31.03.2015         |
|---|--------------------|--------------------|
| <b>A. Cash Flow from Operating Activities</b>                         | 924,578            | 1,166,008          |
| Net Profit/(Loss) before tax  | —                  | —                  |
| Dividend Received   | 2,113              | 2,796              |
| Depreciation  | 926,691            | 1,168,804          |
| <b>Operating Profit before Working Capital Changes</b>                |                    |                    |
| Adjustment for  | (2,315,670)        | (92,000)           |
| (Increase)/Decrease in Other Current Assets                           | (28,568)           | 47,539             |
| Increase/(decrease) in Payables                                       |                    |                    |
| <b>Cash Flow from Operations</b>                                      | (1,417,547)        | 1,124,343          |
| Income Tax paid/Adjusted  | (335,117)          | (355,766)          |
| <b>Net Cash Flow from Operating Activities</b>                        | <b>(1,752,664)</b> | <b>768,577</b>     |
| <b>Cash Flow from Investing Activities</b>                            |                    |                    |
| Loans & Advances(Net)   | 1,363,469          | (205,320)          |
| Non current Investments   | 404,000            | (1,804,000)        |
| Dividend Received   | —                  | —                  |
| <b>Net Cash (Used)/Raised from Investing Activities</b>               | <b>1,767,469</b>   | <b>(2,009,320)</b> |
| <b>Cash Flow from Financing Activities</b>                            |                    |                    |
| Proceeds from share capital   | —                  | 1,224,750          |
| <b>Net Cash (Used)/Raised from Financing Activities</b>               | <b>—</b>           | <b>1,224,750</b>   |
| <b>Net Increase/(Decrease) in Cash Flow from activities</b>           | <b>14,805</b>      | <b>(15,993)</b>    |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> |                    |                    |
| Opening Cash and Cash Equivalents                                     | 21,718             | 37,711             |
| Closing Cash and Cash Equivalents                                     | <b>36,523</b>      | <b>21,718</b>      |

**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 :

|  | 31.03.2016    | 31.03.2015    |
|--|---------------|---------------|
| a) Cash in hand                          | 2,360         | 4,716         |
| b) Balance with Banks in Current Account | 34,163        | 17,001        |
|  | <b>36,523</b> | <b>21,718</b> |

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

P. K. Drolia  
Partner  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016

On behalf of the Board of Directors

Ramesh Bansal  
Director  
DIN : 00420589

Santosh Kr. Agarwal  
Director  
DIN : 00420655

Sonia Shahdapuri  
Company Secretary  
M.No. A36835





**NOTES TO THE FINANCIAL STATEMENTS**

**Note - 1**

**1.1 Details of authorised, issued, subscribed and paid Share Capital**

| Particulars   | 31.03.2016        | 31.03.2015        |
|---|-------------------|-------------------|
| <b>AUTHORISED</b>   |                   |                   |
| 3300000 (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         |
|   | <b>35,000,000</b> | <b>35,000,000</b> |
| <b>ISSUED</b>   |                   |                   |
| 3001300 (3001300) Equity Shares of Rs. 10/- each.                         | <b>30,013,000</b> | <b>30,013,000</b> |
| <b>SUBSCRIBED AND PAID UP</b>   |                   |                   |
| 3001300 (3001300) Equity Shares of Rs. 10/- each fully Paid up in cash    | 30,013,000        | 30,013,000        |
|   | <b>30,013,000</b> | <b>30,013,000</b> |

**1.2 Reconciliation of Share outstanding at the beginning and at the end of reporting period**

| Particulars                                     | 31.03.2016     |                   | 31.03.2015     |                   |
|---|----------------|-------------------|----------------|-------------------|
|   | No.            | Amount            | No.            | Amount            |
| Shares outstanding at the beginning of the year | 3001300        | 30,013,000        | 3001300        | 30,013,000        |
| Shares Issued during the year                   | —              | —                 | —              | —                 |
| Shares bought back during the year              | —              | —                 | —              | —                 |
| Shares outstanding at the end of the year       | <b>3001300</b> | <b>30,013,000</b> | <b>3001300</b> | <b>30,013,000</b> |

**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                 | 31.03.2016 |       | 31.03.2015 |       |
|---|------------|-------|------------|-------|
|   | No.        | % age | No.        | % age |
| Bansal Agro & Tea Manufacture Pvt. Ltd. | 880000     | 29    | 880000     | 29.32 |
| Sahul Finance Limited                   | 214900     | 7     | 214900     | 7.16  |



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

**Note - 2 Reserve & Surplus**

| Particulars                                      | 31.03.2016        | 31.03.2015        |
|--|-------------------|-------------------|
| <b>Statutory Reserve</b>                         |                   |                   |
| Opening  | 1,040,799         | 839,371           |
| Add : Transfer from Surplus / (Deficit)          | 159,040           | 201,428           |
|  | <b>1,199,839</b>  | <b>1,040,799</b>  |
| <b>Surplus / (Deficit)</b>                       |                   |                   |
| Balance as per the last financial statements     | 9,884,942         | 9,280,660         |
| Add : Transfer from Statement of Profit and Loss | 636,159           | 805,711           |
|  | <b>10,521,101</b> | <b>10,086,371</b> |
| Less : Transfer to Statutory Reserve             | 159,040           | 201,428           |
|  | <b>10,362,061</b> | <b>9,884,943</b>  |
| <b>Total Reserves &amp; Surplus</b>              | <b>11,561,900</b> | <b>10,925,742</b> |

**Note - 3 Current Liabilities**

| Particulars                         | 31.03.2016       | 31.03.2015       |
|-------------------------------------|------------------|------------------|
| <b>OTHER CURRENT LIABILITIES</b>    |                  |                  |
| <b>Audit Fees Payable :</b>         | 15,000           | 15,000           |
| Amber Ahmad, Kolkata                | —                | 24,700           |
| Kailash Kumar Shah, Employee        | —                | 17,116           |
| Telephone Charges Payable           | —                | 723              |
| National Securities Depository Ltd. | 10,305           | —                |
| Postage Expenses Payable            | 106              | —                |
| <b>Statutory Liabilities :</b>      |                  |                  |
| Professional Tax                    | —                | 110              |
| TDS Payable                         | 3,670            | —                |
|                                     | <b>29,081</b>    | <b>57,649</b>    |
| <b>SHORT TERM PROVISIONS</b>        |                  |                  |
| Provision For Taxation              | <b>1,872,118</b> | <b>1,946,413</b> |





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Tangible Asstes

Note - 4 Fixed Assets

| Description   | Gross Block         |                     |                     | Depreciation    |            |                     | Net Block           |                     |
|---------------|---------------------|---------------------|---------------------|-----------------|------------|---------------------|---------------------|---------------------|
|               | As at<br>01.04.2015 | As at<br>31.03.2016 | As at<br>01.04.2015 | For the<br>year | Adjustment | As at<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Computer      | 41,600              | 41,600              | 37,407              | 2,113           | —          | 39,520              | 2,080               | 4,193               |
| <b>Total</b>  | <b>41,600</b>       | <b>41,600</b>       | <b>37,407</b>       | <b>2,113</b>    | <b>—</b>   | <b>39,520</b>       | <b>2,080</b>        | <b>4,193</b>        |
| Previous Year | 41,600              | 41,600              | 34,611              | 2,796           | —          | 37,407              | 4,193               |                     |



NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note - 5 Non Current Investment (Cost)

| Particulars                            | 31.03.2016     | 31.03.2016        | 31.03.2015     | 31.03.2015        |
|--|----------------|-------------------|----------------|-------------------|
|  | Nos.           | Amount            | Nos.           | Amount            |
| <b>QUOTED SHARES ( Fully Paid up)</b>  |                |                   |                |                   |
| Grasim Industries Limited              | 100            | 39,050            | 100            | 39,050            |
| Hindustan Motor Ltd.                   | 1,700          | 43,650            | 1,700          | 43,650            |
| JCT Ltd.                               | 1,713          | 7,537             | 1,713          | 7,537             |
| MRPL Ltd.                              | 1,000          | 58,000            | 1,000          | 58,000            |
| Sanghi Polysters Ltd.                  | 100            | 213               | 100            | 213               |
| Gangadharam Appliances Ltd.            | 680            | 1,360             | 680            | 1,360             |
| Life Line Drug (Injests) Ltd.          | 1,000          | 3,050             | 1,000          | 3,050             |
| Nihon Nirman Ltd.                      | 4,712          | 7,279             | 4,712          | 7,279             |
| Resonance Specialties Limited          | 800            | 2,320             | 800            | 2,320             |
| Cosmos Spinning Ltd.                   | 1,000          | 2,000             | 1,000          | 2,000             |
| Ravijitej Export Ltd.                  | 1,000          | 5,350             | 1,000          | 5,350             |
| Enkay Texofood India Ltd.              | 200            | 600               | 200            | 600               |
| Orkey Silk Mills Ltd.                  | 1,000          | 2,100             | 1,000          | 2,100             |
| ATV Projects India Ltd.                | 150            | 300               | 150            | 300               |
| Malanpur Steel Ltd.                    | 389            | 1,025             | 389            | 1,025             |
| Adani Power Ltd.                       | 500            | 52,975            | 500            | 52,975            |
| Upper Ganges Sugar Mills Ltd.          | 500            | 48,810            | 500            | 48,810            |
| Assam Co. Ltd.                         | 3,000          | 54,823            | 3,000          | 54,823            |
|  | <b>19,544</b>  | <b>330,443</b>    | <b>19,544</b>  | <b>330,443</b>    |
| <b>UNQUOTED SHARES (Fully paid up)</b> |                |                   |                |                   |
| Rahimpur Tea Co. Ltd.                  | 195,500        | 8,770,900         | 195,500        | 8,770,900         |
| Simulbarie Tea Co. Pvt. Ltd.           | 16,824         | 3,233,700         | 16,824         | 3,233,700         |
| Bihar Bengal Tea Co. Pvt. Ltd.         | 120,000        | 3,600,000         | 120,000        | 3,600,000         |
| Bansal Agro & Tea Mfg. Pvt Ltd.        | 180,400        | 1,804,000         | 240,400        | 2,404,000         |
| Epic Alloy Steel Pvt. Ltd.             | —              | —                 | 180,400        | 1,804,000         |
| Pincers Auto Ltd.                      | 50,000         | 500,000           | —              | —                 |
| Sarvlok Commodities Ltd.               | 50,000         | 500,000           | —              | —                 |
| Scorn Trade Link Ltd.                  | 50,000         | 500,000           | —              | —                 |
| Vishawdham Deal Trade Ltd.             | 50,000         | 500,000           | —              | —                 |
|  | <b>712,724</b> | <b>19,408,600</b> | <b>753,124</b> | <b>19,812,600</b> |
| <b>Total (1+2)</b>                     | <b>732,268</b> | <b>19,739,043</b> | <b>772,668</b> | <b>20,143,043</b> |





NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note - 6 **Long Term Loans & Advances**  
(Unsecured; Considered good)

| Particulars                                | 31.03.2016        |  | 31.03.2015        |
|--|-------------------|--|-------------------|
| <b>Bodies Corporate to related parties</b> |                   |  |                   |
| Khatan Foods Pvt Ltd., Jaipur              | 4,003,146         |  | 3,671,780         |
| Mogulkata Tea Co Pvt Ltd., Kolkata         | 768,346           |  | 10,567,342        |
| Pincers Auto Ltd., Kolkata                 | 6,700,000         |  | —                 |
| Sarvlok Commodities Ltd., Kolkata          | 2,400,000         |  | —                 |
| Scorn Trade Link Ltd., Kolkata             | 1,000,000         |  | —                 |
|  | 14,871,492        |  | 14,239,122        |
| <b>Others</b>                              |                   |  |                   |
| Camellia Tea Group Pvt. Ltd., Kolkata      | 2,400,000         |  | 2,400,000         |
| Goyal Knitfab Pvt Ltd., Surat              | 1,764,603         |  | 1,618,902         |
| Sneha Atul Goyal, Surat                    | —                 |  | 2,166,932         |
|  | 4,164,603         |  | 6,185,834         |
| <b>Advances to Employees :</b>             |                   |  |                   |
| Kailash Kumar Shah                         | 25,392            |  | —                 |
|  | 25,392            |  | —                 |
| <b>Total</b>                               | <b>19,061,487</b> |  | <b>20,424,956</b> |

Note - 7 **Current Assets**

| Particulars                                   | 31.03.2016       |  | 31.03.2015       |
|---|------------------|--|------------------|
| <b>CASH AND CASH EQUIVALENTS</b>              |                  |  |                  |
| <b>Balances with Banks in Current Account</b> |                  |  |                  |
| HDFC Bank                                     | 34,163           |  | 17,001           |
| Cash on Hand                                  | 2,360            |  | 4,716            |
|   | 36,523           |  | 21,716           |
| <b>OTHER CURRENT ASSETS</b>                   |                  |  |                  |
| Advance to Amber Ahmad, Kolkata               | 3,670            |  | 92,000           |
| <b>Receivable From</b>                        |                  |  |                  |
| Sarvlok Commodities Ltd., Kolkata             | 2,404,000        |  | —                |
| <b>Balance with Revenue Authorities</b>       |                  |  |                  |
| Income Tax Advance                            | 2,229,296        |  | 2,256,894        |
| <b>Total</b>                                  | <b>4,636,966</b> |  | <b>2,348,894</b> |

Note - 8 **Revenue from operations**

| Particulars      | 31.03.2016 |  | 31.03.2015 |
|------------------|------------|--|------------|
| Interest on Loan | 1,452,712  |  | 1,638,358  |



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

**Note - 9 Other Income**

| Particulars | 31.03.2016 |  | 31.03.2015 |
|-------------|------------|--|------------|
| Dividend    | —          |  | —          |
| Total       | —          |  | —          |

**Note - 10 Employee Benefit Expenses**

| Particulars    | 31.03.2016 |  | 31.03.2015 |
|----------------|------------|--|------------|
| Salary & Leave | 292,048    |  | 87,649     |
| Insurance      | 1,626      |  | —          |
| Bonus          | 7,262      |  | 5,613      |
| Total          | 300,936    |  | 93,262     |

**Note - 11 Depreciation & Amortisation Expenses**

| Particulars  | 31.03.2016 |  | 31.03.2015 |
|--------------|------------|--|------------|
| Depreciation | 2,113      |  | 2,796      |

**Note - 12 Other Expenses**

| Particulars                   | 31.03.2016 |  | 31.03.2015 |
|-------------------------------|------------|--|------------|
| Audit Fees                    | 15,000     |  | 15,000     |
| Bank Charges                  | 115        |  | 1,476      |
| Conveyance                    | 4,000      |  | —          |
| Entertainment Expenses        | 2,274      |  | —          |
| Filing Fees                   | 13,200     |  | 15,039     |
| Legal & Professional Expenses | 40,700     |  | 228,701    |
| Rates & Taxes                 | 9,305      |  | 2,500      |
| Telephone Expenses            | 5,999      |  | 7,741      |
| Printing & Stationery         | 11,000     |  | 25,431     |
| Postage & Telegram            | 20,987     |  | —          |
| Membership Fees               | 77,158     |  | 47,754     |
| Office Expenses               | —          |  | 8,193      |
| Result Publication Expenses   | 25,347     |  | 24,457     |
| Total                         | 225,085    |  | 376,292    |





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

**Note - 13 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2016**

**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, 2013 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 II to the Companies Act, 2013. 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 / Amortization**

- 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 Depreciation on Fixed Assets have been provided Considering the useful life of the Assets, which is expected to be available for use by the company as provided under Schedule II to the Companies Act, 2013.

**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 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. However, Deferred tax has not been recognized in the financial statements because of negligible value.



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

**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                    | 31.03.2016 | 31.03.2015 |
|--------------------------------|------------|------------|
| Profit after tax (₹)           | 636,159    | 805,711    |
| Weighted average No. of shares | 3,001,300  | 3,001,300  |
| Basic Earnings per share (₹)   | 0.21       | 0.27       |

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. The Company is having only one tangible Fixed Asset i.e. a Computer, the useful life of which has already expired in terms of the provisions of Schedule II of the Companies Act, 2013. However, in the opinion of the Management, considering the present status of the computer, the Company is expected to derive the benefit from the same for another two and half years and depreciation has been provided accordingly.

11. Related party disclosures as per AS 18, issued by the Institute of Chartered Accountants of India. Summary of Transactions with Related Parties :





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

1. **Key Managerial Personnel :**  
Mr. Ramesh Bansal – Whole-time Director & Chief Financial Officer
2. **Subsidiaries :**
  - (a) Sarvlok Commodities Limited
  - (b) Pincers Auto Limited
  - (c) Scorn Trade Link Limited
  - (d) Vishawdham Dealtrade Limited
3. **Associates :**
  - (a) Bihar Bengal Tea Company Private Limited
  - (b) Rahimpur Tea Company Limited
4. **Enterprises owned or significantly influenced by KMP or their Relatives :**
  - (a) Rahimpur Tea Co. Ltd.
  - (b) The Simulbarie Tea Co. Pvt. Ltd.
  - (c) Khatan Foods Pvt. Ltd.
  - (d) Mogulkata Tea Co. Pvt. Ltd.
  - (e) Sneha Atul Goyal (Daughter of Director)
5. **Summary of Transactions with Related Parties :**

| Name of the related party         | Interest Received | Loan given | Loan Received | Sales of Shares | Balance as at 31.03.2016 |
|-----------------------------------|-------------------|------------|---------------|-----------------|--------------------------|
| Khatan Foods Pvt. Ltd.            | 368184.00         | —          | —             | —               | 4003146.00               |
| Mogulkata Tea Co. Pvt. Ltd.       | 912227.00         | 1112227.00 | 10911223.00   | —               | 768346.00                |
| Sneha Atul Goyal                  | 10411.00          | —          | 2177343.00    | —               | —                        |
| Pincers Auto Ltd., Kolkata        | —                 | 6900000.00 | 200000.00     | —               | 6700000.00               |
| Sarvlok Commodities Ltd., Kolkata | —                 | 2400000.00 | —             | —               | 24000000.00              |
| Scorn Trade Link Ltd., Kolkata    | —                 | 1000000.00 | —             | —               | 1000000.00               |
| Sarvlok Commodities Ltd., Kolkata | —                 | —          | —             | 2404000.00      | 2404000.00               |

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

As per our report of even date

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 20/05/2016

On behalf of the Board of Directors

**Ramesh Bansal**  
Director  
DIN : 00420589

**Santosh Kr. Agarwal**  
Director  
DIN : 00420655

**Sonia Shahdapuri**  
Company Secretary  
M.No. A36835



## INDEPENDENT AUDITORS' REPORT CONSOLIDATED

### Independent Auditors' Report

To The Members of INDIAN BASE METALS COMPANY LIMITED

We have audited the accompanying consolidated financial statements of INDIAN BASE METAL COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its Subsidiaries and associates (the Holding Company, its subsidiaries and associates together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") for the year then ended.

#### Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

#### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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





## INDEPENDENT AUDITORS' REPORT CONSOLIDATED (Contd.)

the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us and audit evidence obtained by other auditors in terms of their report referred to in paragraph (a) of the other matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- (a) The consolidated financial statement include the financial statements of 04 subsidiary entity, whose financial statements reflect total assets of Rs. 547.86 Lakhs as at 31st March, 2016, total revenue of Rs. 2.14 Lakhs and net cash flows amounting to Rs. - 31.78 Lakhs for the year ended on that date which have not been audited by us. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. 2.41 Lakhs for the year ended 31st March, 2016 as considered in the consolidated financial statements, in respect of 02 associate entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, is based solely on the reports of the other auditors.
- (b) The consolidated financial statement include the Group's share of net profit/(loss) of Rs. 211.11 Lakhs for the year ended 31st March, 2016 as considered in the consolidated financial statements, in respect of 02 associate entity, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, is based solely on the unaudited financial statements given to us by the management.

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

### Report on other legal and regulatory requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- i. We the other auditors whose reports, we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;





## INDEPENDENT AUDITORS' REPORT CONSOLIDATED (Contd.)

- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- iii. The consolidated Balance Sheet, consolidated the statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
- iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors of Holding company as on 31st March, 2016 taken on record by the Board of Directors of Holding company and the reports of the other auditors, who are appointed under section 139 of the Act, of its subsidiary and associates, none of the directors of Group's Companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report, which is based on the auditor's reports of Holding Company, Subsidiary Company and Associate Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company, Subsidiary Company and Associate Company, internal financial controls over financial reporting.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- a. The Group did not have any pending litigations which would impact its financial position.
- b. The Group did not have any long term contracts including derivative contract during the year for which there were any material foreseeable losses nor have any outstanding derivative contract at the year end.
- c. The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Group during the year.

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 17/08/2016





## INDEPENDENT AUDITORS' REPORT CONSOLIDATED (Contd.)

To the Members of INDIAN BASE METAL COMPANY LIMITED

### "ANNEXURE 1" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN BASE METAL COMPANY LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of INDIAN BASE METAL COMPANY LIMITED ("herein after referred to as the Holding Company") and its subsidiary & associates as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary and Associate Companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.





## INDEPENDENT AUDITORS' REPORT CONSOLIDATED (Contd.)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Holding Company, Subsidiary Company and Associate Company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its Subsidiary and Associate Companies, which are companies





## INDEPENDENT AUDITORS' REPORT CONSOLIDATED (Contd.)

incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to 04 Subsidiary Company and 04 Associate Company incorporated in India, is based on the corresponding reports of the other auditors and the management, of such Subsidiary and associate incorporated in India.

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

P. K. Drolia  
Partner  
Membership No.52629

Place : Kolkata  
Date : 17/08/2016



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

| <u>Particulars</u>  | <u>Note No.</u> | <u>31.03.2016</u>                                  | <u>31.03.2015</u>                           |
|---|-----------------|--|---|
| <b><u>EQUITY AND LIABILITIES</u></b>  |                 |  |   |
| <b>1 Shareholders' Funds</b>  |                 |  |   |
| Share Capital   | 1               | 30,013,000   | 30,013,000                                  |
| Reserve and Surplus   | 2               | 40,822,570   | 18,949,064                                  |
| <b>2 Current Liabilities</b>  |                 |  |   |
| Other Current Liabilities   | 3               | 43,580,865   | 57,649                                      |
| Short Term Provision  | 4               | 1,872,118  | 1,946,413                                   |
| <b>TOTAL</b>  |                 | <b>116,288,553</b>                                 | <b>50,966,126</b>                           |
| <b><u>ASSETS</u></b>  |                 |  |   |
| <b>1 Non Current Assets</b>   |                 |  |   |
| <b>Fixed Assets</b>   |                 |  |   |
| Tangible Assets   | 5               | 2,080  | 4,193                                       |
| Deffered Tax (Assets)   | 6               | 10,011   | —   |
| Non Current Investment  | 7               | 105,066,310  | 28,166,363                                  |
| Long - Term Loans and Advances  | 8               | 8,943,487  | 20,424,956                                  |
| <b>2 Current Assets</b>   |                 |  |   |
| (a) Cash & Cash Equivalents   | 9               | 33,365   | 21,718                                      |
| (b) Other Current Assets  | 10              | 2,233,300  | 2,348,896                                   |
| <b>TOTAL</b>  |                 | <b>116,288,553</b>                                 | <b>50,966,126</b>                           |
| Significant Accounting Policies   | 17              |  |   |
| For P. K. Drolia & Co.<br>Chartered Accountants<br>Firm Registration No.316057E |                 | On behalf of the Board of Directors                |   |
| P. K. Drolia<br>Partner<br>Membership No.52629                                  |                 | Santosh Kr. Agarwal<br>Director<br>DIN : 00420655  | Ramesh Bansal<br>Director<br>DIN : 00420589 |
| Place : Kolkata<br>Date : 17/08/2016  |                 | Harjeet Singh<br>Company Secretary<br>M.No. A45334 |   |





**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars   | Nonte No.  | 31.03.2016        | 31.03.2015       |
|---|------------|-------------------|------------------|
| I Income from Operations  | 11         | 1,490,323         | 1,638,358        |
| II Other Income   | 12         | 176,064           | —                |
| III Total Revenue   |            | <u>1,666,387</u>  | <u>1,638,358</u> |
| IV <b>EXPENSES</b>  |            |                   |                  |
| Cost Of Material Consumed   | 13         | 174,524           | —                |
| Employee Benefit expenses   | 14         | 318,936           | 93,262           |
| Depreciation & Amortisation exp.  | 15         | 2,113             | 2,796            |
| Other Expenses  | 16         | 367,921           | 376,292          |
| Total Expenses  |            | <u>863,494</u>    | <u>472,350</u>   |
| V Profit before exceptional and extra-ordinary items                    | (III-IV)   | 802,893           | 1,166,008        |
| VI Exceptional / Extraordinary Items                                    |            | —                 | —                |
| VII Profit After exceptional / extraordinary items and tax              | (V-VI)     | <u>802,893</u>    | <u>1,166,008</u> |
| VIII Profit before tax  |            | 802,893           | 1,166,008        |
| IX <b>Tax Expense</b>   |            |                   |                  |
| Current Tax   |            | 289,429           | 360,297          |
| Earlier year Income Tax   |            | 2,417             | —                |
| Deffered Tax  |            | (10,011)          | —                |
| X Profit for the year before share of profit/(loss) of associates (net) | (VIII- IX) | <u>521,058</u>    | <u>805,711</u>   |
| Share of net profit / (loss) of associates                              |            | <u>21,352,447</u> | <u>8,023,320</u> |
| <b>Profit/(Loss) for the Year</b>                                       |            | <u>21,873,505</u> | <u>8,829,032</u> |
| Earnings per Equity Share (Basic or Diluted)                            |            | 7.29              | 2.94             |
| Face value Rs.10/-  |            |                   |                  |

Significant Accounting Policies

17

As per our report of even date

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 17/08/2016

On behalf of the Board of Directors

**Santosh Kr. Agarwal**  
Director  
DIN : 00420655

**Ramesh Bansal**  
Director  
DIN : 00420589

**Harjeet Singh**  
Company Secretary  
M.No. A45334



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

| Particulars   | 31.03.2016          | 31.03.2015          |
|---|---------------------|---------------------|
| <b>A. Cash Flow from Operating Activities</b>                         | 22,155,340          | 10,245,466          |
| Net Profit/(Loss) before tax  | —                   | —                   |
| Dividend Received   | 2,113               | 2,796               |
| Depreciation  | 22,157,453          | 10,248,262          |
| <b>Operating Profit before Working Capital Changes</b>                |                     |                     |
| Adjustment for  | 115,594             | (92,000)            |
| (Increase)/Decrease in Other Current Assets                           | 43,523,216          | 47,539              |
| Increase/(Decrease) in Payables                                       |                     |                     |
| <b>Cash Flow from Operations</b>                                      | 65,796,262          | 10,203,801          |
| Income Tax paid/Adjusted  | (366,141)           | (355,766)           |
| <b>Net Cash Flow from Operating Activities</b>                        | <b>65,430,121</b>   | <b>9,848,035</b>    |
| <b>Cash Flow from Investing Activities</b>                            |                     |                     |
| Loans & Advances (Net)  | 11,481,473          | (205,320)           |
| Non Current Investments   | (76,899,947)        | (10,883,458)        |
| Dividend Received   | —                   | —                   |
| <b>Net Cash (Used)/Raised from Investing Activities</b>               | <b>(65,418,474)</b> | <b>(11,088,778)</b> |
| <b>Cash Flow from Financing Activities</b>                            |                     |                     |
| Proceeds from share capital   | —                   | 1,224,750           |
| <b>Net Cash (Used)/Raised from Financing Activities</b>               | <b>—</b>            | <b>1,224,750</b>    |
| <b>Net Increase/(Decrease) in Cash Flow from activities</b>           | <b>11,647</b>       | <b>(15,993)</b>     |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b> |                     |                     |
| Opening Cash and Cash Equivalents                                     | 21,718              | 37,711              |
| Closing Cash and Cash Equivalents                                     | <b>33,365</b>       | <b>21,718</b>       |

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 :

|  | 31.03.2016    | 31.03.2015    |
|--|---------------|---------------|
| a) Cash in hand                          | 33,365        | 4,716         |
| b) Balance with Banks in Current Account | —             | 17,001        |
|  | <b>33,365</b> | <b>21,718</b> |

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

P. K. Drolia  
Partner  
Membership No.52629

Place : Kolkata  
Date : 17/08/2016

On behalf of the Board of Directors

Santosh Kr. Agarwal  
Director  
DIN : 00420655

Ramesh Bansal  
Director  
DIN : 00420589

Harjeet Singh  
Company Secretary  
M.No. A45334





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note - 1**

**1.1 Details of authorised, issued, subscribed and paid Share Capital**

| Particulars   | 31.03.2016        | 31.03.2015        |
|---|-------------------|-------------------|
| <b>AUTHORISED</b>   |                   |                   |
| 3300000 (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         |
|   | <b>35,000,000</b> | <b>35,000,000</b> |
| <b>ISSUED</b>   |                   |                   |
| 3001300 (3001300) Equity Shares of Rs. 10/- each.                         | <b>30,013,000</b> | <b>30,013,000</b> |
| <b>SUBSCRIBED AND PAID UP</b>   |                   |                   |
| 3001300 (3001300) Equity Shares of Rs. 10/- each fully Paid up in cash    | 30,013,000        | 30,013,000        |
| Less : Calls in Arrear  | —                 | —                 |
|   | <b>30,013,000</b> | <b>30,013,000</b> |

**1.2 Reconciliation of Share outstanding at the beginning and at the end of reporting period**

| Particulars                                     | 31.03.2016 |            | 31.03.2015 |            |
|---|------------|------------|------------|------------|
|   | No.        | Amount     | No.        | Amount     |
| Shares outstanding at the beginning of the year | 3001300    | 30,013,000 | 3001300    | 30,013,000 |
| Less : Calls in Arrear                          | —          | —          | —          | —          |
| Shares Issued during the year                   | —          | —          | —          | —          |
| Shares bought back during the year              | —          | —          | —          | —          |
| Shares outstanding at the end of the year       | 3001300    | 30,013,000 | 3001300    | 30,013,000 |

**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                 | 31.03.2016 |       | 31.03.2015 |       |
|---|------------|-------|------------|-------|
|   | No.        | % age | No.        | % age |
| Bansal Agro & Tea Manufacture Pvt. Ltd. | 880000     | 29.32 | 880000     | 29.32 |
| Sahul Finance Limited                   | 214900     | 7.16  | 214900     | 7.16  |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note - 2 Reserve & Surplus

| Particulars                                      | 31.03.2016        | 31.03.2015        |
|--|-------------------|-------------------|
| <b>Statutory Reserve</b>                         |                   |                   |
| Opening  | 1,040,799         | 839,371           |
| Add : Transfer from Surplus / (Deficit)          | 159,040           | 201,428           |
|  | <b>1,199,839</b>  | <b>1,040,799</b>  |
| <b>Surplus / (Deficit)</b>                       |                   |                   |
| Balance as per the last financial statements     | 17,908,266        | 9,280,660         |
| Add : Transfer from Statement of Profit and Loss | 21,873,505        | 8,829,031         |
|  | 39,781,771        | 18,109,691        |
| Less : Transfer to Statutory Reserve             | 159,040           | 201,425           |
|  | <b>39,622,731</b> | <b>17,908,266</b> |
| <b>Total Reserves &amp; Surplus</b>              | <b>40,822,570</b> | <b>18,949,064</b> |

Note - 3 Current Liabilities

| Particulars                         | 31.03.2016        | 31.03.2015    |
|-------------------------------------|-------------------|---------------|
| <b>OTHER CURRENT LIABILITIES</b>    |                   |               |
| <b>Audit Fees Payable :</b>         | 19,500            | 15,000        |
| Amber Ahmad, Kolkata                | —                 | 24,700        |
| Kailash Kumar Shah, Employee        | —                 | 17,116        |
| Telephone Charges Payable           | —                 | 723           |
| National Securities Depository Ltd. | 10,305            | —             |
| Postage Expenses Payable            | 106               | —             |
| Judicious Consultants (S.C)         | 26,500,000        | —             |
| Swar Vincom Pvt. Ltd.               | 13,874,500        | —             |
| <b>SHORT TERM PROVISIONS</b>        |                   |               |
| From Bank                           | 3,172,784         | —             |
| <b>STATUTORY LIABILITIES</b>        |                   |               |
| Professional Tax                    | —                 | 110           |
| TDS Payable                         | 3,670             | —             |
|                                     | <b>43,580,865</b> | <b>57,649</b> |

Note - 4 Short Term Provisions

| Particulars                   | 31.03.2016       | 31.03.2015       |
|-------------------------------|------------------|------------------|
| <b>Provision For Taxation</b> | <b>1,872,118</b> | <b>1,946,413</b> |





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Tangible Assets

Note - 5 Fixed Assets

| Description   | Gross Block         |  | Depreciation        |                 |            | Net Block           |                     |
|---------------|---------------------|--|---------------------|-----------------|------------|---------------------|---------------------|
|               | As at<br>01.04.2015 | As at<br>31.03.2016<br>Additions/<br>(Deduction) | As at<br>01.04.2015 | For the<br>year | Adjustment | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Computer      | 41,600              | —  | 37,407              | 2,113           | —          | 2,080               | 4,193               |
| <b>Total</b>  | <b>41,600</b>       | <b>—</b>   | <b>37,407</b>       | <b>2,113</b>    | <b>—</b>   | <b>2,080</b>        | <b>4,193</b>        |
| Previous Year | 41,600              | —  | 34,611              | 2,796           | —          | 4,193               |                     |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note - 6 Deffered Tax

|              | 31.03.2016 | 31.03.2015 |
|--------------|------------|------------|
| Particulars  | 10,001     |            |
| Deffered Tax |            |            |

Note - 7 Non Current Investment (Cost)

| Particulars                            | 31.03.2016 | 31.03.2016         | 31.03.2015 | 31.03.2015        |
|--|------------|--------------------|------------|-------------------|
|  | Nos.       | Amount             | Nos.       | Amount            |
| <b>QUOTED SHARES ( Fully Paid up)</b>  |            |                    |            |                   |
| Grasim Industries Limited              | 100        | 39,050             | 100        | 39,050            |
| Hindustan Motor Ltd.                   | 1,700      | 43,650             | 1,700      | 43,650            |
| JCT Ltd.                               | 1,713      | 7,537              | 1,713      | 7,537             |
| MRPL Ltd.                              | 1,000      | 58,000             | 1,000      | 58,000            |
| Sanghi Polysters Ltd.                  | 100        | 213                | 100        | 213               |
| Gangadharam Appliances Ltd.            | 680        | 1,360              | 680        | 1,360             |
| Life Line Drug (Injects) Ltd.          | 1,000      | 3,050              | 1,000      | 3,050             |
| Nihon Nirman Ltd.                      | 4,712      | 7,279              | 4,712      | 7,279             |
| Resonance Specialties Limited          | 800        | 2,320              | 800        | 2,320             |
| Cosmos Spinning Ltd.                   | 1,000      | 2,000              | 1,000      | 2,000             |
| Ravijitej Export Ltd.                  | 1,000      | 5,350              | 1,000      | 5,350             |
| Enkay Texofood India Ltd.              | 200        | 600                | 200        | 600               |
| Orkey Silk Mills Ltd.                  | 1,000      | 2,100              | 1,000      | 2,100             |
| ATV Projects India Ltd.                | 150        | 300                | 150        | 300               |
| Malanpur Steel Ltd.                    | 389        | 1,025              | 389        | 1,025             |
| Adani Power Ltd.                       | 500        | 52,975             | 500        | 52,975            |
| Upper Ganges Sugar Mills Ltd.          | 500        | 48,810             | 500        | 48,810            |
| Assam Co Ltd.                          | 3,000      | 54,823             | 3,000      | 54,823            |
|  |            | <b>330,443</b>     |            | <b>330,443</b>    |
| <b>UNQUOTED SHARES (Fully paid up)</b> |            |                    |            |                   |
| Rahimpur Tea Co. Ltd.                  | 195,500    | 12,736,796         | 195,500    | 12,692,032        |
| Simulbarie Tea Co. Pvt. Ltd.           | 16,824     | 3,233,700          | 16,824     | 3,233,700         |
| Bihar Bengal Tea Co. Pvt. Ltd.         | 120,000    | 4,947,346          | 120,000    | 4,750,742         |
| Bansal Agro & Tea Mfg. Pvt Ltd.        | 240,400    | 6,255,653          | 240,400    | 5,355,447         |
| Epic Alloy Steel Pvt. Ltd.             | 268,800    | 22,898,872         | 180,400    | 1,804,000         |
| Manercantile P Ltd.                    | 393,200    | 3,932,000          | —          | —                 |
| Atease Mercantile Pvt. Ltd.            | 1188,150   | 11,881,500         | —          | —                 |
| Babadham Vanijya P Ltd.                | 16,000     | 160,000            | —          | —                 |
| Crazy Advisory Pvt. Ltd.               | 1,350,000  | 13,500,000         | —          | —                 |
| Judicious Consultants Pvt. Ltd.        | 274,500    | 2,745,000          | —          | —                 |
| Vidrik Reality Pvt. Ltd.               | 619,300    | 6,193,000          | —          | —                 |
| Hi-Value Developers P Ltd.             | 40,000     | 400,000            | —          | —                 |
| Suncare Formulations Pvt. Ltd.         | 60,000     | 600,000            | —          | —                 |
| Blockdeal Advisory Pvt. Ltd.           | 81,000     | 810,000            | —          | —                 |
| Eastern Agro Pvt. Ltd.                 | 55,000     | 550,000            | —          | —                 |
| Geo Nutri Foods Pvt. Ltd.              | 40,000     | 400,000            | —          | —                 |
| <b>CAPITAL INVESTMENT IN LLP</b>       |            |                    |            |                   |
| Capital with Pincers Advisory LLP      |            | 13,000,000         |            |                   |
| Wall Exim LLP                          |            | 492,000            |            |                   |
|  |            | <b>104,735,867</b> |            | <b>27,835,920</b> |
| <b>Total (1+2)</b>                     |            | <b>105,066,310</b> |            | <b>28,166,363</b> |





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note - 8 Long Term Loans & Advances  
(Unsecured; Considered good)

| Particulars                                | 31.03.2016       |  | 31.03.2015        |
|--|------------------|--|-------------------|
| <b>Bodies Corporate to related parties</b> |                  |  |                   |
| Khatan Foods Pvt. Ltd., Jaipur             | 4,003,146        |  | 3,671,780         |
| Mogulkata Tea Co. Pvt. Ltd., Kolkata       | 768,346          |  | 10,567,342        |
| Rahimpur Tea Co. Ltd., Kolkata             | —                |  | —                 |
| Simulbarie Tea Co. Pvt. Ltd., Kolkata      | —                |  | —                 |
|  | <b>4,771,492</b> |  | <b>14,239,122</b> |
| <b>Others</b>                              |                  |  |                   |
| Camellia Tea Group Pvt. Ltd., Kolkata      | 2,400,000        |  | 2,400,000         |
| Goyal Knitfab Pvt. Ltd., Surat             | 1,764,603        |  | 1,618,902         |
| Sneha Atul Goyal, Surat                    | —                |  | 2,166,932         |
| Advances to Employees                      | 7,392            |  | —                 |
|  | <b>4,171,995</b> |  | <b>6,185,834</b>  |
| <b>Total</b>                               | <b>8,943,487</b> |  | <b>20,424,956</b> |

Note - 9 Current Assets

| Particulars                      | 31.03.2016    |  | 31.03.2015    |
|----------------------------------|---------------|--|---------------|
| <b>CASH AND CASH EQUIVALENTS</b> |               |  |               |
| From Bank                        | —             |  | 17,001        |
| Cash on Hand                     | 33,365        |  | 4,716         |
| <b>Total</b>                     | <b>33,365</b> |  | <b>21,718</b> |

Note - 10 Current Assets

| Particulars                             | 31.03.2016       |  | 31.03.2015       |
|---|------------------|--|------------------|
| <b>OTHER CURRENT ASSETS</b>             |                  |  |                  |
| Advance to Amber Ahmad, Kolkata         | 3,670            |  | 92,000           |
| <b>Balance with Revenue Authorities</b> |                  |  |                  |
| Income Tax Advance                      | 2,229,630        |  | 2,256,894        |
| <b>Total</b>                            | <b>2,233,300</b> |  | <b>2,348,894</b> |

Note - 11 Revenue from Operations

| Particulars      | 31.03.2016 |  | 31.03.2015 |
|------------------|------------|--|------------|
| Interest on Loan | 1,490,323  |  | 1,638,358  |

Note - 12 Other Income

| Particulars | 31.03.2016 |  | 31.03.2015 |
|-------------|------------|--|------------|
| Sales       | 176,064    |  | —          |



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

**Note - 13 Cost of Material Consumed**

| Particulars | 31.03.2016 |  | 31.03.2015 |
|-------------|------------|--|------------|
| Purchases   | 174,524    |  | —          |

**Note - 14 Employee Benefit Expenses**

| Particulars          | 31.03.2016     |  | 31.03.2015    |
|----------------------|----------------|--|---------------|
| Salary & Leave       | 310,048        |  | 87,649        |
| Benefit to Employees | 1,626          |  | —             |
| Bonus                | 7,262          |  | 5,613         |
| <b>Total</b>         | <b>318,936</b> |  | <b>93,262</b> |

**Note - 15 Depreciation & Amortisation Expenses**

| Particulars  | 31.03.2016 |  | 31.03.2015 |
|--------------|------------|--|------------|
| Depreciation | 2,113      |  | 2,796      |

**Note - 16 Other Expenses**

| Particulars                   | 31.03.2016     |  | 31.03.2015     |
|-------------------------------|----------------|--|----------------|
| Audit Fees                    | 19,500         |  | 15,000         |
| Bank Charges                  | 115            |  | 1,476          |
| Conveyance                    | 4,000          |  | —              |
| Entertainment Exp             | 2,274          |  | —              |
| Filing Fees                   | 13,200         |  | 15,039         |
| Preliminary Exp               | 122,460        |  | —              |
| Legal & Professional Expenses | 40,700         |  | 228,701        |
| Rates & Taxes                 | 9,305          |  | 2,500          |
| Telephone Expenses            | 5,999          |  | 7,741          |
| Printing & Stationery         | 16,800         |  | 25,431         |
| Postage Exp                   | 20,987         |  | —              |
| Membership Fees               | 77,158         |  | 47,754         |
| Office Expenses               | 10,076         |  | 8,193          |
| Result Publication Expenses   | 25,347         |  | 24,457         |
| <b>Total</b>                  | <b>367,921</b> |  | <b>376,292</b> |





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note - 17 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2016

1. Basis of Preparation

- (a) The Consolidated Financial Statements (CFS) of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

(The CFS relates to Indian Base Metals Co. Ltd. (hereinafter referred as the "Company") and its Subsidiaries and Associates (hereinafter referred as the "Group").

The Subsidiaries (which along with Indian Base Metals Co. Ltd., the parent company, constitute the Group) considered in the preparation of these consolidated financial statements are :

| Name of the Subsidiary          | Country of Incorporation | Proportion of Ownership Interest |
|---------------------------------|--------------------------|----------------------------------|
| 1. Scorn Trade Link Limited     | India                    | 100%                             |
| 2. Pincers Auto Limited         | India                    | 100%                             |
| 3. Sarvlok Commodities Limited  | India                    | 100%                             |
| 4. Vishwadham Dealtrade Limited | India                    | 100%                             |

| Name of the Associates                     | Country of Incorporation | Proportion of Ownership Interest |
|--|--------------------------|----------------------------------|
| 1. Rahimpur Tea Co. Ltd.                   | India                    | 39.49%                           |
| 2. Bihar Bengal Tea Co. Pvt. Ltd.          | India                    | 48%                              |
| 3. Bansal Agro & Tea Manufacture Pvt. Ltd. | India                    | 25.06%                           |
| 4. Epic Alloy Steel Pvt. Ltd.              | India                    | 38.04%                           |

b) Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries and Associates have been accounted for in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23. The Consolidated Financial Statements have been prepared on the following basis :



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

- i. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
- ii. Interest in the assets, liabilities, income and expenses of the associates are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of Company's proportionate share.
- iii. The difference of the cost to the Company of its investment in subsidiaries and associates over its proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iv. Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.
- v. As far as possible, the CFS have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements. Differences in accounting policies have been disclosed separately.
- vi. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- vii. The accounts of all the Group entities are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2016).

**2. Revenue Recognition**

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

**3. Fixed Assets and Depreciation / Amortization**

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 Depreciation on Fixed Assets have been provided Considering the useful life of the Assets, which is





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

expected to be available for use by the company as provided under Schedule II to the Companies Act, 2013.

### 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 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. However, Deferred tax has not been recognized in the financial statements because of negligible value.

### 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



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

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                      | 31.03.2016 | 31.03.2015 |
|----------------------------------|------------|------------|
| Profit after tax (₹)             | 21,873,505 | 8,829,032  |
| Weighted average No. of shares . | 3001300    | 3001300    |
| Basic Earnings per share (₹)     | 7.29       | 2.94       |

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. The Company is having only one tangible Fixed Asset i.e. a Computer, the useful life of which has already expired in terms of the provisions of Schedule II of the Companies Act, 2013. However, in the opinion of the Management, considering the present status of the computer, the Company is expected to derive the benefit from the same for another two and half years and depreciation has been provided accordingly.
11. Related party disclosures as per AS 18, issued by the Institute of Chartered Accountants of India. Summary of Transactions with Related Parties :

1. **Key Managerial Personnel :**

Mr. Ramesh Bansal – Whole-time Director & Chief Financial Officer

2. **Enterprises owned or significantly influenced by KMP or their Relatives :**

- (a) The Simulbarie Tea Co. Pvt. Ltd.
- (b) Khatan Foods Pvt. Ltd.
- (c) Mogulkata Tea Co. Pvt. Ltd.
- (d) Sneha Atul Goyal (Daughter of Director)

3. **Summary of Transactions with Related Parties :**

| Name of the related party   | Interest Received | Loan given | Loan Received | Balance as at 31.03.2016 |
|-----------------------------|-------------------|------------|---------------|--------------------------|
| Khatan Foods Pvt. Ltd.      | 368184.00         | —          | —             | 4003146.00               |
| Mogulkata Tea Co. Pvt. Ltd. | 912227.00         | 1112227.00 | 10911223.00   | 768346.00                |
| Sneha Atul Goyal            | 10411.00          | —          | 2177343.00    | —                        |





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

12. Additional information pursuant to Schedule - III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2015-16 :

| Sl. No.                                   | Name of Entity<br>Parent Company         | Share in Profit or Loss             |                     |
|---|--|-------------------------------------|---------------------|
|   |  | As % of Consolidated Profit or Loss | Amount (Rs in Lacs) |
| <b>Indian Base Metals Company Limited</b> |  |                                     |                     |
| <b>Subsidiaries</b>                       |  |                                     |                     |
| 1.  | Scorn Trade Link Limited                 | 100%                                | (35,820)            |
| 2.  | Pincers Auto Limited                     | 100%                                | (35,820)            |
| 3.  | Sarvlok Commodities Limited              | 100%                                | (33,280)            |
| 4.  | Vishwadham Dealtrade Limited             | 100%                                | (16,765)            |
| <b>Associates</b>                         |  |                                     |                     |
| 5.  | Bansal Agro & Tea Mfg Private Limited    | 25.06%                              | 900,206             |
| 6.  | Rahimpur Tea Company Limited             | 39.49%                              | 44,764              |
| 7.  | Bihar Bengal Tea Company Private Limited | 48.00%                              | 196,605             |
| 8.  | Epic Alloy Steel Private Limited         | 38.04%                              | 20,210,872          |

13. 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.

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

**P. K. Drolia**  
Partner  
Membership No.52629

Place : Kolkata  
Date : 17/08/2016

On behalf of the Board of Directors

**(Santosh Kr. Agarwal)**  
Director  
DIN : 00420655

**(Ramesh Bansal)**  
Director  
DIN : 00420589

**Harjeet Singh**  
Company Secretary  
M.No. A45334



## ASSOCIATES

| Associates |  |                       |                                |                                       |                          |       |  |  |            |
|------------|--|-----------------------|--------------------------------|---------------------------------------|--------------------------|-------|--|--|------------|
| Sl. No.    | Name of the related party  | Rahimpur Tea Co. Ltd. | Bihar Bengal Tea Co. Pvt. Ltd. | Bansal Agro & Tea Manufacture Pvt Ltd | Epic Alloy Steel Pvt Ltd | TOTAL |  |  |            |
| 1          | Latest Unaudited Balance Sheet Date  | 31.03.2016            | 31.03.2016                     | 31.03.2016                            | 31.03.2016               |       |  |  |            |
| 2          | Share of Associate held by the company on the year end Number of shares      | 195,500               | 120,000                        | 240,400                               | 268,800                  |       |  |  |            |
|            | Amount of investment in Associates   | 8,770,900             | 3,600,000                      | 2,404,000                             | 2,688,000                |       |  |  |            |
|            | Extent of holding%   | 39.49                 | 48.00                          | 25.06                                 | 38.04                    |       |  |  |            |
| 3          | Description of how there is significant influence                            |                       |                                |                                       |                          |       |  |  |            |
| 4          | Reason why the associate is not consolidated                                 | N.A                   | N.A                            | N.A                                   | N.A                      |       |  |  |            |
| 5          | Net worth attributable to shareholding as per latest unaudited Balance Sheet | 12,406,538            | 5,033,480                      | 9,169,804                             | 92,041,537               |       |  |  |            |
| 6          | Profit / (Loss) for the year   | 113,340               | 409,593                        | 3,592,512                             | 79,162,983               |       |  |  |            |
|            | Considered in consolidation  | 44,764                | 196,605                        | 900,206                               | 20,210,872               |       |  |  |            |
|            | Not Considered in consolidation  | 68,576                | 212,988                        | 2,692,306                             | 58,952,111               |       |  |  | 21,352,447 |





# INDIAN BASE METALS COMPANY LIMITED

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

CIN : L27209WB1971PLC028015

## 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

(45TH ANNUAL GENERAL MEETING, FRIDAY, 30TH SEPTEMBER, 2016)

|                     |   |
|---------------------|---|
| CIN                 | L27209WB1971PLC028015                       |
| Name of the Company | INDIAN BASE METALS COMPANY LIMITED          |
| Registered Office   | 34, Ganesh Chandra Avenue, Kolkata - 700013 |
| Name of the Members |   |
| Registered Address  |   |
| E-mail ID           |   |
| Folio No/ Client ID |   |
| E-mail ID           |   |

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

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature \_\_\_\_\_ of failing him/her,
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature \_\_\_\_\_ of 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 45th Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 34, Ganesh Chandra Avenue, Kolkata - 700013 at 03.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below :

| Resolution No.           | Description of Resolution   | Optional |         |
|--------------------------|---|----------|---------|
|                          |   | For      | Against |
| <b>Ordinary Business</b> |   |          |         |
| 1.                       | Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the Financial year ended 31st March, 2016, alongwith Report of Board of Directors and Auditors thereon. |          |         |
| 2.                       | To appoint a Director in place of Mrs. Mala 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   |          |         |
| 4.                       | To appoint Mr. Amit Gattani as an Independent Director of the Company   |          |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

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.



## INDIAN BASE METALS COMPANY LIMITED

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

CIN : L27209WB1971PLC028015

### ATTENDENCE SLIP

(To be handed over at the entrance of the meeting hall)

1. I hereby record my presence at the 45th Annual General Meeting of the Company, to be held on Friday, 30th day of September, 2016 at 34, Ganesh Chandra Avenue, Kolkata - 700013 at 03.00 p.m.

|   |  |
|---|--|
| Full Name of the member (in BLOCK LETTERS): |  |
| Registered Folio / DP ID & Client ID        |  |

|  |  |
|--|--|
| Full Name of the Proxy (in BLOCK LETTERS): |  |
| Signature of the Member / Proxy Present.   |  |