



## **PURBASHA RESOURCES LIMITED**

**35TH ANNUAL REPORT & ACCOUNTS 2014-2015**

### **BOARD OF DIRECTORS**

MR. LALIT KUMAR PAREEK

MR. RAMESH KUMAR LADDHA

MR. AMTABH KEJRIWAL

MR. RAMESH BANSAL

MRS. VITHIKA AGARWAL BINJRAJKA

MR. VIKASH AGARWAL BINJRAJKA

(Whole time Director)

### **AUDITORS**

AHMAD & NANAWATTY

CHARTERED ACCOUNTANT

56, ELLIOT ROAD,

KOLKATA-700 016

### **COMPANY SECRETARY**

MS. RACHANA SINGH

### **REGISTERED OFFICE**

PURBASHA HOUSE

25, PARK LANE, KOLKATA-700 016

Phone: 2249-7567 Fax: 40625269

Email: [prl@purbasha.co.in](mailto:prl@purbasha.co.in)

Website: [www.purbasha.in](http://www.purbasha.in)

CIN: L65993WB1980LC032908

### **SHARES LISTED ON:**

CALCUTTA STOCK EXCHANGE

**SHARE REGISTRAR & TRANSFER**

### **AGENT:**

Niche Technologies Pvt. Ltd.

D-511 Bagree Market

71, B.R.B.B. Road, Kolkata-700 001

Phone: 2234-3576

E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)



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## NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Company will be held at 25, Park Lane, Kolkata – 700016 on Wednesday, 30th September, 2015, at 11.00 A.M. for transacting the following business:

### **ORDINARY BUSINESS :**

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

To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors.

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

To appoint a Director in place of Mrs. Vithika Agarwal Binrajka (DIN: 05211125) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers herself 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. Ahmad & Nanawatty, Chartered Accountants (FRN 322546E), 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, 2016.

By Order of the Board

**(VIKASH AGARWAL BINRAJKA)**

*Whole-time Director*

DIN : 00012978

Date : 14th August, 2015

Place : Kolkata

#### **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



**NOTICE** (Contd.)

- holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
  3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
  4. Pursuant to the provisions of Section 91 of the Companies act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive).
  5. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
  6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
  7. Members/proxies are requested to bring the attendance slips sent herewith duly signed for attending the meeting.
  8. The Company has appointed Ms. Amber Ahmad, Practising Company Secretary, Kolkata, as the Scrutinizer for conducting the E-Voting process in a fair and transparent manner.
  9. Copies of the Annual Report will not be distributed at the meeting. Members/proxies are requested to bring their copies of the same to the meeting.
  10. 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.
  11. **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 Clause 35B of the Listing Agreement, 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.



**NOTICE** (Contd.)

III) The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period commences on 27th September, 2015 (10:00 am) and ends on 29th September, 2015 (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 August, 2015, 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** during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

|                              | <b>For Members holding shares in Demat Form and Physical Form</b>   |
|------------------------------|---|
| <b>PAN</b>                   | 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> <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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. –Sequence number is communicated in the Attendance Slip/ Covering Letter.</li> </ul> |
| <b>DOB</b>                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| <b>Dividend Bank Details</b> | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the <b>Dividend Bank</b> details field.</li> </ul>   |



**NOTICE** (Contd.)

- (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. **PURBASHA RESOURCES LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & 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.



**NOTICE** (Contd.)

- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.
18. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote through e-mail at **cs.amberahmad@gmail.com** with a copy marked to **helpdesk.evoting@cdslindia.com** on or before 29th September, 2015 upto 5:00 pm without which the vote shall not be treated as valid.
  19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
  20. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 21st August, 2015.
  21. The shareholders shall have one vote per equity share held by them as on the cut-off date of 23rd September, 2015. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
  22. 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, 2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
  23. 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.
  24. 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, 2015 are requested to send the written / email communication to the Company at **pri@purbasha.co.in** by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
  25. 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



**NOTICE** (Contd.)

fair and transparent manner. The Scrutinizer will submit, not later than 3 days of 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.

26. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.purbasha.in** and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. Calcutta Stock Exchange Limited where shares are listed.

By Order of the Board

**(VIKASH AGARWAL BINJRAJKA)**

*Whole-time Director*

DIN : 00012978

Date : 14th August, 2015

Place : Kolkata





## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

### PERFORMANCE / OPERATIONS

The Directors have pleasure in presenting the 35th Annual Report together with the Audited Statement of Accounts of Purbasha Resources Limited ("the Company") and its associates and subsidiaries for the year ended March 31, 2015.

### FINANCIAL PERFORMANCE

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

(In Rs.)

| Particulars  | Financial Year ended |            |              |            |
|--|----------------------|------------|--------------|------------|
|  | Standalone           |            | Consolidated |            |
|  | 31/03/2015           | 31/03/2014 | 31/03/2015   | 31/03/2014 |
| Total Income   | 69.05                | 66.92      | 69.05        | 66.92      |
| Profit/(loss) before Interest, Depreciation & Tax (EBITDA) | 18.63                | 28.04      | 16.98        | 28.04      |
| Finance Charges  |                      |            |              |            |
| Depreciation   | 1.18                 | 1.54       | 1.18         | 1.54       |
| Provision for Income Tax<br>(including for earlier years)  | 1.07                 | 7.16       | 0.56         | 7.16       |
| Net Profit/(Loss) After Tax                                | 16.38                | 19.34      | 117.34       | 19.34      |
| Profit/(Loss) brought forward from previous year           | 67.87                | 62.40      | 67.87        | 62.40      |
| Amount transferred consequent to Reserves                  | 14.14                | 13.87      | 14.14        | 13.87      |
| Profit/(Loss) carried to Balance Sheet                     | 70.11                | 67.87      | 171.17       | 67.87      |

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

### OPERATIONAL REVIEW

During the year, the net revenue from operations of your Company increased by 3.18%, from Rs. 66.92 Lacs to Rs. 69.05 Lacs. For FY 2015, your Company's profit after tax stood at Rs. 16.38 lacs vis-à-vis Rs. 19.34 lacs in the previous year.

### DIVIDEND

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

### RESERVES

The Company proposes to carry Rs. 10,00,000/- to General Reserves and Rs. 3,27,558/- to Statutory Reserves in terms of Section 451C of RBI Act, 1934.



## **DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

### **DEPOSITS**

Your company is non deposit taking NBFC registered with RBI, thus the said clause is not applicable and the company does not accept any deposit. 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, 2015, the issued, subscribed and paid up share capital of your Company stood at Rs.3,00,10,000/-, comprising 30,01,000 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 BOAPD MEETINGS**

During the year, 6 (six) Board meetings as on 30th May, 2014, 28th July, 2014, 18th August, 2014, 21st October, 2014, 28th January, 2015 and 9th March, 2015 respectively and 4 (four) Audit Committee meetings as on 30th May, 2014, 28th July, 2014, 21st October, 2014 and 28th January, 2015 and 1(one) Stakeholder's Committee on 21st October, 2014, & 1(one) Nomination & Remuneration Committee meeting on 21st October, 2014, were held and duly convened. The details of which are given in the Corporate Governance Report. 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**

Few contracts / arrangements / transactions were made in the ordinary course of business and on 'arm's length' basis with some of the related parties; and, therefore, the provisions of Section 188 of the Companies Act, 2013 do not apply to the said transactions. However, the Board advised, for the purpose of good governance, to enter the said transactions into the Register maintained under section 189 of the Companies Act, 2013 and also to disclose the same voluntarily in the Board's Report in the prescribed form. Therefore, the particulars of such contracts or arrangements with related parties for the Financial Year 2014-15 in the **Form AOC-2** have been enclosed with the report (as **Annexure 2**).

### **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.



## DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)

**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 2014-15.

### SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES

As on 31st March, 2015 the Company has 4 (Four) Associate Companies and nil joint venture companies. During the financial year, the company has incorporated 5 (Five) subsidiary companies, which are yet to commence business. Details of subsidiaries and associate companies are as under:

|    | Name                             | CIN                   | % of Shares Holding | Subsidiary/ associate/joint venture |
|----|----------------------------------|-----------------------|---------------------|-------------------------------------|
| 1. | Ersa Pharma Traders Limited      | U74900WB2015PLC205820 | 100.00%             | Subsidiary                          |
| 2. | Ersa Textile Traders Limited     | U17291WB2015PLC205823 | 100.00%             | Subsidiary                          |
| 3. | Kotiratan Textiles Limited       | U17291WB2015PLC205854 | 100.00%             | Subsidiary                          |
| 4. | Nirmalkunj Agritech Limited      | U51909WB2015PLC205885 | 100.00%             | Subsidiary                          |
| 5. | Nityadhara Sarees Limited        | U17291WB2015PLC205886 | 100.00%             | Subsidiary                          |
| 6. | Geo Nutri Foods Private Limited  | U15500WB2011PTC164583 | 42.55%              | Associate                           |
| 7. | Epic Alloy Steel Private Limited | U13209CT2003PTC016111 | 31.73%              | Associate                           |
| 8. | Vihar Vanijya Private Limited.   | U51109WB1995PTC075049 | 31.78%              | Associate                           |
| 9. | Epic Marketing Co. Pvt. Ltd.     | U51109WB1992PTC054938 | 28.52%              | Associate                           |

We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all 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, associate and joint venture and salient features of the financial statements in the prescribed **Form AOC-1** is annexed to this report [Annexure 3].

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.purbasha.in](http://www.purbasha.in). 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

During the year, Mr. Amitabh Kejriwal (DIN 06406707), Mr. Ramesh Bansal (DIN 00420589) and Mr. Ramesh Kumar Laddha (DIN 01076917) were appointed as Independent Directors at the previous Annual general



## **DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

Meeting held on 30th September, 2014 for a term of 5 years in compliance with provisions of Section 149 of the Companies Act, 2013.

Mrs. Vithika Agarwal Binrajka (DIN 05211125) will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Vikash Agarwal Binrajka (DIN 0012978) was re-appointed as Whole-time Director and also as Chief Financial Officer of the Company.

Mr. Subhendu De (DIN 01683619) had resigned from the Board during the financial year and Ms. Rachana Singh has been appointed as Company Secretary of the Company with effect from 01.09.2014.

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 4**. 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

### **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.

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)**

As section 135 of the Companies Act, 2013 is not applicable to the Company; there is no requirement of Corporate Social Responsibility Committee

### **AUDIT COMMITTEE**

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



**DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

The Audit committee comprises of 3 Directors all non executive independent directors all of whom are financially literate. The composition of audit committee is as under:

| Sl. No. | Name                        | Chairman/ Members                            |
|---------|-----------------------------|--|
| 1       | Mr. Amitabh Kejriwal        | Chairman, Non Executive Independent Director |
| 2       | Mr. Ramesh Kumar Ladha      | Member, Non-Executive Independent Director   |
| 3       | Mr. Vikash Agarwal Binrajka | Member, Whole-time Director                  |

During the year, the Committee had met on 30.05.2014, 28.07.2014, 21.10.2014 and 28.01.2015.

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 Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**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. The Remuneration Policy is stated in the Corporate Governance Report.

**VIGIL MECHANISM /WHISTLE BLOWER POLICY**

The company has adopted a Whistle Blower Policy, for employees to report about any unethical behaviour, 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.

**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.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are made part of the annual report together with the Certificate from the auditors of the Company

**DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

**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 thereunder.

**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 2014-15:

No. of complaints received : Nil

No. of complaints disposed off : Nil

**AUDITORS****Statutory Auditors, their Report and Notes to Financial Statements**

The Auditors M/s. Ahmad & Nanawatty, Chartered Accountants (FRN 322546E) Chartered Accountants, 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 alongwith 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 Chhawchharia Lalit & Company, Firm of Chartered Accountant (FRN 326471E), to undertake the Internal Audit of the Company for the F.Y. 2014-2015. There stood no adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2015.

**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 5 to this report. The report is self-explanatory and do not call for any further comments.

**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:



**DIRECTORS' REPORT TO THE SHAREHOLDERS (Contd.)**

- (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  
Purbasha Resources Limited

Date : 14th August, 2015  
Place : Kolkata

**Amitabh Kejriwal**  
*Director*  
DIN: 06406707

**Vikash Agarwal Binrajka**  
*Whole-time Director*  
DIN:0012978



**ANNEXURE TO THE DIRECTORS' REPORT**

'ANNEXURE - 1'

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2015**

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

**I. REGISTRATION AND OTHER DETAILS**

|      |   |   |
|------|---|---|
| i)   | CIN :   | L65993WB1980PLC032908   |
| iii) | Registration Date   | 02.08.1980  |
| iii) | Name of the Company   | PURBASHA RESOURCES LTD.   |
| iv)  | Category/Sub Category of the Company                                      | Public Company<br>Company having share capital  |
| v)   | Address of registered office & Contact Details                            | 25, Park Lane, Kolkata - 700016<br>Phone No. : (033) - 22292881<br>Email ID : corporate@purbasha.co.in<br>Website : www.purbasha.co.in                                  |
| 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, Kolkata - 700 001<br>Phone No. : 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)

| S.No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|-------|--|---------------------------------|------------------------------------|
| 1     | Sale of securities                               | 64990                           | 70.20                              |
| 2     | Profit on sale of investments                    | 64990                           | 16.86                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

[No. of Companies for which information is being filled] - 9

| S.No. | Name and address of the Company  | CIN                   | Holding/Subsidiary / Associate |
|-------|--|-----------------------|--------------------------------|
| 1     | Geo Nutri Foods Private Limited<br>Amta Bagnan Road<br>Viii - Deorah, P.O. - Deorah, Howrah - 711401 | U15500WB2011PTC164583 | Associate                      |





**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)**

[No. of Companies for which information is being filled] - 9

| S.No. | Name and address of the Company  | CIN                   | Holding/Subsidiary / Associate |
|-------|--|-----------------------|--------------------------------|
| 2.    | Epic Alloy Steel Private Limited<br>132 D, O. P. Jindal Industrial Park, Vill - Punjipathra,<br>Gharghoda Road, Raigarh - 496106 | U13209CT2003PTC016111 | Associate                      |
| 3.    | Vihar Vanijya Private Limited<br>66, S. K. Deb Road, P.S. Lake Town<br>Kolkata - 700048  | U51109WB1995PTC075049 | Associate                      |
| 4.    | Epic Marketing Co. Pvt. Ltd.<br>25, Park Lane, Kolkata - 700016  | U51109WB1992PTC054938 | Associate                      |
| 5.    | Ersa Pharma Traders Limited<br>25, Park Lane, Kolkata - 700016   | U74900WB2015PLC205820 | Subsidiary                     |
| 6.    | Ersa Textile Traders Limited<br>25, Park Lane, Kolkata - 700016  | U17291WB2015PLC205823 | Subsidiary                     |
| 7.    | Kotiratan Textiles Limited<br>25, Park Lane, Kolkata - 700016  | U17291WB2015PLC205854 | Subsidiary                     |
| 8.    | Nirmalkunj Agritech Limited<br>25, Park Lane, Kolkata - 700016   | U51909WB2015PLC205885 | Subsidiary                     |
| 9.    | Nityadhara Sarees Limited<br>25, Park Lane, Kolkata - 700016   | U17291WB2015PLC205886 | Subsidiary                     |

**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 1st April, 2014] |          |                  |                   | No. of Shares held at the end of the year [As on 31st March, 2015] |          |                  |                   | % 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       | 3,26,800  | -        | 3,26,800         | 10.89             | 3,26,800   | -        | 3,26,800         | 10.89             | -                        |
| b) Central Govt          | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| c) State Govt(s)         | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| d) Bodies Corp.          | 7,90,000  | -        | 7,90,000         | 26.32             | 7,90,000   | -        | 7,90,000         | 26.32             | -                        |
| e) Banks / FI            | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| f) Any other             | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| <b>Sub Total (A1) :</b>  | <b>11,16,800</b>  | <b>-</b> | <b>11,16,800</b> | <b>37.21</b>      | <b>11,16,800</b>   | <b>-</b> | <b>11,16,800</b> | <b>37.21</b>      | <b>-</b>                 |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

| Category of Shareholders   | No. of Shares held at the beginning of the year [As on 1st April, 2014] |          |                  |                   | No. of Shares held at the end of the year [As on 31st March, 2015] |          |                  |                   | % Change during the year |
|--|---|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|  | Demat   | Physical | Total            | % of Total Shares | Demat  | Physical | Total            | % of Total Shares |                          |
| <b>(2) Foreign</b>   |   |          |                  |                   |  |          |                  |                   |                          |
| a) NRIs - Individuals  | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| b) Other - Individuals   | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| c) Bodies Corporate  | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| d) Banks / FI  | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| e) Any Other   | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| <b>Sub Total (A2) :</b>  | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| <b>Total shareholding of Promoter (A) = (A1)+(A2)</b>                            | <b>11,16,800</b>  | <b>-</b> | <b>11,16,800</b> | <b>37.21</b>      | <b>11,16,800</b>   | <b>-</b> | <b>11,16,800</b> | <b>37.21</b>      | <b>-</b>                 |
| <b>B. Public Shareholding</b>  |   |          |                  |                   |  |          |                  |                   |                          |
| <b>1. Institutions</b>   |   |          |                  |                   |  |          |                  |                   |                          |
| 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>2. Non-Institutions</b>   |   |          |                  |                   |  |          |                  |                   |                          |
| a) Bodies Corp.  | 2,42,300  | 4,73,000 | 7,15,300         | 23.83             | 2,42,300   | 4,73,000 | 7,15,300         | 23.83             |                          |
| i) Indian  | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| ii) Overseas   | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| b) Individuals   | -   | -        | -                | -                 | -  | -        | -                | -                 | -                        |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 1,28,800  | 6,68,900 | 7,97,700         | 26.581            | 1,28,800   | 6,68,900 | 7,97,700         | 26.581            | -                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1,78,800  | 1,92,400 | 3,71,200         | 12.369            | 1,78,800   | 1,92,400 | 3,71,200         | 12.369            | -                        |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

| Category of Shareholders                       | No. of Shares held at the beginning of the year [As on 1st April, 2014] |           |           |                   | No. of Shares held at the end of the year [As on 31st March, 2015] |           |           |                   | % Change during the year |
|--|---|-----------|-----------|-------------------|--|-----------|-----------|-------------------|--------------------------|
|  | Demat   | Physical  | Total     | % of Total Shares | Demat  | Physical  | Total     | % of Total Shares |                          |
| c) Others (specify) HUF                        | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Non Resident Indians                           | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Overseas Corporate Bodies                      | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Foreign Nationals                              | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Clearing Members                               | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Trusts   | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Foreign Bodies - DR                            | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Sub-total (B)(2) :                             | 5,49,900  | 13,34,300 | 18,84,200 | 62.786            | 5,49,900   | 13,34,300 | 18,84,200 | 62.786            | -                        |
| Total Public Shareholding (B) = (B)(1)+ (B)(2) | 5,49,900  | 13,34,300 | 18,84,200 | 62.786            | 5,49,900   | 13,34,300 | 18,84,200 | 62.786            | -                        |
| C. Shares held by Custodian for GDRs & ADRs    | -   | -         | -         | -                 | -  | -         | -         | -                 | -                        |
| Grand Total (A+B+C)                            | 16,66,700   | 13,34,300 | 30,01,000 | 100               | 16,66,700  | 13,34,300 | 30,01,000 | 100               | -                        |

ii) Shareholding of Promoter

| Sl. No. | 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.      | Purbasha Foods Pvt .Ltd. | 7,90,000                                  | 26.325                           | -   | 7,90,000                            | 26.325                           | -   | N.A                                       |
| 2.      | Nidhi Agarwal            | 47,900                                    | 1.596                            | -   | 47,900                              | 1.596                            | -   | N.A                                       |
| 3.      | Shraddhanand Agarwal     | 98,400                                    | 3.279                            | -   | 98400                               | 3.279                            | -   | N.A                                       |
| 4.      | Vasudha Agarwal          | 10,000                                    | 0.333                            | -   | 10000                               | 0.333                            | -   | N.A                                       |
| 5.      | Vikash Agarwal Binrajka  | 1,70,000                                  | 5.665                            | -   | 170000                              | 5.665                            | -   | N.A                                       |
| 6.      | Vivek Agarwal            | 500                                       | 0.017                            | -   | 500                                 | 0.017                            | -   | N.A                                       |

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



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

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

| Sl. No. | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year |                                  | 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>Hena Fashion Pvt. Ltd.</b>  |   |                                  |   |                                  |
|         | At the beginning of the year   | 90,200                                    | 3.006                            | 90,200                                  | 3.006                            |
|         | 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   | -   | -                                | 90,200                                  | 3.006                            |
| 2.      | <b>Krishna Craft Dealers Pvt. Ltd</b>  |   |                                  |   |                                  |
|         | At the beginning of the year   | 82,000                                    | 2.732                            | 82,000                                  | 2.732                            |
|         | 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   | -   | -                                | 82,000                                  | 2.732                            |
| 3.      | <b>Shakuntala Modi</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 67,900                                    | 2.262                            | 67,900                                  | 2.262                            |
|         | 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   | -   | -                                | 67,900                                  | 2.262                            |
| 4.      | <b>Bansal Agro &amp; Tea Manufacture Pvt. Ltd.</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 62,000                                    | 2.066                            | 62,000                                  | 2.066                            |
|         | 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   | -   | -                                | 62,000                                  | 2.066                            |
| 5.      | <b>Amar Jyoti Udyog Ltd.</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 60,900                                    | 2.029                            | 60,900                                  | 2.029                            |
|         | 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   | -   | -                                | 60,900                                  | 2.029                            |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

| Sl. No. | 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 |
| 6.      | <b>Pawan Kumar Bhuwarka</b>  |   |                                  |   |                                  |
|         | At the beginning of the year   | 52,000                                    | 1.732                            | 52,000                                  | 1.732                            |
|         | 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   | -   | -                                | 52,000                                  | 1.732                            |
| 7.      | <b>Aryavrat Financial Services Ltd</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 49800                                     | 1.659                            | 49800                                   | 1.659                            |
|         | 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   | -   | -                                | 49800                                   | 1.659                            |
| 8.      | <b>Ishwar Vinimay Pvt. Ltd.</b>  |   |                                  |   |                                  |
|         | At the beginning of the year   | 41,000                                    | 1.366                            | 41,000                                  | 1.366                            |
|         | 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   | -   | -                                | 41,000                                  | 1.366                            |
| 9.      | <b>Sapan Vinimay Pvt. Ltd.</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 30,000                                    | 0.999                            | 30,000                                  | 0.999                            |
|         | 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   | -   | -                                | 30,000                                  | 0.999                            |
| 10.     | <b>Uma Shankar Gupta</b>   |   |                                  |   |                                  |
|         | At the beginning of the year   | 30,000                                    | 0.999                            | 30,000                                  | 0.999                            |
|         | 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   | -   | -                                | 30,000                                  | 0.999                            |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**v) Shareholding of Directors and Key Managerial Personnel :**

| SI No | 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.    | <b>Vikash Agarwal Binrajka - Whole Time Director &amp; CFO</b>   |   |                                  |   |                                  |
|       | At the beginning of the year   | 1,70,000                                  | 5.664                            | 1,70,000                                | 5.664                            |
|       | 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   | -   | -                                | 1,70,000                                | 5.664                            |
| 2.    | <b>Lalit Kumar Pareek - Director</b>   |   |                                  |   |                                  |
|       | At the beginning of the year   | 500                                       | 0.016                            | 500                                     | 0.016                            |
|       | 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   | -   | -                                | 500                                     | 0.016                            |
| 3.    | <b>Ramesh Bansal - Director</b>  |   |                                  |   |                                  |
|       | At the beginning of the year   | 500                                       | 0.016                            | 500                                     | 0.016                            |
|       | 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   | -   | -                                | 500                                     | 0.016                            |
| 4.    | <b>Ramesh Kumar Laddha - Director</b>  |   |                                  |   |                                  |
|       | At the beginning of the year   | 2000                                      | 0.067                            | 2000                                    | 0.067                            |
|       | 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   | -   | -                                | 2000                                    | 0.067                            |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

| Sl No | 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 |
| 5.    | <b>Amitabh Kejriwal - Director</b>  |   |                                  |   |                                  |
|       | At the beginning of the year  | 0   | 0                                | 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                                | 0                                       | 0                                |
| 6.    | <b>Rachana Singh – Company Secretary</b>  |   |                                  |   |                                  |
|       | At the beginning of the year  | 0   | 0                                | 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                                | 0                                       | 0                                |

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment**

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> | NIL                              |                 |          |                    |
| 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  |                                  |                 |          |                    |
| <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>                                    |                                  |                 |          |                    |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**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) |
|-----|---|----------------------------------|----------|----------|----------|--------------------------------|
|     |   | Vikash Agarwal<br>Binrajka - WTD | ---      | ---      | ---      |                                |
| 1   | Gross salary  | 3.60                             | -        | -        | -        | 3.60                           |
|     | (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<br>- as % of profit<br>- others, specify                                 | -                                | -        | -        | -        | -                              |
| 5   | Others, please specify  | -                                | -        | -        | -        | -                              |
|     | <b>Total (A)</b>  | <b>3.60</b>                      | <b>-</b> | <b>-</b> | <b>-</b> | <b>3.60</b>                    |
|     | Ceiling as per the Act  |                                  |          |          |          |                                |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration                | Name of Directors |     |      |     | Total Amount |
|-----|--|-------------------|-----|------|-----|--------------|
|     |  | ----              | --- | ---- | --- |              |
| 1   | Independent Directors                      | N.A.              |     |      |     |              |
|     | 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             |                   |     |      |     |              |





**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

| SN. | Particulars of Remuneration   | Key Managerial Personnel |                    |     | Total Amount (Rs. in lakhs) |
|-----|---|--------------------------|--------------------|-----|-----------------------------|
|     |   | CEO                      | Rachana Singh (CS) | CFO |                             |
| 1   | Gross salary  | –                        | 0.48               | –   | 0.48                        |
|     | (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   | –                        | 0.48               | –   | 0.48                        |

(Company Secretary was appointed w.e.f. 01.09.2014 hence the salary figure is for period of six months)

**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  
For Purbasha Resources Limited

**Amitabh Kejriwai**  
Directors  
DIN : 06406707

**Vikash Agarwal Binjraka**  
Whole-time Directors  
DIN : 0012978

Date : 14th August, 2015  
Place : Kolkata

**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**FORM NO. AOC -2**

**'ANNEXURE - 2'**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis**

| Sl No | Particulars   | Details |
|-------|---|---------|
| a.    | Name(s) of the related party and nature of relationship   | NIL     |
| b.    | Nature of contracts/arrangements/transactions   | NIL     |
| c.    | Duration of the contracts / arrangements/transactions   | NIL     |
| d.    | Salient terms of the contracts or arrangements or transactions including the value, if any                        | NIL     |
| e.    | Justification for entering into such contracts or arrangements or transactions                                    | NIL     |
| f.    | Date(s) of approval by the Board  | NIL     |
| g.    | Amount paid as advances, if any:  | NIL     |
| h.    | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | NIL     |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

| Sl No | Particulars   | Details                                      |
|-------|---|--|
| a.    | Name(s) of the related party and nature of relationship                                     | <b>Optimize IT Systems Pvt. Ltd.</b>         |
| b.    | Nature of contracts/arrangements/transactions   | Services Received                            |
| c.    | Duration of the contracts / arrangements/transactions                                       | 01.04.2014 to 31.03.2015                     |
| d.    | Salient terms of the contracts or arrangements or transactions including the value, if any: | Receipt of Interest amounting to Rs.80,000/- |
| e.    | Date(s) of approval by the Board, if any:   | 30.05.2014                                   |
| f.    | Amount paid as advances, if any:  | N.A.   |



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

| Sl No | Particulars   | Details-                                     |
|-------|---|--|
| a.    | Name(s) of the related party and nature of relationship                                     | <b>Express Brewery Pvt. Ltd.</b>             |
| b.    | Nature of contracts/arrangements/transactions   | Services Received                            |
| c.    | Duration of the contracts / arrangements/transactions                                       | 01.04.2014 to 31.03.2015                     |
| d.    | Salient terms of the contracts or arrangements or transactions including the value, if any: | Receipt of Interest amounting to Rs.85,000/- |
| e.    | Date(s) of approval by the Board, if any:   | 30.05.2014                                   |
| f.    | Amount paid as advances, if any:  | N.A.   |

| Sl No | Particulars   | Details  |
|-------|---|--|
| a.    | Name(s) of the related party and nature of relationship                                     | <b>Epic Alloy Steel Pvt. Ltd.</b>              |
| b.    | Nature of contracts/arrangements/transactions   | Services Received                              |
| c.    | Duration of the contracts / arrangements/transactions                                       | 01.04.2014 to 31.03.2015                       |
| d.    | Salient terms of the contracts or arrangements or transactions including the value, if any: | Receipt of Interest amounting to Rs.2,47,000/- |
| e.    | Date(s) of approval by the Board, if any:   | 30.05.2014                                     |
| f.    | Amount paid as advances, if any:  | N.A.   |

For and on behalf of the Board  
For Purbasha Resources Limited

Date : 14th August, 2015  
Place : Kolkata

**Amitabh Kejriwal**  
Directors  
DIN : 06406707

**Vikash Agarwal Binjra**  
Whole-time Directors  
DIN : 0012978



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

'ANNEXURE - 3'

**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**

The following subsidiary companies are yet to commence to business :

**1. Names of subsidiaries which are yet to commence operations :**

|    |                              |
|----|------------------------------|
| 1. | Ersa Pharma Traders Limited  |
| 2. | Ersa Textile Traders Limited |
| 3. | Kotiratan Textiles Limited   |
| 4. | Nirmalkunj Agritech Limited  |
| 5. | Nityadhara Sarees Limited    |

**2. Names of subsidiaries which have been liquidated or sold during the year: NIL**

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

| Name of Associates/Joint Ventures |   | Geo Nutri Foods Pvt. Ltd   | Epic Alloy Steel Pvt. Ltd. | Vihar Vanijya Pvt. Ltd.    | Epic Marketing Company Pvt. Ltd. |
|-----------------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------------|
| 1.                                | Latest audited Balance Sheet Date   | 31.03.2015                 | 31.03.2015                 | 31.03.2015                 | 31.03.2015                       |
| 2.                                | Shares of Associate/Joint Ventures held by the company on the year end    |                            |                            |                            |                                  |
|                                   | No. of Equity Shares  | 2,00,000                   | 1,61,500                   | 54,000                     | 88,600                           |
|                                   | No. of Preference Shares  | -                          | 38,000                     | -                          | -                                |
|                                   | Amount of Investment in Associates/Joint Venture                          | 2,000,000                  | 16,150,000                 | 972,000                    | 886,000                          |
|                                   | Extend of Holding %   | 42.55%                     | 31.73%                     | 31.78%                     | 28.52%                           |
| 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 | 51,904,940                 | 823,019                    | 23,351,726                 | 53,024,102                       |
| 6.                                | Profit / Loss for the year  |                            |                            |                            |                                  |
|                                   | i. Considered in Consolidation  | 2,553,283                  | (317)                      | 409,800                    | 7,258,044                        |
|                                   | ii. Not Considered in Consolidation                                       | 3,447,382                  | (681)                      | 1,027,086                  | 24,491,931                       |

The following information shall be furnished :-

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

For and on behalf of the Board  
For Purbasha Resources Limited

Date : 14th August, 2015  
Place : Kolkata

Rachana Singh  
Company Secretary

Amitabh Kejriwal  
Directors  
DIN : 06406707

Lalit Parek  
Directors  
DIN : 01078494

Vikash Agarwal Binjraka  
Whole-time Directors  
DIN : 0012978



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**'ANNEXURE – 4'**

**Ratio of Remuneration of Executive Directors to the median remuneration of the employees of the Company as on 31st March 2015 :**

- 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) Vikash Agarwal Binjrajka | Whole-time Director & Chief Financial Officer | Rs. 3,60,000                            | Rs. 72,000                                     | 5.0   |
| ii) Rachana Singh           | Company Secretary                             | Rs.48,000                               | Rs.72,000                                      | 0.67  |

- b) The median remuneration of employees as on 31st March, 2015 was Rs.72,000/-. There were 3 permanent employees on the rolls of the Company, as on 31st March, 2015.
- c) Since there is no increase in the remuneration of any Executive Director, Chief Financial officer and Company Secretary during the financial year 2014-15, 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.



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

'ANNEXURE - 5'

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2015**

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

To,  
The Members,  
Purbasha Resources Limited  
25, Park Lane,  
Kolkata - 700016

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 ('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 :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Purbasha Resources Limited ("The Company") for the financial year ended 31st March, 2015 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);
  - 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);

**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

- 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 (Not notified during the Audit Period and hence not applicable to the Company).
  - (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that *the website of the Company is not fully functional, required steps have been taken to activate it.*

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 formed five subsidiary companies, which were incorporated as public limited companies by the end of March, 2015.

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.

Date : 14th August, 2015  
Place : Kolkata

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



**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**

**'ANNEXURE - A'**

To,  
The Members,  
**Purbasha Resources Limited**  
25, Park Lane, Kolkata - 700016

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.

Date : 14th August, 2015  
Place : Kolkata

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



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership, maintaining transparency in its dealings, transparent governance practices is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. We believe that sound corporate governance is critical to enhancing and retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

### 2. BOARD OF DIRECTORS

(a) The strength of the Board as on 31st March, 2015 was 6, comprising of :

|                                |   |
|--------------------------------|---|
| Promoter Directors – Executive | 1 |
| Non-Independent Non-Executive  | 2 |
| Independent Non-Executive      | 3 |

(b) There is no nominee Director. The number of non-executive Directors is more than fifty percent of the strength of the Board while the number of independent Directors is more than one-third of such strength.

None of the Directors was a member of more than 10 committees and chairman of more than 5 committees across all the companies in which he is a Director. The necessary disclosures regarding committee positions held have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of directorships and committee memberships held by them in other companies are given below :

| Director                      | Category          | Board Meetings Attended | Attendance at AGM on 30.09.2015 | Other Directorships | Committee Position in other companies |          |
|-------------------------------|-------------------|-------------------------|---------------------------------|---------------------|---------------------------------------|----------|
|                               |                   |                         |                                 |                     | Member                                | Chairman |
| Mr. Vikash Agarwal Binrajka   | ED (Promoter)     | 7                       | Yes                             | 17                  | Nil                                   | Nil      |
| Mr. Ramesh Kumar Laddha       | NED (Independent) | 6                       | Yes                             | 9                   | Nil                                   | Nil      |
| Mr. Ramesh Bansal             | NED (Independent) | 3                       | Yes                             | 10                  | 1                                     | Nil      |
| Mr. Amitabh Kejriwal          | NED (Independent) | 2                       | Yes                             | 2                   | Nil                                   | Nil      |
| Mr. Lalit Pareek              | NED               | 5                       | Yes                             | 10                  | Nil                                   | Nil      |
| Mrs. Vithika Agarwal Binrajka | NED               | 2                       | Yes                             | 4                   | Nil                                   | Nil      |

NED – Non Executive Director, ED – Executive Director

During the year under review, seven Board Meetings were held on 30/04/2014, 30/05/2014, 28/07/2014, 18/08/2014, 21/10/2014, 28/01/2015 and 09/03/2015.

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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 3. CODE OF CONDUCT

The Board 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 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.

### 4. COMMITTEES OF THE BOARD

#### I) Audit Committee :

##### (a) Terms of Reference :

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

(b) The composition of the Audit Committee has also been altered due to change in composition of Board. After reconstitution the Audit Committee comprises of Mr. Amitabh Kejriwal, Non-Executive Independent Director as Chairman, Mr. Ramesh Kumar Laddha, Non-Executive Independent Director as member and Mr. Vikash Agarwal Binrajka, Whole-time Director shall continue as a member, all of whom are financially literate.

(c) The composition and details of meeting attended by its members during the year ended 31st March, 2015 are given below :

| Name of Member              | Position | No. of meetings attended |
|-----------------------------|----------|--------------------------|
| Mr. Amitabh Kejriwal        | Chairman | 2                        |
| Mr. Ramesh Kumar Laddha     | Member   | 4                        |
| Mr. Vikash Agarwal Binrajka | Member   | 4                        |

The Audit Committee met 4 times during the financial year.

#### II) Nomination and Remuneration Committee :

(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

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.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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.

- (c) The composition of Nomination & Remuneration Committee is as follows.

| Name of Member          | Position | No. of meetings attended |
|-------------------------|----------|--------------------------|
| Mr. Lalit Pareek        | Chairman | 1                        |
| Mr. Ramesh Bansal       | Member   | 1                        |
| Mr. Ramesh Kumar Laddha | Member   | 1                        |

The Committee met once during the year on 21.10.2014 and all three members attended.

None of the non-executive Directors are paid any remuneration by way of sitting fee or otherwise.

Details of remuneration paid to whole-time Director for the year ended 31/03/2015

(Rs./lakhs)

| Salary | Perquisites | Other benefits |
|--------|-------------|----------------|
| 3.60   | -           | -              |

### III) Stakeholders Relationship Committee :

Apart from all the matters provided in clause 49 of the listing agreement with Stock Exchanges and section 178(5) of Companies Act, 2013 :

- a) The Stakeholders Relationship Committee looks into matters of shareholders/investors viz transfer/credit of shares to their demat account, non-receipt of dividend / notices / annual reports etc.

The Committee presently consists of three directors :

| Name of Member              | Position                      | No. of meetings attended |
|-----------------------------|-------------------------------|--------------------------|
| Mr. Lalit Pareek            | Chairman                      | 1                        |
| Mr. Ramesh Bansal           | Member                        | 1                        |
| Mr. Vikash Agarwal Binrajka | Member,<br>Wholetime Director | 1                        |

During the year, the Committee met once on 21.10.2014.

Name, designation & address of Compliance Officer : **Ms. Rachana Singh**  
*Company Secretary*  
 1023, Sahid Hemant Kumar Basu  
 Sarani, Kalindi, Saha Para  
 Kolkata - 700074.



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

|  |     |
|--|-----|
| No. of shareholders complaints received during the year ended 31/03/2015 | Nil |
| No. of complaints not solved to the satisfaction of the shareholders     | Nil |
| No. of pending share transfers as on 31/03/2015                          | Nil |

**6. INDEPENDENT DIRECTORS MEETING :**

*During the year under review, the Independent Directors met on October 21, 2015, inter alia, to discuss:*

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.*
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.*

**7. FORMAL ANNUAL EVALUATION :**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 judgement, 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.

**8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

As section 135 of the Companies Act, 2013 is not applicable to the Company; there is no requirement of Corporate Social Responsibility Committee.

**9. GENERAL BODY MEETINGS :**

Location and time where last three AGMs were held:

| Date       | Location          | Time       |
|------------|-------------------|------------|
| 29.09.2012 | Registered Office | 10.30 A.M. |
| 04.09.2013 | Registered Office | 9.30 A.M.  |
| 30.09.2014 | Registered Office | 11.00 A.M  |

No special resolution was put through postal ballot at the last Annual General Meeting and no postal ballot is proposed for this year also.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 10. DISCLOSURES :

- (a) All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. Details are provided- Note no. 17.2.b of Note 17 to the Accounts.
- (b) There are no instances on non-compliances by the company necessitating imposition of penalties, strictures on the Company by Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (c) The company has adopted a Whistle Blower Policy and has established necessary mechanism in line with clause 7 of the Annexure 1D to the Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report about any unethical behaviour, 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.
- (d) The company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to the Clause 49 of the Listing Agreement with the Stock Exchanges:
  - i) The Company has a Remuneration Committee, the information of which is provided under the section "Remuneration Committee."
  - ii) There are no audit qualifications in the Company's financial statements for the year under reference.
  - iii) The Company has not adopted the other non mandatory requirements of Clause 49 of the Listing Agreement, relating to imparting training to the non – executive directors and evaluation of their performance.

### 11. RECONCILIATION OF SHARE CAPITAL AUDIT

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

### 12. MEANS OF COMMUNICATION

Quarterly and annual financial results are generally published in the 'Financial Express' (English) and 'Arthik Lipi / Duranta Barta' (Bengali) newspapers. The Management Discussion & Analysis Report forms part of the Annual Report.

### 13. GENERAL SHAREHOLDER INFORMATION :

- (a) **Annual General Meeting - date, time and venue :**

The 35th Annual General Meeting will be held on Wednesday, the 30th day of September, 2015 at the Registered Office of the Company at 25, Park Lane, Kolkata – 700 016.

As required under Clause 49.VI.A of the Listing Agreement, the particulars of Directors seeking re-appointment at the 35th Annual General Meeting are set out in the Notice convening the same.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- (b) **Financial Calendar** : Year ending – 31st March  
Last Annual General Meeting – 30th September, 2014
- (c) **Book Closure Period** : 24/09/2015 to 30/09/2015
- (d) **Dividend Payment Date** : The Board has not recommended any dividend
- (e) **Listing of Stock Exchanges and Stock Code** :

The Company's securities are listed at :

The Calcutta Stock Exchange Association Ltd., Kolkata

Listing fees as prescribed have been paid to all aforesaid Stocks Exchanges upto 2014-2015.

- (f) **Market Price Data** : Not Available
- (g) **Registrar & Transfer Agents and Share Transfer System** :

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata - 700 001  
Phone : 2234 3576 • E-mail : nichetechpl@nichetechpl.com

- (h) **Share transfer system** :

- (a) **Physical form**: Share transfers in physical form are to be lodged either at the Registered Office of the Company. Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. The executive Director is empowered to approve transfers.
- (b) **Demat form**: The Company has made arrangements to dematerialise its shares through National Securities Depository Ltd. and Central Depository Services (India) Ltd.

- (i) (1) **Distribution of shareholding as on 31/03/2015** :

| Group of Share | No. of Holders | No. of Share held | % age to Total Shares |
|----------------|----------------|-------------------|-----------------------|
| 1 to 500       | 667            | 327400            | 10.91                 |
| 501 to 1000    | 170            | 140600            | 4.69                  |
| 1001 to 10000  | 99             | 397600            | 13.25                 |
| 10001-100000   | 37             | 1175400           | 39.16                 |
| 100001 & above | 2              | 960000            | 31.99                 |
| <b>Total</b>   | <b>975</b>     | <b>3001000</b>    | <b>100.00</b>         |

- (2) **Shareholding pattern as on 31/03/2013** :

| Category                     | Shares Held      | % of total   |
|------------------------------|------------------|--------------|
| <b>A. PROMOTERS' HOLDING</b> |                  |              |
| 1. Promoters                 |                  |              |
| – Indian Promoters           | 1,70,000         | 5.66         |
| – Foreign Promoters          | 0                | 0.00         |
| 2. Persons acting in Concert | 9,46,800         | 31.55        |
| <b>SUB- TOTAL</b>            | <b>11,16,800</b> | <b>37.21</b> |



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

| Category   | Shares Held      | % of total     |
|--|------------------|----------------|
| <b>B. NON-PROMOTER'S HOLDING</b>   |                  |                |
| 3. Institutional Investors   |                  |                |
| a. Mutual Funds & UTI  | 0                | 0.000          |
| b. Banks, FIs, Insurance Companies<br>(Central / State Govt. Institutions/<br>Non-Government Institutions) | 0                | 0.000          |
| c. Foreign Institutional Investors   | 0                | 0.000          |
| <b>SUB-TOTAL</b>   | <b>0</b>         | <b>0.000</b>   |
| 4. Others  |                  |                |
| a. Private Corporate Bodies  | 7,15,300         | 23.84          |
| b. Indian Public   | 11,68,900        | 38.95          |
| c. NRIs / OCBs   | 0                | 0.000          |
| d. Others  | 0                | 0.000          |
| <b>SUB-TOTAL</b>   | <b>18,84,200</b> | <b>62.79</b>   |
| <b>GRAND TOTAL</b>   | <b>30,01,000</b> | <b>100.000</b> |

- (j) **Dematerialisation of shares** : 55.54% of the total equity capital was held in dematerialised form with the National Securities Depository Ltd. & CDSL as on 31st March, 2015.
- (k) **Outstanding GDRs / ADRs/Warrants or any convertible instruments, conversion dates and likely impact of equity** : Not Applicable
- (l) **Address for correspondence** : **PURBASHA RESOURCES LIMITED**  
25, Park Lane, Kolkata - 700 016  
E-mail : prl@purbasha.co.in

**DECLARATION BY WHOLE-TIME DIRECTOR**

I, Vikash Agarwal Binrajka, Whole Time Director of Purbasha Resources Limited hereby declare that all the Board members and Senior Management personnel have affirmed for the year ended 31 March 2015 compliance with the Code of Conduct as laid down by the Company.

**Vikash Agarwal Binrajka**  
(Whole Time Director )  
DIN : 00012978

Kolkata : 14th August, 2015



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### CERTIFICATE BY WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors

**M/s. Purbasha Resources Limited**

We have reviewed the financial statements and the cash flow statement of Purbasha Resources Limited for the financial year 2014-15 and certify that:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31 March 2015 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.

Date : 14th August, 2015

Place : Kolkata

Vikash Agarwal Binjrajka  
(Chief Financial Officer & Whole Time Director)





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

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**Purbasha Resources Limited**

We have examined the compliance of conditions of Corporate Governance by Purbasha Resources Limited during the year ended March 31st, 2015, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s) of India.

The compliance of conditions of Corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that as per the records maintained by the Company, no investor grievance(s) is remaining unattended/ pending for a period exceeding the month.

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

For **AHMAD & NANAWATTY**  
*Chartered Accountants*  
Firm Regn. No. 322546E

**Ahmer Nanawatty**  
(Partner)

Membership No. 56041

Dated : 14th August, 2015  
Place : Kolkata



## MANAGEMENT DISCUSSION & ANALYSIS

### INDIAN ECONOMY OVERVIEW

With the change of Government at the centre during FY 2014-15, the Indian economy has started showing signs of recovery. The reform measures initiated by the Central Government has lifted capital market sentiments, leading to the stock market index reaching new highs between June 2014 and March 2015. The Indian economy grew at a rate of 7.3% during 2014-15 due to an improvement in the performance of both services as well as manufacturing sectors. The decline in inflation by over 6 percentage points since late 2013 and also reduction of current account deficit from a peak of 6.7% of the GDP in the third quarter of 2012-13 to about 1% in the current fiscal year has reasserted India's reputation as an attractive investment destination compared to other emerging countries.

### NBFCs IN INDIA

The share of NBFCs has steadily grown from 10.7% of banking assets in 2009 to 14.3% in 2014, thus gaining systemic importance. NBFCs have emerged as vital intermediaries and have competed strongly with banks and financial institutions. However, the last two years have been challenging for the NBFC sector with asset growth rates moderating, delinquencies rising and profits plummeting. 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. The number of NBFCs registered with the RBI went down to 12,134 in 2014 from 12,630 in 2010. However, the current decline in the number of registered NBFC is mainly due to cancellation of certificates of registration and migration of nonbanking finance companies that accept public deposits (NBFC-D) to the non deposit-taking category.

### OPPORTUNITY AND THREATS

NBFCs grew by 8% in 2013-14 but are expected to grow at 11-14%, beyond 2015. 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 RBI came out with its Guidelines for Licensing of Small Finance Banks in the Private Sector with the objective of furthering its initiative of financial inclusion. It is probable that some NBFCs may convert themselves into small banks.

One of the decisive steps announced in the Union Budget was to allow NBFCs registered with the RBI and those worth Rs.500 crore or more, to fall under the purview of the Sarfaesi Act, 2002. This move would place NBFCs on par with other institutions like banks and other financial institutions.

### 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 & 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 outlook for the sector over next year looks comparatively better on account of positive trend of growth in the economy which is expected to boost credit demand. This along with revival of certain infrastructure projects, which have been cleared by the cabinet committee in recent months, pick-up in industrial growth and corporate capex investments also is expected to benefit most of the commercial assets financed by the NBFCs and is expected to ease the pressure on the cash flows of their borrowers through enhanced utilisation of their assets.

### **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 TO THE MEMBERS OF PURBASHA RESOURCES LIMITED

We have audited the accompanying standalone financial statements of **PURBASHA RESOURCES LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the 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.

### **AUDITORS' RESPONSIBILITY**

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

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

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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 standalone financial statements.

### **OPINION**

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;



**AUDITORS' REPORT TO THE MEMBERS OF PURBASHA RESOURCES LIMITED (Contd.)**

- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone statements comply with Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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. There are no pending litigations which may have any financial impact on the financial statements.
    - b. The company does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
    - c. There were no amounts required to be transferred by the Company to the Investor Education and Protection Fund.

For **AHMAD & NANAWATTY**  
Chartered Accountants  
Firm Regn. No. 322546E

**Ahmer Nanawatty**  
Partner

Membership No. : 056041

Date : 29th May, 2015

Place : Kolkata

## ANNEXURE TO AUDITORS' REPORT

(Referred to in our report of even date)

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) In our opinion, the fixed assets have been physically verified by the management during the year and no material discrepancy has been noticed on such verification.
- ii) a) The Inventory of the company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and in accordance with the information and explanation given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.  
c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the company.
- iii) a) The company has granted unsecured loan to 2 (two) parties aggregating to Rs. 25.0 lacs covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved was Rs. 34.80 Lacs and the year end balance was Rs.5.07 Lacs.  
b) There are no fixed repayment schedule of principal and interest on loans given and the entire amount is repayable on demand.  
c) The details of overdue, repayment of principal and interest are not applicable.
- iv) In our opinion, and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) The company has not accepted any deposits within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, and rules framed there under.
- vi) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, for any of the products of the company.
- vii) a) According to the information and explanations given to us the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities.  
b) As at 31st March, 2015 according to the records of the company and the information and explanations given to us, there were no disputed amounts in case of sales tax, income tax, custom tax, wealth tax, service tax, excise duty, and cess.



**ANNEXURE TO AUDITORS' REPORT (Contd.)**

- c) There are no amount required to be transferred to investor education and protection fund in accordance with the Companies Act and rules framed thereunder.
- viii) The Company has no accumulated losses as at 31st March, 2015 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix) According to the information and explanation given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- xi) The term loans were applied for the purpose for which they were obtained.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For AHMAD & NANAWATTY**  
*Chartered Accountants*  
Firm Regn. No. 322546E

**Ahmer Nanawatty**  
*Partner*  
Membership No. : 056041

Date : 29th May, 2015  
Place : Kolkata



**BALANCE SHEET AS AT 31ST MARCH, 2015**

| Particulars   | Note No. | As at<br>31 March, 2015 | At at<br>31 March, 2014 |
|---|----------|-------------------------|-------------------------|
| <b>A. EQUITY AND LIABILITIES</b>                                |          |                         |                         |
| 1. Shareholders' funds  |          |                         |                         |
| (a) Share capital   | 2        | 30,010,000              | 30,010,000              |
| (b) Reserves and surplus  | 3        | 40,210,930              | 38,659,689              |
|   |          | 70,220,930              | 68,669,689              |
| 2. Current liabilities  |          |                         |                         |
| (a) Trade payables  | 5        | 30,000                  | 40,000                  |
| (b) Short term provisions                                       | 6        | -                       | 308,999                 |
|   |          | 30,000                  | 348,999                 |
| <b>TOTAL</b>  |          | 70,250,930              | 69,018,688              |
| <b>B. ASSETS</b>  |          |                         |                         |
| 1 Non-current assets  |          |                         |                         |
| (a) Fixed assets  |          |                         |                         |
| (i) Tangible assets   | 7        | 661,294                 | 866,097                 |
| (b) Non-current investments                                     | 8        | 9,934,474               | 5,762,106               |
| (c) Deferred tax assets (net)                                   | 4        | 838,417                 | 629,204                 |
| (d) Long-term loans and advances                                | 9        | 4,872,333               | 4,774,408               |
|   |          | 16,306,518              | 12,031,815              |
| 2. Current assets   |          |                         |                         |
| (a) Inventories   |          | 45,626,984              | 47,607,511              |
| (b) Trade receivables   | 10       | 4,200,000               | 200,000                 |
| (c) Cash and cash equivalents                                   | 11       | 2,515,541               | 4,466,612               |
| (d) Short-term loans and advances                               | 12       | 1,601,887               | 4,712,750               |
|   |          | 53,944,412              | 56,986,873              |
| <b>TOTAL</b>  |          | 70,250,930              | 69,018,688              |
| Significant Accounting Policies                                 | 1        |                         |                         |
| See accompanying notes forming part of the financial statements | 17       |                         |                         |

In terms of our report attached.

For **AHMAD & NANAWATTY**

Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : May 29, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary





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

| <u>Particulars</u>  | Note No. | <u>For the year ended<br/>31 March, 2015</u> | <u>For the year ended<br/>31 March, 2014</u> |
|---|----------|--|--|
| 1. Revenue from operations  | 13       | 6,904,916                                    | 6,692,463                                    |
| <b>Revenue from operations</b>  |          | <b>6,904,916</b>                             | <b>6,692,463</b>                             |
| 2. <b>Expenses</b>  |          |  |  |
| (a) Purchases   |          | 4,191,813                                    | -  |
| (b) (Increase)/Decreases in inventories<br>of stock-in-trade                        | 14       | (200,641)                                    | 2,982,244                                    |
| (c) Employee benefits expense   | 15       | 479,706                                      | 422,900                                      |
| (d) Other expenses  | 16       | 571,214                                      | 482,376                                      |
| <b>Total</b>  |          | <b>5,042,092</b>                             | <b>3,887,520</b>                             |
| 3. <b>Earnings before interest, tax, depreciation<br/>and amortisation (EBITDA)</b> |          | <b>1,862,824</b>                             | <b>2,804,943</b>                             |
| 4. Depreciation and amortisation expense  | 7        | 118,252                                      | 154,438                                      |
| 5. <b>Profit before tax</b>   |          | <b>1,744,572</b>                             | <b>2,650,505</b>                             |
| 6. <b>Tax expense :</b>   |          |  |  |
| (a) Current tax expense for current year  |          | 276,316                                      | 438,474                                      |
| (b) Tax expenses for earlier years  |          | 39,677                                       | -  |
| (c) Deferred tax  |          | (209,213)                                    | 2,77,801                                     |
|   |          | <b>106,780</b>                               | <b>716,275</b>                               |
| 7. <b>Profit from operations</b>  |          | <b>1,637,792</b>                             | <b>1,934,230</b>                             |
| 8. <b>Profit for the year</b>   |          | <b>1,637,792</b>                             | <b>1,934,230</b>                             |
| 9. <b>Earnings per share (of Rs.10/- each) :</b>                                    |          |  |  |
| Basic and Diluted   | 17.3     | <b>0.55</b>                                  | <b>0.64</b>                                  |
| <b>See accompanying notes forming part<br/>of the financial statements</b>          | 17       |  |  |

In terms of our report attached.

For **AHMAD & NANAWATTY**  
Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : May 29, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary

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

| Particulars   | For the year ended<br>31 March, 2015 |                    | For the year ended<br>31 March, 2014 |                    |
|---|--------------------------------------|--------------------|--------------------------------------|--------------------|
|   | Rs.                                  | Rs.                | Rs.                                  | Rs.                |
| <b>A. Cash flow from operating activities</b>                           |                                      |                    |                                      |                    |
| Net Profit / (Loss) before extraordinary items and tax                  |                                      | 1,744,572          |                                      | 2,650,505          |
| <i>Adjustments for :</i>  |                                      |                    |                                      |                    |
| Depreciation and amortisation   | 118,252                              |                    | 154,438                              |                    |
| Dividend Received   | (294,477)                            |                    | (280,374)                            |                    |
| Interest income   | (599,063)                            |                    | (658,914)                            |                    |
| (Profit) / loss on sale/write off of assets & Investments               | (1,163,928)                          |                    | —                                    |                    |
|   |                                      | (1,939,216)        |                                      | (784,850)          |
| Operating profit / (loss) before working capital changes                |                                      | (194,644)          |                                      | 1,865,655          |
| <i>Changes in working capital :</i>                                     |                                      |                    |                                      |                    |
| <i>Adjustments for (increase) / decrease in operating assets :</i>      |                                      |                    |                                      |                    |
| (Increase)/ decrease in Inventories                                     | (200,641)                            |                    | 2,982,244                            |                    |
| (Increase)/ decrease in Trade receivable                                | (4,000,000)                          |                    | —                                    |                    |
| (Increase)/ decrease in Short-term loans and advances                   | 3,110,863                            |                    | 1,023,684                            |                    |
| (Increase)/ decrease in Long-term loans and advances                    | —                                    |                    | (492,848)                            |                    |
|   |                                      | (1,089,778)        |                                      | 3,513,080          |
| <i>Adjustments for increase / (decrease) in operating liabilities :</i> |                                      |                    |                                      |                    |
| Increase/(decrease) in Trade payables                                   | (10,000)                             |                    | (330)                                |                    |
| Increase/(decrease) in Other Current Liabilities                        | —                                    |                    | —                                    |                    |
| Increase/(decrease) in Long Term Liabilities                            | —                                    |                    | —                                    |                    |
|   |                                      | (10,000)           |                                      | (330)              |
| Cash generated from operations  |                                      | (1,294,422)        |                                      | 5,378,405          |
| Net income tax (paid) / refunds   |                                      | (722,917)          |                                      | 32,374             |
| <b>Net cash flow from / (used in) operating activities (A)</b>          |                                      | <b>(2,017,339)</b> |                                      | <b>5,410,779</b>   |
| <b>B. Cash flow from investing activities</b>                           |                                      |                    |                                      |                    |
| Capital expenditure on fixed assets, including capital advances         | —                                    |                    | —                                    |                    |
| Investments (purchased)/sold - net                                      | (827,272)                            |                    | (2,918,188)                          |                    |
| Dividend received   | 294,477                              |                    | 280,374                              |                    |
| Interest received   | 599,063                              |                    | 658,914                              |                    |
|   | 66,268                               |                    | (1,978,900)                          |                    |
| <b>Net cash flow from / (used in) investing activities (B)</b>          |                                      | <b>66,268</b>      |                                      | <b>(1,978,900)</b> |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>   |                                      | <b>(1,951,071)</b> |                                      | <b>3,431,879</b>   |
| Cash and cash equivalents at the beginning of the year                  |                                      | 4,466,612          |                                      | 1,034,733          |
| <b>Cash and cash equivalents at the end of the year</b>                 |                                      | <b>2,515,541</b>   |                                      | <b>4,466,612</b>   |
| Cash and cash equivalents at the end of the year                        |                                      |                    |                                      |                    |
| (a) Cash on hand  |                                      | 228,997            |                                      | 33,461             |
| (b) Cash at Bank in current accounts                                    |                                      | 2,286,544          |                                      | 4,433,151          |
|   |                                      | 2,515,541          |                                      | 4,466,612          |

Notes : See accompanying notes forming part of the financial statements

In terms of our report attached.

For **AHMAD & NANAWATTY**

Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : August 14, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note Particulars**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**1.3 Depreciation and amortisation**

Depreciation has been provided on the Straight Line method based on the useful life of the asset as prescribed in Schedule II of the Companies Act, 2013.

Assets costing less than Rs 5,000 each are charged straight to the Profit & Loss Statement in the year of purchase.

**1.4 Revenue recognition**

**Income**

In respect of derivative contracts gains/losses on settlement are recognised in the profit and loss statement.

Interest income is accounted on accrual basis. Dividend is accounted for in the year of receipt.

**1.5 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**1.6 Inventories**

Inventories are valued at the lower of cost and the net realisable value.

**1.7 Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**1.8 Taxes on income**

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability

**1.9 Impairment of assets**

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**1.10 Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

**NOTE : 2 SHARE CAPITAL**

| Particulars                                       | As at 31 March, 2015 |                   | As at 31 March, 2014 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | Number of shares     | Rs.               | Number of shares     | Rs.               |
| (a) Authorised                                    |                      |                   |                      |                   |
| Equity shares of Rs. 10/- each with voting rights | 3,300,000            | 33,000,000        | 3,300,000            | 33,000,000        |
| Non-Cum Preference Shares of Rs.100/- each        | 20,000               | 2,000,000         | 20,000               | 2,000,000         |
|   | <u>3,320,000</u>     | <u>35,000,000</u> | <u>3,320,000</u>     | <u>35,000,000</u> |
| (b) Issued, subscribed and paid up                |                      |                   |                      |                   |
| Equity shares of Rs. 10/- each with voting rights | 3,001,000            | 30,010,000        | 3,001,000            | 30,010,000        |
| <b>Total</b>                                      | <u>3,001,000</u>     | <u>30,010,000</u> | <u>3,001,000</u>     | <u>30,010,000</u> |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

Notes : (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

| Particulars  | As at 31 March, 2015 |              | As at 31 March, 2014 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | Number of shares     | Amount (Rs.) | Number of shares     | Amount (Rs.) |
| (i) Equity shares                                      |                      |              |                      |              |
| Opening Balance at the beginning of the reporting year | 3,001,000            | 30,010,000   | 3,001,000            | 30,010,000   |
| Movement during the reporting year                     | —                    | —            | —                    | —            |
| Closing Balance at the end of the reporting year       | 3,001,000            | 30,010,000   | 3,001,000            | 30,010,000   |

(ii) Details of shares held by each shareholder holding more than 5% shares :

| Class of shares / Name of shareholder | As at 31 March, 2015  |                                   | As at 31 March, 2014  |                                   |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|                                       | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights      |                       |                                   |                       |                                   |
| Purbasha Foods Private Limited        | 790,000               | 26.32%                            | 790,000               | 26.32%                            |
| Vikash Agarwal Binrajka               | 170,000               | 5.66%                             | 170,000               | 5.66%                             |

**NOTE : 3 RESERVES AND SURPLUS**

| Particulars                                 | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|---|--------------------------------|--------------------------------|
| (a) Capital Redemption Reserve              |                                |                                |
| Opening balance                             | 2,000,000                      | 2,000,000                      |
| Add : Additions during the year             | —                              | —                              |
| Closing balance                             | 2,000,000                      | 2,000,000                      |
| (b) General Reserve                         |                                |                                |
| Opening balance                             | 22,000,000                     | 21,000,000                     |
| Add : Additions during the year             | 1,000,000                      | 1,000,000                      |
| Closing balance                             | 23,000,000                     | 22,000,000                     |
| (c) Statutory Reserve                       |                                |                                |
| Opening balance                             | 7,872,240                      | 7,485,394                      |
| Add : Additions during the year             | 327,558                        | 386,846                        |
| Closing balance                             | 8,199,798                      | 7,872,240                      |
| (d) Surplus in Statement of Profit and Loss |                                |                                |
| Opening balance                             | 6,787,449                      | 6,240,065                      |
| Add : Profit for the year                   | 1,637,792                      | 1,934,230                      |
|   | 8,425,241                      | 8,174,295                      |
| Less : Transfers to General Reserve         | 1,000,000                      | 1,000,000                      |
| Less : Adjustments relating to Fixed Assets | 86,551                         | —                              |
| Less : Transfers to Statutory Reserve       | 327,558                        | 386,846                        |
| Closing balance                             | 7,011,132                      | 6,787,449                      |
| <b>Total</b>                                | <b>40,210,930</b>              | <b>38,659,689</b>              |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 4 DEFERRED TAX LIABILITIES**

| <u>Particulars</u>   | <u>As at<br/>31 March, 2015<br/>Rs.</u> | <u>As at<br/>31 March, 2014<br/>Rs.</u> |
|--|---|---|
| Deferred tax (liability) / asset                                   |   |   |
| <u>Tax effect of items constituting deferred tax liability</u>     |   |   |
| On difference between book balance and tax balance of fixed assets | 4,300                                   | (22,200)                                |
| Tax effect of items constituting deferred tax liability            | 4,300                                   | (22,200)                                |
| <u>Tax effect of items constituting deferred tax assets</u>        |   |   |
| Brought forward business losses                                    | -                                       | -                                       |
| MAT credit available   | 834,117                                 | 651,404                                 |
| Tax effect of items constituting deferred tax assets               | 834,117                                 | 651,404                                 |
| <b>Net deferred tax (liability) / asset</b>                        | <b>838,417</b>                          | <b>629,204</b>                          |

**NOTE : 5 TRADE PAYABLES**

| <u>Particulars</u>                 | <u>As at<br/>31 March, 2015<br/>Rs.</u> | <u>As at<br/>31 March, 2014<br/>Rs.</u> |
|------------------------------------|---|---|
| Trade payables :                   |   |   |
| Due to micro and small enterprises |   |   |
| Others                             | 30,000                                  | 40,000                                  |
| <b>Total</b>                       | <b>30,000</b>                           | <b>40,000</b>                           |

**NOTE : 6 SHORT TERM PROVISIONS**

| <u>Particulars</u>                    | <u>As at<br/>31 March, 2015<br/>Rs.</u> | <u>As at<br/>31 March, 2014<br/>Rs.</u> |
|---------------------------------------|---|---|
| Provision for Tax (Net of taxes paid) | -                                       | 308,999                                 |
| <b>Total</b>                          | <b>-</b>                                | <b>308,999</b>                          |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 7 FIXED ASSETS**

| Tangible assets Gross Block | Balance as at 1 April, 2014 | Additions | Disposal | Other adjustments | Balance as at 31 March, 2015 |
|-----------------------------|-----------------------------|-----------|----------|-------------------|------------------------------|
|                             | Rs.                         | Rs.       | Rs.      | Rs.               | Rs.                          |
| Office Equipment            | 60,763                      | -         | -        | -                 | 60,763                       |
| Vehicles                    | 1,462,068                   | -         | -        | -                 | 1,462,068                    |
| <b>Total</b>                | <b>1,522,831</b>            | -         | -        | -                 | <b>1,522,831</b>             |
| Previous year               | 1,729,621                   | -         | -        | (206,790)         | 1,522,831                    |

**NOTE : 7 FIXED ASSETS (contd.)**

| Tangible assets  | Accumulated depreciation and impairment |                     |                                  |                              | Net Block                    |                              |
|------------------|---|---------------------|----------------------------------|------------------------------|------------------------------|------------------------------|
|                  | Balance as at 1 April, 2014             | Charge for the year | Eliminated on disposal of assets | Balance as at 31 March, 2015 | Balance as at 31 March, 2015 | Balance as at 31 March, 2014 |
|                  | Rs.                                     | Rs.                 | Rs.                              | Rs.                          | Rs.                          | Rs.                          |
| Office Equipment | 14,974                                  | 6,665               | 8,870                            | 30,509                       | 30,254                       | 45,789                       |
| Vehicles         | 641,760                                 | 111,587             | 77,681                           | 831,028                      | 631,040                      | 820,308                      |
| <b>Total</b>     | <b>656,734</b>                          | <b>118,252</b>      | <b>86,551</b>                    | <b>861,537</b>               | <b>661,294</b>               | <b>866,097</b>               |
| Previous year    | 709,086                                 | 154,438             | (206,790)                        | 656,734                      | 866,097                      |                              |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 8 NON-CURRENT INVESTMENTS**

| Particulars   | Face Value | As at 31 March, 2015 |                   | As at 31 March, 2014 |                   |
|---|------------|----------------------|-------------------|----------------------|-------------------|
|   |            | No. of shares        | Total             | No. of shares        | Total             |
|   |            |                      |                   |                      |                   |
| <b>Investments - Non Trade - (At cost) : Quoted</b>               |            |                      |                   |                      |                   |
| <b>(a) Investment in equity instruments</b>                       |            |                      |                   |                      |                   |
| Bajaj Holdings Limited  | 10         | 200                  | 101,231           | 200                  | 101,231           |
| Bharat Earth Movers Ltd   | 10         | 500                  | 69,243            | 500                  | 69,243            |
| Britannia Industries Ltd.   | 2          | 12,130               | 1,401,111         | 9,955                | 363,868           |
| Cimmco Ltd.   | 10         | 1,000                | 14,000            | -                    | -                 |
| East India Hotels Ltd.  | 2          | 527                  | 34,782            | 527                  | 34,782            |
| Firstsource Solutions Ltd.  | 10         | 5,000                | 47,500            | -                    | -                 |
| Gateway Distriparks Ltd.  | 10         | 625                  | 78,125            | -                    | -                 |
| Gujrat Heavy Chemicals Ltd.                                       | 10         | 3,900                | 109,200           | -                    | -                 |
| Hindustan Corporation Company Ltd.                                | 1          | 6,000                | 84,000            | -                    | -                 |
| Hawkins Cooker Ltd.   | 10         | 50                   | 30,141            | 50                   | 30,140            |
| Hercules Hoist. Ltd.  | 1          | 8,000                | 269,888           | 8,000                | 269,888           |
| ICRA Ltd.   | 10         | 50                   | 50,450            | -                    | -                 |
| Indian Base Metals Co. Ltd.                                       | 10         | 100,000              | 200,000           | 100,000              | 200,000           |
| Indian Hume Pipes Ltd.  | 2          | 1,500                | 88,694            | 1,500                | 88,694            |
| Infosys Ltd.  | 5          | 100                  | 222,745           | 100                  | 222,745           |
| Karnataka Bank Ltd.   | 10         | 6,000                | 454,000           | 6,000                | 454,000           |
| Kotak Mahindra bank Ltd   | 5          | 200                  | 108,600           | 200                  | 108,600           |
| KRBL Limited  | 1          | 5,000                | 71,250            | 5,000                | 71,250            |
| LIC Housing Finance Limited                                       | 2          | 500                  | 112,500           | -                    | -                 |
| Lupin Ltd.  | 2          | 500                  | 38,573            | 500                  | 38,573            |
| Infoedge (India) Ltd.   | 10         | 1,000                | 156,727           | 1,000                | 156,727           |
| Polyplex Corporation Ltd.   | 10         | 2,900                | 475,600           | -                    | -                 |
| Ranbaxy Laboratories Ltd.   | 5          | 200                  | 35,200            | 200                  | 35,200            |
| Shree Cement Ltd.   | 10         | 300                  | 628,879           | 300                  | 628,879           |
| Siemens Ltd.  | 2          | 100                  | 55,000            | -                    | -                 |
| Sun Pharmaceuticals Industries Ltd.                               | 1          | 2,000                | 117,810           | 1,000                | 117,810           |
| Sun Pharmaceuticals Advanced Research Company Ltd.                | 1          | 1,200                | 81,131            | 1,200                | 81,131            |
| Tech Mahindra Limited   | 10         | 468                  | 117,550           | -                    | -                 |
| Tata Motors Limited   | 2          | 500                  | 19,800            | 500                  | 19,800            |
| Titan Industries Limited  | 1          | 120                  | 450               | 120                  | 450               |
| United Spirits Ltd.   | 10         | 1,000                | 2,160,294         | 1,600                | 2,669,095         |
| <b>Sub Total -</b>  |            |                      | <b>7,434,474</b>  |                      | <b>5,762,106</b>  |
| <b>Investments - Non Trade- (At cost): Unquoted</b>               |            |                      |                   |                      |                   |
| <b>(b) Investment in equity instruments-Subsidiaries</b>          |            |                      |                   |                      |                   |
| Kotiratan Textiles Limited  | 10         | 50,000               | 500,000           | -                    | -                 |
| Ersa Pharma Traders Limited                                       | 10         | 50,000               | 500,000           | -                    | -                 |
| Ersa Textile Traders Limited                                      | 10         | 50,000               | 500,000           | -                    | -                 |
| Nirmalkunj Agritech Limited                                       | 10         | 50,000               | 500,000           | -                    | -                 |
| Nityadhara Sarees Limited   | 10         | 50,000               | 500,000           | -                    | -                 |
| <b>Sub Total -</b>  |            |                      | <b>2,500,000</b>  |                      | <b>-</b>          |
| <b>Total</b>  |            |                      | <b>9,934,474</b>  |                      | <b>5,762,106</b>  |
| <b>Aggregate Market Value of Quoted non current Investments</b>   |            |                      | <b>45,664,974</b> |                      | <b>10,886,275</b> |
| <b>Aggregate Market Value of Unquoted non current Investments</b> |            |                      | <b>2,500,000</b>  |                      | <b>-</b>          |





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 9 LONG-TERM LOANS AND ADVANCES**

| <u>Particulars</u>                         | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| (a) Security Deposits                      | 85,990                         | 85,990                         |
| (b) Advance Income Tax (net of provisions) | 97,925                         | -                              |
| (c) Others                                 | 4,688,418                      | 4,688,418                      |
| <b>Total</b>                               | <b>4,872,333</b>               | <b>4,774,408</b>               |

**NOTE : 10 TRADE RECEIVABLES**

| <u>Particulars</u>         | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|----------------------------|--------------------------------|--------------------------------|
| Other Trade receivables    |                                |                                |
| Unsecured, considered good | 4,200,000                      | 200,000                        |
| <b>Total</b>               | <b>4,200,000</b>               | <b>200,000</b>                 |

**NOTE : 11 CASH AND CASH EQUIVALENTS**

| <u>Particulars</u>   | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| (a) Cash on hand / Cheques on hand   | 228,997                        | 33,461                         |
| (b) Balances with banks  |                                |                                |
| (i) In current accounts  | 2,286,544                      | 4,433,151                      |
| <b>Total</b>   | <b>2,515,541</b>               | <b>4,466,612</b>               |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | 2,515,541                      | 4,466,612                      |

**NOTE : 12 SHORT-TERM LOANS AND ADVANCES**

| <u>Particulars</u>   | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| <b>Unsecured, considered good</b>  |                                |                                |
| (a) Loans and Advances to related Party  | 506,947                        | 1,329,600                      |
| (b) Inter Corporate Deposits   | 1,000,000                      | 3,383,150                      |
| (c) Others   | 94,940                         | -                              |
| <b>Total</b>   | <b>1,601,887</b>               | <b>4,712,750</b>               |
| Note : Short-term loans and advances include amounts due from :<br>Express Brewery Pvt Ltd | 506,947                        | 1,329,600                      |
|  | 506,947                        | 1,329,600                      |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 13 REVENUE FROM OPERATIONS**

| <u>Particulars</u>                                 | For the year ended<br>31 March, 2015<br>Rs. | For the year ended<br>31 March, 2014<br>Rs. |
|--|---|---|
| (a) Revenue from operations (Refer Note (i) below) | <u>6,904,916</u>                            | <u>6,692,463</u>                            |
| <b>Total</b>                                       | <u>6,904,916</u>                            | <u>6,692,463</u>                            |
| (i) Revenue from operations comprises :            |   |   |
| Sales of securities                                | 4,847,448                                   | 5,753,175                                   |
| Interest (Refer Note below)                        | 599,063                                     | 658,914                                     |
| Dividend   | 294,477                                     | 280,374                                     |
| Profit from sale of Investments                    | 1,163,928                                   | -   |
| <b>Total</b>                                       | <u>6,904,916</u>                            | <u>6,692,463</u>                            |
| Interest comprises of :                            |   |   |
| Interest on Loans & Advances                       | 599,063                                     | 651,433                                     |
| Interest on Income Tax Refund                      | -   | 7,481                                       |
| <b>Total</b>                                       | <u>599,063</u>                              | <u>658,914</u>                              |

**NOTE : 14 CHANGES IN INVENTORIES**

|   |                   |                   |
|---|-------------------|-------------------|
| <u>Inventories at the end of the year :</u>       |                   |                   |
| Shares & Securities                               | <u>45,626,984</u> | <u>47,607,511</u> |
| <u>Inventories at the beginning of the year :</u> | <u>45,626,984</u> | <u>47,607,511</u> |
| Shares & Securities                               | 47,607,511        | 50,589,755        |
| Less : Transferred to Investment                  | (2,181,168)       | -                 |
|   | <u>45,426,343</u> | <u>50,589,755</u> |
| <b>Net (increase) / decrease</b>                  | <u>(200,641)</u>  | <u>2,982,244</u>  |

**NOTE : 15 EMPLOYEE BENEFITS EXPENSE**

|                    |                |                |
|--------------------|----------------|----------------|
| Salaries and wages | 479,706        | 422,900        |
| <b>Total</b>       | <u>479,706</u> | <u>422,900</u> |

**NOTE : 16 OTHER EXPENSES**

|   |                |                |
|---|----------------|----------------|
| Rent  | 115,200        | 115,200        |
| Repairs and maintenance                     | 20,353         | 44,397         |
| Insurance                                   | 15,851         | 14,327         |
| Rates and taxes                             | 5,282          | 5,179          |
| Professional Fees                           | 196,630        | -              |
| Listing fees                                | 37,078         | 13,482         |
| Miscellaneous                               | 150,820        | 269,791        |
| Payments to auditors (Refer Note (i) below) | 30,000         | 20,000         |
| <b>Total</b>                                | <u>571,214</u> | <u>482,376</u> |
| Notes :                                     |                |                |
| (i) Payments to the auditors comprises      |                |                |
| As auditors - Audit fees                    | 20,000         | 20,000         |
| As auditors - Internal Audit Fees           | 10,000         | -              |
| <b>Total</b>                                | <u>30,000</u>  | <u>20,000</u>  |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**NOTE : 17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

**Note Particulars**

17.1 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**  
Amounts Dues to Micro and Small Enterprises as at the year end is Rs. NIL  
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

17.2 **Related party transactions**

17.2.a **Details of related parties :**

| Description of relationship                     | Names of related parties  |
|---|---|
| Key Management Personnel                        | Vikash Agarwal Binrajka   |
| Subsidiaries                                    | Ersa Pharma Traders Limited<br>Ersa Textiles Traders Limited<br>Kotiratan Textiles Limited<br>Nityadhara Sarees Limited<br>Nirmalkunj Agritech Limited  |
| Associates                                      | Geo Nutri Foods Pvt. Ltd<br>Epic Alloy Steel Pvt. Ltd<br>Epic Marketing Company Pvt. Ltd.<br>Vihar Vanijya Pvt. Ltd.  |
| Entities in which KMP has significant influence | Eastern Agro Foods Private Limited<br>Epic Agro Products Private Limited<br>Purbasha Lefin & Resources Limited<br>Optimize IT Systems Pvt. Ltd.<br>Express Brewery Pvt. Ltd<br>Gravure Printing & Processing Industries, Oriental<br>Cardboard Box & Tube Mfg.Co. |

Note : Related parties have been identified by the Management.

17.2.b **Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015 :** *Rs. in lakhs*

|  | Entities in which KMP has influence | Associates/ Subsidiaries | KMP            | Total              |
|--|-------------------------------------|--------------------------|----------------|--------------------|
| Remuneration                                       | -<br>(0)                            | -<br>(0)                 | 3.60<br>(3.62) | 3.60<br>(3.62)     |
| Rent paid  | 1.15<br>(1.15)                      | -<br>(0)                 | -<br>(0)       | 1.15<br>(1.15)     |
| Loans given  | 25.00<br>(0)                        | 59.00<br>(19.00)         | -<br>(0)       | 84.00<br>(19.00)   |
| Loans given received                               | 34.00<br>(5.85)                     | 85.05<br>(27.25)         | -<br>(0)       | 119.05<br>(33.10)  |
| Interest received                                  | 1.67<br>(1.89)                      | 2.47<br>(3.42)           | -<br>(0)       | 4.14<br>(5.31)     |
| Purchase of shares in associates/subsidiaries      | -<br>(0)                            | 53.86<br>(0)             | -<br>(0)       | 53.86<br>(0)       |
| <b>Balances outstanding at the end of the year</b> |                                     |                          |                |                    |
| Investment in shares held                          | 51.16<br>(51.16)                    | 200.08<br>(171.22)       | -<br>(0)       | 251.24<br>(222.38) |
| Loans given  | 5.07<br>(13.30)                     | -<br>(23.83)             | -<br>(0)       | 5.07<br>(37.13)    |

Note : Figures in bracket relates to the previous year

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

| 17.3 Earnings per share   | For the year ended | For the year ended |
|---|--------------------|--------------------|
|   | 31 March, 2015     | 31 March, 2014     |
|   | Rs                 | Rs                 |
| <u>Basic &amp; Diluted</u>                                      |                    |                    |
| Net profit for the year from operations                         | 1,637,792          | 1,934,230          |
| Net profit for the year attributable to the equity shareholders | 1,637,792          | 1,934,230          |
| Weighted average number of equity shares                        | 3,001,000          | 3,001,000          |
| Par value per share   | 10                 | 10                 |
| Earnings per share in Rs.                                       | 0.55               | 0.64               |

**17.4 Deferred Tax**

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

**17.5 Previous year figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**17.6 Segment Reporting**

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

Dealing in shares and securities and Finance are the two primary business segments of the Company, information of which is presented below for the year ended 31st March, 2015 :

| Particulars                                   | Dealing in shares |            | Finance    |            | Unallocable |             | Total      |            |
|---|-------------------|------------|------------|------------|-------------|-------------|------------|------------|
|   | 31.03.2015        | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015  | 31.03.2014  | 31.03.2015 | 31.03.2014 |
|   | (Rs.)             | (Rs.)      | (Rs.)      | (Rs.)      | (Rs.)       | (Rs.)       | (Rs.)      | (Rs.)      |
| Segment Revenue                               | 6,305,853         | 6,033,549  | 599,063    | 658,914    | -           | -           | 6,904,916  | 6,692,463  |
| Segment results- Profit before interest & tax | 2,314,681         | 3,051,305  | 599,063    | 658,914    | (1169172)   | (1,059,714) | 1,744,572  | 2,650,505  |
| Provision for tax                             | -                 | -          | -          | -          | 106780      | 716,275     | 106,780    | 716,275    |
| Profit after tax                              |                   |            |            |            |             |             | 1,637,792  | 384,860    |
| Other Information                             |                   |            |            |            |             |             |            |            |
| Segment assets                                | 59,761,458        | 53,569,617 | 6,290,305  | 9,401,168  | 4,101,242   | 6,047,903   | 70,153,005 | 69,018,688 |
| Segment liabilities                           | -                 | -          | -          | -          | 30,000      | 348,999     | 30,000     | 348,999    |
| Depreciation                                  |                   |            |            |            | 118,252     | 154,438     | 118,252    | 154,438    |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

**17.7** Disclosure in terms of paragraph 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the financial year ended 31st March, 2015)

| <u>Particulars</u>   | (Rupees in Lacs)                           |  |
|--|--|--|
|  | <u>Amount Outstanding As at 31.03.2015</u> | <u>Amount Overdue As at 31.03.2014</u> |
| <b><u>Liabilities Side :</u></b>   |  |  |
| I Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid              |  |  |
| A Debentures : Secured   | Nil  | Nil                                    |
| : Unsecured (other than falling within the meaning of public deposits)                                   | Nil  | Nil                                    |
| B Deferred Credits   | Nil  | Nil                                    |
| C Term Loans   | Nil  | Nil                                    |
| D Inter - Corporate loans and borrowings   | Nil  | Nil                                    |
| E Commercial Paper   | Nil  | Nil                                    |
| F Other Loans  | Nil  | Nil                                    |
| <b><u>Assets Side :</u></b>  |  |  |
| II Break-up of Loans and Advance including bills receivables (Other than those included in (III) below)  |  | <b>As at 31.03.2015</b>                |
| A Secured  |  | Nil                                    |
| B Unsecured  |  | 61.95                                  |
| III Break-up of Leased Assets and stock on hire & hypothecation loans counting towards EL/HP activities: |  |  |
| i) Lease assets including lease rentals under sundry debtors   |  |  |
| A) Financial Lease   |  | Nil                                    |
| B) Operating Lease   |  | Nil                                    |
| ii) Stock on hire including hire charges under sundry debtors  |  |  |
| A) Assets on Hire  |  | Nil                                    |
| B) Repossessed Assets  |  | Nil                                    |
| iii) Hypothecation loans counting towards EI/HP activities   |  |  |
| A) Loans where assets have been re-possessed   |  | Nil                                    |
| B) Loans other than (A) above.   |  | Nil                                    |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

|    |                                  | <u>As at</u><br><u>31.03.2015</u> |
|----|----------------------------------|-----------------------------------|
| IV | <b>Break-up of Investments :</b> |                                   |
|    | <b>Current Investments</b>       |                                   |
| 1. | Quoted                           |                                   |
|    | i) Shares: (A) Equity            | 33.81                             |
|    | (B) Preference                   | Nil                               |
|    | ii) Debentures and Bonds         | Nil                               |
|    | iii) Units of Mutual funds       | Nil                               |
|    | iv) Government Securities        | Nil                               |
|    | v) Others                        | Nil                               |
| 2. | Unquoted                         |                                   |
|    | i) Shares: (A) Equity            | 422.46                            |
|    | (B) Preference                   | -                                 |
|    | ii) Debentures and Bonds         | Nil                               |
|    | iii) Units of Mutual funds       | Nil                               |
|    | iv) Government Securities        | Nil                               |
|    | v) Others                        | Nil                               |
|    | <b>Long Term Investments</b>     |                                   |
| 1. | Quoted                           |                                   |
|    | i) Shares: (A) Equity            | 74.34                             |
|    | (B) Preference                   | Nil                               |
|    | ii) Debentures and Bonds         | Nil                               |
|    | iii) Units of Mutual funds       | Nil                               |
|    | iv) Government Securities        | Nil                               |
|    | v) Others                        | Nil                               |
| 2. | Unquoted                         |                                   |
|    | i) Shares: (A) Equity            | 25.00                             |
|    | (B) Preference                   | Nil                               |
|    | ii) Debentures and Bonds         | Nil                               |
|    | iii) Units of Mutual funds       | Nil                               |
|    | iv) Government Securities        | Nil                               |
|    | v) Others                        | Nil                               |



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

V Borrower group wise classification of all leased assets, stock on hire and loans and advances:

| A Category                     | Amount Net of Provisions |              |              |
|--------------------------------|--------------------------|--------------|--------------|
|                                | Secured                  | Unsecured    | Total        |
| 1 Related Parties              |                          |              |              |
| A) Subsidiaries                | —                        | —            | —            |
| B) Companies in the same group | —                        | 5.70         | 5.70         |
| C) Other related parties       | —                        | —            | —            |
| 2 Other than related parties   | —                        | 56.89        | 56.89        |
| <b>Total</b>                   | <b>—</b>                 | <b>61.96</b> | <b>61.96</b> |

VI Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

|                                | Market value/Break up<br>or fair value or NAV | Book value<br>(Net of provision) |
|--------------------------------|---|----------------------------------|
| 1. Related Parties             |   |                                  |
| A) Subsidiaries                | 25.00   | 25.00                            |
| B) Companies in the same group | 376.74  | 376.74                           |
| C) Other related parties       | —   | —                                |
| 2 Other than related parties   | 555.98  | 153.87                           |
| <b>Total</b>                   | <b>957.72</b>                                 | <b>555.61</b>                    |

|   | Amount (Rs.) |   |
|---|--------------|---|
| Gross Non Performing Assets               |              |   |
| 1 A) Related Parties                      | —            | — |
| B) Other than Related Parties             | —            | — |
| 2 Net Non Performing Assets               |              |   |
| A) Related Parties                        | —            | — |
| B) Other than Related Parties             | —            | — |
| 3 Assets acquired in satisfaction of debt | —            | — |

In terms of our report attached.

For **AHMAD & NANAWATTY**

Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : May 29, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PURBASHA RESOURCES LIMITED**

### **TO THE BOARD OF DIRECTORS OF PURBASHA RESOURCES LIMITED**

We have audited the accompanying Consolidated Financial Statements of **PURBASHA RESOURCES LIMITED** ("the company"), its subsidiaries and associates (collectively known as "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for 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 company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

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

- (a) In the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2015;
- (b) In the case of the consolidated statement of profit and loss, of the profit for the year ended on that date;
- (c) In the case of consolidated cash flow statement, of the Cash Flows for the year ended on that date.

### **OTHER MATTER**

- (a) The financial statements and other financial information of its subsidiaries have been prepared in accordance with the generally accepted accounting principles, disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PURBASHA RESOURCES LIMITED (Contd.)**

(b) The financial statements of the subsidiaries were audited by us for the year ended 31st March, 2015. The subsidiaries total assets, revenue and cash flows in the consolidated financial statements are not material.

We did not audit the financial statements and other financial information of certain associates. These associates account for 61.8% of the total profit of the Group as shown in these consolidated financial statements.

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

For **AHMAD & NANAWATTY**  
*Chartered Accountants*  
Firm Regn. No. 322546E

**Ahmer Nanawatty**  
*Partner*  
Membership No. : 056041

Date : 14th August, 2015  
Place : Kolkata



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

| Particulars   | Note No. | As at                 | At at                 |
|---|----------|-----------------------|-----------------------|
|   |          | 31 March, 2015<br>Rs. | 31 March, 2014<br>Rs. |
| <b>A. EQUITY AND LIABILITIES</b>                                |          |                       |                       |
| <b>1. Shareholders' funds</b>                                   |          |                       |                       |
| (a) Share capital   | 2        | 30,010,000            | 30,010,000            |
| (b) Reserves and surplus  | 3        | 50,317,118            | 38,659,689            |
|   |          | <b>80,327,118</b>     | <b>68,669,689</b>     |
| <b>2. Current liabilities</b>                                   |          |                       |                       |
| (a) Trade payables  | 5        | 195,055               | 40,000                |
| (b) Short term provisions                                       | 6        | -                     | 308,999               |
|   |          | <b>195,055</b>        | <b>348,999</b>        |
| <b>TOTAL</b>  |          | <b>80,522,173</b>     | <b>69,018,688</b>     |
| <b>B. ASSETS</b>  |          |                       |                       |
| <b>1 Non-current assets</b>                                     |          |                       |                       |
| (a) Fixed assets  |          |                       |                       |
| (i) Tangible assets   | 7        | 661,294               | 866,097               |
| (b) Non-current investments                                     | 8        | 7,434,474             | 5,762,106             |
| (c) Deferred tax assets (net)                                   | 4        | 857,398               | 629,204               |
| (d) Long-term loans and advances                                | 9        | 4,903,785             | 4,774,408             |
|   |          | <b>13,856,951</b>     | <b>12,031,815</b>     |
| <b>2. Current assets</b>  |          |                       |                       |
| (a) Inventories   | 10       | 55,847,794            | 47,607,511            |
| (b) Trade receivables   | 11       | 4,200,000             | 200,000               |
| (c) Cash and cash equivalents                                   | 12       | 5,015,541             | 4,466,612             |
| (d) Short-term loans and advances                               | 13       | 1,601,887             | 4,712,750             |
|   |          | <b>66,665,222</b>     | <b>56,986,873</b>     |
| <b>TOTAL</b>  |          | <b>80,522,173</b>     | <b>69,018,688</b>     |
| Significant Accounting Policies                                 | 1        |                       |                       |
| See accompanying notes forming part of the financial statements | 18       |                       |                       |

In terms of our report attached.

For **AHMAD & NANAWATTY**

Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : August 14, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary



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

| Particulars  | Note No. | For the year ended | For the year ended |
|--|----------|--------------------|--------------------|
|  |          | 31 March, 2015     | 31 March, 2014     |
|  |          | Rs.                | Rs.                |
| 1. Revenue from operations   | 14       | 6,904,916          | 6,692,463          |
| <b>Revenue from operations</b>   |          | <b>6,904,916</b>   | <b>6,692,463</b>   |
| 2. Expenses  |          |                    |                    |
| (a) Purchases  |          | 4,191,813          | -                  |
| (b) (Increase)/Decreases in inventories of stock-in-trade                | 15       | (200,641)          | 2,982,244          |
| (c) Employee benefits expense  | 16       | 479,706            | 422,900            |
| (d) Other expenses   | 17       | 736,269            | 482,376            |
| <b>Total</b>   |          | <b>5,207,147</b>   | <b>3,887,520</b>   |
| 3. Earnings before interest, tax, depreciation and amortisation (EBITDA) |          | 1,697,769          | 2,804,943          |
| 4. Depreciation and amortisation expense                                 | 7        | 118,252            | 154,438            |
| 5. Profit before tax   |          | 1,579,517          | 2,650,505          |
| 6. Tax expense :   |          |                    |                    |
| (a) Current tax expense for current year                                 |          | 244,864            | 438,474            |
| (b) Tax expenses for earlier years                                       |          | 39,677             | -                  |
| (c) Deferred tax   |          | (228,194)          | 277,801            |
|  |          | 56,347             | 716,275            |
| 7. Profit for the year before share of profit/(loss) of associates (Net) |          | 1,523,170          | 1,934,230          |
| Share of net profit/(loss) of associates                                 |          | 10,220,810         | -                  |
| 8. Profit for the year   |          | 11,743,980         | 1,934,230          |
| 9. Earnings per share (of Rs.10/- each) :                                |          |                    |                    |
| Basic and Diluted  | 18.3     | 0.51               | 0.64               |
| See accompanying notes forming part of the financial statements          | 18       |                    |                    |

In terms of our report attached.

For **AHMAD & NANAWATTY**  
Chartered Accountants  
Firm Registration No. 322546E  
**Ahmer Nanawatty**  
Partner

Membership No. 056041  
Date : August 14, 2015  
Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

Directors

**RACHNA SINGH**

Company Secretary



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

| Particulars   | For the year ended<br>31 March, 2015 |           | For the year ended<br>31 March, 2014 |           |
|---|--------------------------------------|-----------|--------------------------------------|-----------|
|   | Rs.                                  | Rs.       | Rs.                                  | Rs.       |
| <b>A. Cash flow from operating activities</b>                       |                                      |           |                                      |           |
| Net Profit / (Loss) before extraordinary items and tax              |                                      |           |                                      |           |
| <u>Adjustments for :</u>  |                                      | 1,579,517 |                                      | 2,650,505 |
| Depreciation and amortisation                                       | 118,282                              |           | 154,438                              |           |
| Dividend Received   | (294,477)                            |           | (280,374)                            |           |
| Interest income   | (599,063)                            |           | (658,914)                            |           |
| (Profit) / loss on sale/write off of assets & Investments           | (1,163,928)                          |           | -                                    |           |
| Operating profit / (loss) before working capital changes            | (1,939,216)                          |           | (784,850)                            |           |
| <u>Changes in working capital :</u>                                 | (359,699)                            |           | 1,865,655                            |           |
| <u>Adjustments for (increase) / decrease in operating assets :</u>  |                                      |           |                                      |           |
| (Increase)/ decrease in Inventories                                 | (200,641)                            |           |                                      |           |
| (Increase)/ decrease in Trade receivable                            | (4,000,000)                          |           | 2,982,244                            |           |
| (Increase)/ decrease in Short-term loans and advances               | 3,110,863                            |           | 1,023,684                            |           |
| (Increase)/ decrease in Long-term loans and advances                | -                                    |           | (492,848)                            |           |
| Adjustments for increase / (decrease) in operating liabilities :    | (1,089,778)                          |           |                                      |           |
| Increase/(decrease) in Trade Payables                               | 155,055                              |           | 3,513,080                            |           |
| Increase/(decrease) in Other Current Liabilities                    | -                                    |           | (330)                                |           |
| Increase/(decrease) in Long Term Liabilities                        | -                                    |           | -                                    |           |
| Cash generated from operations                                      | 155,055                              |           | -                                    |           |
| Net Income Tax (paid) / refunds                                     | (1,294,422)                          |           | (330)                                |           |
| <b>Net cash flow from / (used in) operating activities (A)</b>      | (722,917)                            |           | 5,378,405                            |           |
|   | (2,017,339)                          |           | 32,374                               |           |
|   |                                      |           | 5,410,779                            |           |
| <b>B. Cash flow from investing activities</b>                       |                                      |           |                                      |           |
| Capital expenditure on fixed assets, including capital advances     | -                                    |           | -                                    |           |
| Investments (purchased)/sold - net                                  | 1,672,728                            |           | (2,918,188)                          |           |
| Dividend received   | 294,477                              |           | 280,374                              |           |
| Interest received   | 599,063                              |           | 658,914                              |           |
| <b>Net cash flow from / (used in) investing activities (B)</b>      | 2,566,268                            |           | (1,978,900)                          |           |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B)</b> | 2,566,268                            |           | (1,978,900)                          |           |
| Cash and cash equivalents at the beginning of the year              | 548,929                              |           | 3,431,879                            |           |
| <b>Cash and cash equivalents at the end of the year</b>             | 4,466,612                            |           | 1,034,733                            |           |
| <b>Cash and cash equivalents at the end of the year</b>             | 5,015,541                            |           | 4,466,612                            |           |
| (a) Cash on hand  |                                      |           |                                      |           |
| (b) Cash at Bank In current accounts                                | 2,728,997                            |           | 33,461                               |           |
|   | 2,286,544                            |           | 4,433,151                            |           |
|   | 5,015,541                            |           | 4,466,612                            |           |

Notes : See accompanying notes forming part of the financial statements

In terms of our report attached.

For **AHMAD & NANAWATTY**

Chartered Accountants

Firm Registration No. 322546E

**Ahmer Nanawatty**

Partner

Membership No. 056041

Date : August 14, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA** } Directors

**RACHNA SINGH** } Company Secretary



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note Particulars**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of accounting and preparation of consolidated financial statements**

The Consolidated financial statements relate to Purbasha Resources Limited and its subsidiaries and associates. The consolidated financial statements have been prepared in accordance with Accounting Standards 21 - " Consolidated Financial Statements" and Accounting Standard 23 - " Accounting for Investments in Associates in Consolidated Financial Statements" prescribed u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies ( Accounts) Rules, 2014. The Consolidated Financial statements are prepared by adopting uniform accounting policies between the group companies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the companies separate financial statements.

**1.2 Subsidiaries and associate companies considered in the consolidated financial statements**

| Name of the Company              | Proportion of interest (in %) |
|----------------------------------|-------------------------------|
| <b>Subsidiary Companies :</b>    |                               |
| Ersa Pharma Traders Limited      | 100                           |
| Ersa Textiles Traders Limited    | 100                           |
| Nityadhara Sarees Limited        | 100                           |
| Nirmalkunj Agritech Limited      | 100                           |
| Kotiratan Textiles Limited       | 100                           |
| <b>Associate Companies :</b>     |                               |
| Geo Nutri Foods Pvt. Ltd.        | 42.55                         |
| Epic Alloy Steel Pvt. Ltd.       | 22.86                         |
| Epic Marketing Company Pvt. Ltd. | 28.52                         |
| Vihar Vanijya Pvt. Ltd.          | 31.78                         |

These consolidated financial statements have been prepared by consolidation of the financial statements of the company and its subsidiaries on a line-by-line basis after fully eliminating inter company transactions.

**1.3 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**1.4 Depreciation and amortisation**

Depreciation has been provided on the Straight Line method based on the useful life of the asset as prescribed in Schedule II of the Companies Act, 2013.

Assets costing less than Rs. 5,000 each are charged straight to the Profit & Loss Statement in the year of purchase.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**1.5 Revenue recognition**

**Income**

In respect of derivative contracts gains/losses on settlement are recognised in the profit and loss statement.

Interest income is accounted on accrual basis. Dividend is accounted for in the year of receipt.

**1.6 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**1.7 Inventories**

Inventories are valued at the lower of cost and the net realisable value.

**1.8 Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**1.9 Taxes on income**

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

- 2.0** Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**2.1 Impairment of assets**

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**2.2 Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 2 SHARE CAPITAL**

| <u>Particulars</u>                                | As at 31 March, 2015 |                   | As at 31 March, 2014 |                   |
|---|----------------------|-------------------|----------------------|-------------------|
|   | Number of shares     | Rs.               | Number of shares     | Rs.               |
| (a) Authorised                                    |                      |                   |                      |                   |
| Equity shares of Rs. 10/- each with voting rights | 3,300,000            | 33,000,000        | 3,300,000            | 33,000,000        |
| Non-Cum Preference Shares of Rs.100/- each        | 20,000               | 2,000,000         | 20,000               | 2,000,000         |
|   | <u>3,320,000</u>     | <u>35,000,000</u> | <u>3,320,000</u>     | <u>35,000,000</u> |
| (b) Issued, subscribed and paid up                |                      |                   |                      |                   |
| Equity shares of Rs. 10/- each with voting rights | 3,001,000            | 30,010,000        | 3,001,000            | 30,010,000        |
| <b>Total</b>                                      | <u>3,001,000</u>     | <u>30,010,000</u> | <u>3,001,000</u>     | <u>30,010,000</u> |

**Notes :**

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| <u>Particulars</u>                                     | As at 31 March, 2015 |                   | As at 31 March, 2014 |                   |
|--|----------------------|-------------------|----------------------|-------------------|
|  | Number of shares     | Amount (Rs.)      | Number of shares     | Amount (Rs.)      |
| (i) Equity shares                                      |                      |                   |                      |                   |
| Opening Balance at the beginning of the reporting year | 3,001,000            | 30,010,000        | 3,001,000            | 30,010,000        |
| Movement during the reporting year                     | —                    | —                 | —                    | —                 |
| Closing Balance at the end of the reporting year       | <u>3,001,000</u>     | <u>30,010,000</u> | <u>3,001,000</u>     | <u>30,010,000</u> |

- (ii) Details of shares held by each shareholder holding more than 5% shares :

| <u>Class of shares / Name of shareholder</u> | As at 31 March, 2015  |                                   | As at 31 March, 2014  |                                   |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|  | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| <b>Equity shares with voting rights</b>      |                       |                                   |                       |                                   |
| Purbasha Foods Private Limited               | 790,000               | 26.32%                            | 790,000               | 26.32%                            |
| Vikash Agarwal Binjrajka                     | 170,000               | 5.66%                             | 170,000               | 5.66%                             |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 3 RESERVES AND SURPLUS**

| <u>Particulars</u>                                 | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| (a) <b>Capital Redemption Reserve</b>              |                                |                                |
| Opening balance                                    | 2,000,000                      | 2,000,000                      |
| Add : Additions during the year                    | —                              | —                              |
| Closing balance                                    | 2,000,000                      | 2,000,000                      |
| (b) <b>General Reserve</b>                         |                                |                                |
| Opening balance                                    | 22,000,000                     | 21,000,000                     |
| Add : Additions during the year                    | 1,000,000                      | 1,000,000                      |
| Closing balance                                    | 23,000,000                     | 22,000,000                     |
| (c) <b>Statutory Reserve</b>                       |                                |                                |
| Opening balance                                    | 7,872,240                      | 7,485,394                      |
| Add : Additions during the year                    | 327,558                        | 386,846                        |
| Closing balance                                    | 8,199,798                      | 7,872,240                      |
| (d) <b>Surplus in Statement of Profit and Loss</b> |                                |                                |
| Opening balance                                    | 6,787,449                      | 6,240,065                      |
| Add : Profit for the year                          | 11,743,980                     | 1,934,230                      |
|  | 18,531,429                     | 8,174,295                      |
| Less : Transfers to General Reserve                | 1,000,000                      | 1,000,000                      |
| Less : Adjustments relating to Fixed Assets        | 86,551                         | —                              |
| Less : Transfers to Statutory Reserve              | 327,558                        | 386,846                        |
| Closing balance                                    | 17,117,320                     | 6,787,449                      |
| <b>Total</b>                                       | <b>50,317,118</b>              | <b>38,659,689</b>              |

**NOTE : 4 DEFERRED TAX LIABILITIES**

| <u>Particulars</u>   | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| <b>Deferred tax (liability) / asset</b>                            |                                |                                |
| <u>Tax effect of items constituting deferred tax liability</u>     |                                |                                |
| On difference between book balance and tax balance of fixed assets | 4,300                          | (22,200)                       |
| Tax effect of items constituting deferred tax liability            | 4,300                          | (22,200)                       |
| <u>Tax effect of items constituting deferred tax assets</u>        |                                |                                |
| Brought forward business losses                                    | —                              | —                              |
| MAT credit available   | 853,098                        | 651,404                        |
| Tax effect of items constituting deferred tax assets               | 853,098                        | 651,404                        |
| <b>Net deferred tax (liability) / asset</b>                        | <b>857,398</b>                 | <b>629,204</b>                 |




**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**
**NOTE : 5 TRADE PAYABLES**

| <u>Particulars</u>                 | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|------------------------------------|--------------------------------|--------------------------------|
| Trade payables :                   |                                |                                |
| Due to micro and small enterprises |                                |                                |
| Others                             | 195,055                        | 40,000                         |
| <b>Total</b>                       | <b>195,055</b>                 | <b>40,000</b>                  |

**NOTE : 6 SHORT TERM PROVISIONS**

| <u>Particulars</u>                    | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|---------------------------------------|--------------------------------|--------------------------------|
| Provision for Tax (Net of taxes paid) | -                              | 308,999                        |
| <b>Total</b>                          | <b>-</b>                       | <b>308,999</b>                 |

**NOTE : 7 FIXED ASSETS**

| Tangible assets Gross Block |  |                  |                 |                             |   |
|-----------------------------|--|------------------|-----------------|-----------------------------|---|
|                             | Balance<br>as at<br>1 April, 2014<br>Rs. | Additions<br>Rs. | Disposal<br>Rs. | Other<br>adjustments<br>Rs. | Balance<br>as at<br>31 March, 2015<br>Rs. |
| Office Equipment            | 60,763                                   | -                | -               | -                           | 60,763                                    |
| Vehicles                    | 1,462,068                                | -                | -               | -                           | 1,462,068                                 |
| <b>Total</b>                | <b>1,522,831</b>                         | <b>-</b>         | <b>-</b>        | <b>-</b>                    | <b>1,522,831</b>                          |
| Previous year               | 1,729,621                                | -                | -               | (206,790)                   | 1,522,831                                 |

**NOTE : 7 FIXED ASSETS (contd.)**

| Tangible assets  | Accumulated depreciation and impairment  |                               |   |   | Net Block                                 |   |
|------------------|--|-------------------------------|---|---|---|---|
|                  | Balance<br>as at<br>1 April, 2014<br>Rs. | Charge for<br>the year<br>Rs. | Eliminated<br>on disposal<br>of assets<br>Rs. | Balance<br>as at<br>31 March, 2015<br>Rs. | Balance<br>as at<br>31 March, 2015<br>Rs. | Balance<br>as at<br>31 March, 2014<br>Rs. |
| Office Equipment | 14,974                                   | 6,665                         | 8,870   | 30,509                                    | 30,254                                    | 45,789                                    |
| Vehicles         | 641,760                                  | 111,587                       | 77,681  | 831,028                                   | 631,040                                   | 820,308                                   |
| <b>Total</b>     | <b>656,734</b>                           | <b>118,252</b>                | <b>86,551</b>                                 | <b>861,537</b>                            | <b>661,294</b>                            | <b>866,097</b>                            |
| Previous year    | 709,086                                  | 154,438                       | (206,790)                                     | 656,734                                   | 866,097                                   |   |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**NOTE : 8 NON-CURRENT INVESTMENTS**

| Particulars   | Face Value | As at 31 March, 2015 |                   | As at 31 March, 2014 |                  |
|---|------------|----------------------|-------------------|----------------------|------------------|
|   |            | No. of shares        | Total             | No. of shares        | Total            |
|   |            |                      | Rs.               |                      | Rs.              |
| <b>Investments - Non Trade - (At cost) : Quoted</b>               |            |                      |                   |                      |                  |
| <b>(a) Investment in equity instruments</b>                       |            |                      |                   |                      |                  |
| Bajaj Holdings Limited  | 10         | 200                  | 101,231           |                      |                  |
| Bharat Earth Movers Ltd   | 10         | 500                  | 69,243            | 200                  | 101,231          |
| Britannia Industries Ltd.   | 2          | 12,130               | 1,401,111         | 500                  | 69,243           |
| Cimmco Ltd.   | 10         | 1,000                | 14,000            | 9,955                | 363,868          |
| East India Hotels Ltd.  | 2          | 527                  | 34,782            | -                    | -                |
| Firstsource Solutions Ltd.  | 10         | 5,000                | 47,500            | 527                  | 34,782           |
| Gateway Distriparks Ltd.  | 10         | 625                  | 78,125            | -                    | -                |
| Gujrat Heavy Chemicals Ltd.                                       | 10         | 3,900                | 109,200           | -                    | -                |
| Hindustan Corporation Company Ltd.                                | 1          | 6,000                | 84,000            | -                    | -                |
| Hawkins Cooker Ltd.   | 10         | 50                   | 30,141            | -                    | -                |
| Hercules Hoist. Ltd.  | 1          | 8,000                | 269,888           | 50                   | 30,140           |
| ICRA Ltd.   | 10         | 50                   | 50,450            | 8,000                | 269,888          |
| Indian Base Metals Co. Ltd.                                       | 10         | 100,000              | 200,000           |                      |                  |
| Indian Hume Pipes Ltd.  | 2          | 1,500                | 88,694            | 100,000              | 200,000          |
| Infosys Ltd.  | 5          | 100                  | 222,745           | 1,500                | 88,694           |
| Karnataka Bank Ltd.   | 10         | 6,000                | 454,000           | 100                  | 222,745          |
| Kotak Mahindra bank Ltd   | 5          | 200                  | 108,600           | 6,000                | 454,000          |
| KRBL Limited  | 1          | 5,000                | 71,250            | 200                  | 108,600          |
| LIC Housing Finance Limited                                       | 2          | 500                  | 112,500           | 5,000                | 71,250           |
| Lupin Ltd.  | 2          | 500                  | 38,573            | -                    | -                |
| Infoedge (India) Ltd.   | 10         | 1,000                | 156,727           | 500                  | 38,573           |
| Polyplex Corporation Ltd.   | 10         | 2,900                | 475,600           | 1,000                | 156,727          |
| Ranbaxy Laboratories Ltd.   | 5          | 200                  | 35,200            | -                    | -                |
| Shree Cement Ltd.   | 10         | 300                  | 628,879           | 200                  | 35,200           |
| Siemens Ltd.  | 2          | 100                  | 55,000            | 300                  | 628,879          |
| Sun Pharmaceuticals Industries Ltd.                               | 1          | 2,000                | 117,810           | -                    | -                |
| Sun Pharmaceuticals Advanced Research Company Ltd.                | 1          | 1,200                | 81,131            | 1,000                | 117,810          |
| Tech Mahindra Limited   | 10         | 468                  | 117,550           | 1,200                | 81,131           |
| Tata Motors Limited   | 2          | 500                  | 19,800            | -                    | -                |
| Titan Industries Limited  | 1          | 120                  | 450               | 500                  | 19,800           |
| United Spirits Ltd.   | 10         | 1,000                | 2,160,294         | 120                  | 450              |
| <b>Sub Total -</b>  |            |                      | <b>7,434,474</b>  | <b>1,600</b>         | <b>2,669,095</b> |
| <b>Investments - Non Trade- (At cost): Unquoted</b>               |            |                      |                   |                      |                  |
| <b>(b) Investment in equity instruments-Subsidiaries</b>          |            |                      |                   |                      |                  |
| Kotiratan Textiles Limited  | 10         | 50,000               | -                 | -                    | -                |
| Ersa Pharma Traders Limited                                       | 10         | 50,000               | -                 | -                    | -                |
| Ersa Textile Traders Limited                                      | 10         | 50,000               | -                 | -                    | -                |
| Nirmalkunj Agritech Limited                                       | 10         | 50,000               | -                 | -                    | -                |
| Nityadhara Sarees Limited   | 10         | 50,000               | -                 | -                    | -                |
| <b>Sub Total -</b>  |            |                      | <b>-</b>          | <b>-</b>             | <b>-</b>         |
| <b>Total</b>  |            |                      | <b>7,434,474</b>  | <b>5,762,106</b>     | <b>-</b>         |
| <b>Aggregate Market Value of Quoted non current Investments</b>   |            |                      | <b>45,664,974</b> | <b>10,886,275</b>    | <b>-</b>         |
| <b>Aggregate Market Value of Unquoted non current Investments</b> |            |                      | <b>-</b>          | <b>-</b>             | <b>-</b>         |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 9 LONG-TERM LOANS AND ADVANCES**

| <u>Particulars</u>                         | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| (a) Security Deposits                      | 85,990                         | 85,990                         |
| (b) Advance Income Tax (net of provisions) | 129,377                        | -                              |
| (c) Others                                 | 4,688,418                      | 4,688,418                      |
| <b>Total</b>                               | <b>4,903,785</b>               | <b>4,774,408</b>               |

**NOTE : 10 INVENTORIES**

| <u>Particulars</u>  | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|---|--------------------------------|--------------------------------|
| Shares & Securities   | 45,626,984                     | 47,607,511                     |
| Add: Increase in value of shares of associates on consolidation | 10,220,810                     | -                              |
| <b>Total</b>  | <b>55,847,794</b>              | <b>47,607,511</b>              |

**NOTE : 11 TRADE RECEIVABLES**

| <u>Particulars</u>                                    | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|---|--------------------------------|--------------------------------|
| Other Trade receivables<br>Unsecured, considered good | 4,200,000                      | 200,000                        |
| <b>Total</b>  | <b>4,200,000</b>               | <b>200,000</b>                 |

**NOTE : 12 CASH AND CASH EQUIVALENTS**

| <u>Particulars</u>   | As at<br>31 March, 2015<br>Rs. | As at<br>31 March, 2014<br>Rs. |
|--|--------------------------------|--------------------------------|
| (a) Cash on hand   | 2,728,997                      | 33,461                         |
| (b) Balances with banks  |                                |                                |
| (i) In current accounts  | 2,286,544                      | 4,433,151                      |
| <b>Total</b>   | <b>5,015,541</b>               | <b>4,466,612</b>               |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | 5,015,541                      | 4,466,612                      |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 13 SHORT-TERM LOANS AND ADVANCES**

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31 March, 2015   | 31 March, 2014   |
|   | Rs.              | Rs.              |
| <b>Unsecured, considered good</b>                               |                  |                  |
| (a) Loans and Advances to related Party                         | 506,947          | 1,329,600        |
| (b) Inter Corporate Deposits                                    | 1,000,000        | 3,383,150        |
| (c) Others  | 94,940           | -                |
| <b>Total</b>  | <b>1,601,887</b> | <b>4,712,750</b> |
| Note : Short-term loans and advances include amounts due from : |                  |                  |
| Express Brewery Pvt Ltd   | 506,947          | 1,329,600        |
|   | <b>506,947</b>   | <b>1,329,600</b> |

**NOTE : 14 REVENUE FROM OPERATIONS**

| Particulars  | For the year ended | For the year ended |
|--|--------------------|--------------------|
|  | 31 March, 2015     | 31 March, 2014     |
|  | Rs.                | Rs.                |
| (a) Revenue from operations (Refer Note (i) below) | 6,904,916          | 6,692,463          |
|  | <b>Total</b>       | <b>6,692,463</b>   |
| (i) Revenue from operations comprises :            |                    |                    |
| Sales of securities                                | 4,847,448          | 5,753,175          |
| Interest (Refer Note below)                        | 599,063            | 658,914            |
| Dividend   | 294,477            | 280,374            |
| Profit from sale of Investments                    | 1,163,928          | -                  |
|  | <b>Total</b>       | <b>6,692,463</b>   |
| Interest comprises of :                            |                    |                    |
| Interest on Loans & Advances                       | 599,063            | 651,433            |
| Interest on Income Tax Refund                      | -                  | 7,481              |
|  | <b>Total</b>       | <b>658,914</b>     |

**NOTE : 15 CHANGES IN INVENTORIES**

| Particulars                                | For the year ended | For the year ended |
|--|--------------------|--------------------|
|  | 31 March, 2015     | 31 March, 2014     |
|  | Rs.                | Rs.                |
| Inventories at the end of the year :       |                    |                    |
| Shares & Securities                        | 45,626,984         | 47,607,511         |
|  | <b>45,626,984</b>  | <b>47,607,511</b>  |
| Inventories at the beginning of the year : |                    |                    |
| Shares & Securities                        | 47,607,511         | 50,589,755         |
| Less : Transferred to investment           | (2,181,168)        | -                  |
|  | <b>45,426,343</b>  | <b>50,589,755</b>  |
| <b>Net (increase) / decrease</b>           | <b>(200,641)</b>   | <b>2,982,244</b>   |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 16 EMPLOYEE BENEFITS EXPENSE**

| <u>Particulars</u> | For the year ended<br>31 March, 2015<br>Rs. | For the year ended<br>31 March, 2014<br>Rs. |
|--------------------|---|---|
| Salaries and wages | 479,706                                     | 422,900                                     |
| <b>Total</b>       | <b>479,706</b>                              | <b>422,900</b>                              |

**NOTE : 17 OTHER EXPENSES**

| <u>Particulars</u>                          | For the year ended<br>31 March, 2015<br>Rs. | For the year ended<br>31 March, 2014<br>Rs. |
|---|---|---|
| Rent  | 115,200                                     | 115,200                                     |
| Repairs and maintenance                     | 20,353                                      | 44,397                                      |
| Insurance                                   | 15,851                                      | 14,327                                      |
| Rates and taxes                             | 5,282                                       | 5,179                                       |
| Professional Fees                           | 196,630                                     | -   |
| Listing fees                                | 37,078                                      | 13,482                                      |
| Miscellaneous                               | 310,875                                     | 269,791                                     |
| Payments to auditors (Refer Note (i) below) | 35,000                                      | 20,000                                      |
| <b>Total</b>                                | <b>736,269</b>                              | <b>482,376</b>                              |

**Notes :**

(i) Payments to the auditors comprises

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| As auditors - Audit fees          | 25,000        | 20,000        |
| As auditors - Internal Audit Fees | 10,000        | -             |
| <b>Total</b>                      | <b>35,000</b> | <b>20,000</b> |



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

**NOTE : 18 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

**Note Particulars**

18.1 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**  
Amounts Dues to Micro and Small Enterprises as at the year end is Rs. NIL  
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

18.2 **Related party transactions**

18.2.a **Details of related parties :**

| Description of relationship                     | Names of related parties  |
|---|---|
| Key Management Personnel                        | Vikash Agarwal Binrajka   |
| Subsidiaries                                    | Ersa Pharma Traders Limited<br>Ersa Textiles Traders Limited<br>Kotiratan Textiles Limited<br>Nityadhara Sarees Limited<br>Nirmalkunj Agritech Limited  |
| Associates                                      | Geo Nutri Foods Pvt. Ltd<br>Epic Alloy Steel Pvt. Ltd<br>Epic Marketing Company Pvt. Ltd.<br>Vihar Vanijya Pvt. Ltd.  |
| Entities in which KMP has significant influence | Eastern Agro Foods Private Limited<br>Epic Agro Products Private Limited<br>Purbasha Lefin & Resources Limited<br>Optimize IT Systems Pvt. Ltd.<br>Express Brewery Pvt. Ltd<br>Gravure Printing & Processing Industries, Oriental<br>Cardboard Box & Tube Mfg.Co. |

Note : Related parties have been identified by the Management.

18.2.b **Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015 :**

*Rs. in lakhs*

|  | Entities in which KMP has influence | Associates/ Subsidiaries | KMP    | Total    |
|--|-------------------------------------|--------------------------|--------|----------|
| Remuneration                                       | -                                   | -                        | 3.60   | 3.60     |
|  | (0)                                 | (0)                      | (3.62) | (3.62)   |
| Rent paid  | 1.15                                | -                        | -      | 1.15     |
|  | (1.15)                              | (0)                      | (0)    | (1.15)   |
| Loans given  | 25.00                               | 59.00                    | -      | 84.00    |
|  | (0)                                 | (19.00)                  | (0)    | (19.00)  |
| Loans given received                               | 34.00                               | 85.05                    | -      | 119.05   |
|  | (5.85)                              | (27.25)                  | (0)    | (33.10)  |
| Interest received                                  | 1.67                                | 2.47                     | -      | 4.14     |
|  | (1.89)                              | (3.42)                   | (0)    | (5.31)   |
| Purchase of shares in associates/subsidiaries      | -                                   | 53.86                    | -      | 53.86    |
|  | (0)                                 | (0)                      | (0)    | (0)      |
| <b>Balances outstanding at the end of the year</b> |                                     |                          |        |          |
| Investment in shares held                          | 51.16                               | 200.08                   | -      | 251.24   |
|  | (51.16)                             | (171.22)                 | (0)    | (222.38) |
| Loans given  | 5.07                                | -                        | -      | 5.07     |
|  | (13.30)                             | (23.83)                  | (0)    | (37.13)  |

**Note :** Figures in bracket relates to the previous year



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)**

| 18.3 Earnings per share   | For the year ended<br>31 March, 2015 | For the year ended<br>31 March, 2014 |
|---|--------------------------------------|--------------------------------------|
|   | Rs                                   | Rs                                   |
| <u>Basic &amp; Diluted</u>                                      |                                      |                                      |
| Net profit for the year from operations                         | 1,523,170                            | 1,934,230                            |
| Net profit for the year attributable to the equity shareholders | 1,523,170                            | 1,934,230                            |
| Weighted average number of equity shares                        | 3,001,000                            | 3,001,000                            |
| Par value per share   | 10                                   | 10                                   |
| Earnings per share in Rs.                                       | 0.51                                 | 0.64                                 |

**18.4 Deferred Tax**

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

**18.5 Previous year figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For **AHMAD & NANAWATTY**

*Chartered Accountants*

Firm Registration No. 322546E

**Ahmer Nanawatty**

*Partner*

Membership No. 056041

Date : August 14, 2015

Place : Kolkata

For and on behalf of the Board of Directors

**LALIT PAREEK**  
**AMITABH KEJRIWAL**  
**VIKASH AGARWAL BINJRAJKA**

*Directors*

**RACHNA SINGH**

*Company Secretary*



**NOTE**

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