

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of SL Base Metal Mining Company Private Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of SL Base Metal Mining Company Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

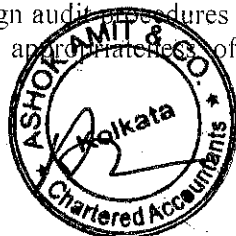
### **Auditor's Responsibility**

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

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

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 Ind AS financial statements are free from material misstatement.

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



reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

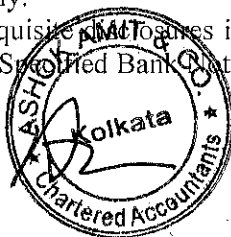
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 sought and 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 it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder;
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
  - g) 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:
    - i. The Company did not have any pending litigations.
    - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
    - iii. There has been no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Deposits during the period from 8 November,

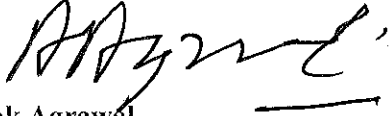


2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company [Refer Note 18(iv) to the Ind AS financial statements].

**For Ashok Amit & Co.**

Chartered Accountants

Firm's registration number 322338E



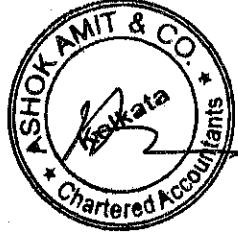
Ashok Agrawal

Partner

Membership number: 050941

Place: Kolkata

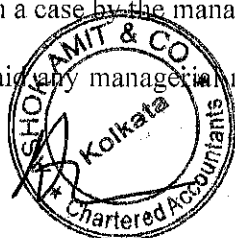
Date: the 6<sup>th</sup> day of June 2017



**Annexure A to the Auditors' Report**

**Referred to in our report of even date to the members of SL Base Metal Mining Company Private Limited as at and for the year ended March 31, 2017**

- (i) The Company does not own any fixed assets and accordingly the provisions of the clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory and accordingly the provisions of the clause 3(ii) of the Order are not applicable.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clauses 4 (iii)(a) and (b), of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans given by the Company, if any.
- (v) The Company has not accepted any deposit from public and therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- (vi) As informed, the maintenance of cost records under section 148(1) of the Act is not applicable to the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, duty of excise, service tax, value added tax duty or customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not have any term loans outstanding during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, nor were any fraud noticed or reported during the year, nor have we been informed of such a case by the management.
- (xi) The Company has not paid any managerial remuneration as per provisions of section 197 of the Act.

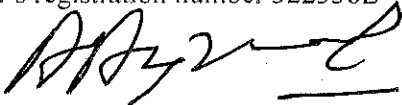


- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

**For Ashok Amit & Co.**

Chartered Accountants

Firm's registration number 322338E



Ashok Agrawal  
Partner



Membership number: 050941

Place: Kolkata

Date: the 6<sup>th</sup> day of June 2017

## **Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of SL Base Metal Mining Company Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

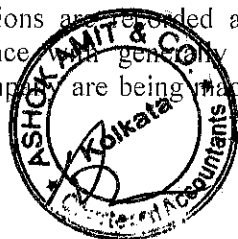
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management



and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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

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

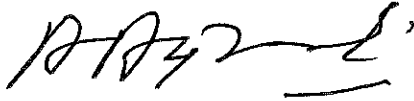
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Ashok Amit & Co.**

Chartered Accountants

Firm's registration number 322338E



Ashok Agrawal

Partner

Membership number: 050941

Place: Kolkata

Date: the 6<sup>th</sup> day of June 2017



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Balance Sheet as at 31st March, 2017**

Figure in ₹

I ASSETS		Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Non Current Assets</b>					
Financial Assets					
Investments		3	810	810	70
<b>Current Assets</b>					
Financial Assets					
Cash & Cash Equivalent		4	1,018,988	972,324	80,935
Other Financial Assets		5	1,948,797	1,944,236	1,540,000
Current Tax Assets (Net)		6	10,541	2,924	-
<b>Total Assets</b>			<b>2,979,136</b>	<b>2,920,294</b>	<b>1,621,005</b>
II EQUITY & LIABILITIES		Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Equity</b>					
Equity Share Capital		7	3,400,000	3,400,000	1,300,000
Other Equity					
Retained Earnings		8	(429,709)	(484,859)	(444,051)
<b>Total Equity</b>			<b>2,970,291</b>	<b>2,915,141</b>	<b>855,949</b>
<b>Non-Current Liabilities</b>					
Other Non-Current Liabilities		9	-	-	760,000
<b>Current Liabilities</b>					
Financial Liabilities					
Trade Payables					
- Total outstanding dues of micro and small enterprises			-	-	-
- Total outstanding dues of creditors other than micro and small enterprises		10	5,175	5,153	5,056
Other Financial Liabilities		11	176	-	-
Current Tax Liabilities (Net)		12	3,494	-	-
<b>Total Equity &amp; Liabilities</b>			<b>2,979,136</b>	<b>2,920,294</b>	<b>1,621,005</b>

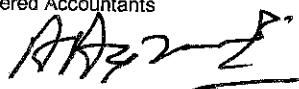
**Summary of Significant Accounting Policies**

2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Ashok Amit & Co.  
Firm Regn No. 322338E  
Chartered Accountants



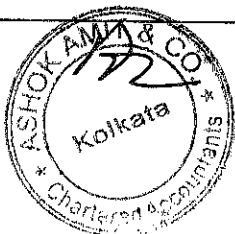
Ashok Agrawal  
Partner  
Membership No. 050941  
Dated: 6th June, 2017  
Place: Kolkata



Arun Garg  
Director  
DIN - 06640576



Hukam Chand Daga  
Director  
DIN - 00441914





**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2017**

Figure in ₹

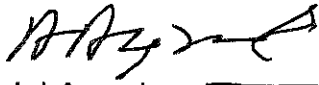
Particulars		Notes	2016-17	2015-16
I.	Revenue from Operations		-	-
II.	Other Income	13	70,314	29,243
III.	<b>Total Income (I + II)</b>		<b>70,314</b>	<b>29,243</b>
<b>IV. EXPENSES</b>				
	Finance Costs	14	324	158
	Other Expenses	15	14,840	69,893
	<b>Total Expenses (IV)</b>		<b>15,164</b>	<b>70,051</b>
V.	<b>Profit / (Loss) Before Tax (III - IV)</b>		<b>55,150</b>	<b>(40,808)</b>
VI.	Income Tax Expense		-	-
	Current Tax		-	-
	Current Tax (MAT)		10,541	-
	Less: MAT Credit Entitlement		(10,541)	-
	Net Current Tax		-	-
VII.	<b>Profit / (Loss) for the year (V - VI)</b>		<b>55,150</b>	<b>(40,808)</b>
VIII.	Earning per Equity Share (Nominal value of share ₹10/- each) - Basic and Diluted (₹)	18 (iii)	0.16	(0.16)

**Summary of Significant Accounting Policies** 2

The accompanying notes are an integral part of the Financial Statements

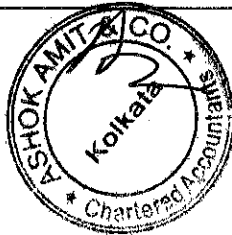
As per our report of even date

**For Ashok Amit & Co.**  
Firm Regn No. 322338E  
Chartered Accountants

  
**Ashok Agrawal**  
Partner  
Membership No. 050941  
Dated: 6th June, 2017  
Place: Kolkata

  
**Arun Garg**  
Director  
DIN - 06640576

  
**Hukam Chand Daga**  
Director  
DIN - 00441914



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Statement of changes in Equity for the year ended 31st March, 2017**

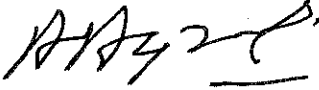


Figure in ₹

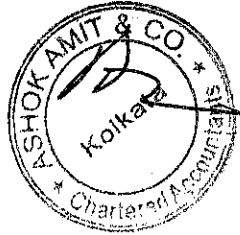
<b>a. Equity Share Capital</b>		
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>		
	<b>Number</b>	<b>Amount</b>
As at 1st April, 2015	130,000	1,300,000
Issued during the year	210,000	2,100,000
As at 31st March, 2016	340,000	3,400,000
Issued during the year	-	-
<b>As at 31st March, 2017</b>	<b>340,000</b>	<b>3,400,000</b>
<b>b. Other Equity</b>		
	<b>Attributable to the Equity Share Holders</b>	
	<b>Retained Earnings</b>	<b>Total</b>
As at 1st April, 2015	(444,051)	(444,051)
Profit / (Loss) for the year	(40,808)	(40,808)
As at 31st March, 2016	(484,859)	(484,859)
Profit / (Loss) for the year	55,150	55,150
<b>As at 31st March, 2017</b>	<b>(429,709)</b>	<b>(429,709)</b>

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

**For Ashok Amit & Co.**  
 Firm Regn No. 322338E  
 Chartered Accountants

 <b>Ashok Agrawal</b> Partner Membership No. 050941 Dated: 6th June, 2017 Place: Kolkata	 <b>Arun Garg</b> Director DIN - 06640576	 <b>Hukam Chand Daga</b> Director DIN - 00441914
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**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2017**

Figure in ₹

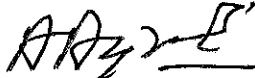
Particulars	2016-17	2015-16
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit / (Loss) before tax and extraordinary items	55,150	(40,808)
<b>Add / (Less) Adjustments for:</b>		
Finance Costs	324	158
Interest Income	(70,314)	(29,243)
Operating Profit before Working Capital changes	(14,840)	(69,893)
(Increase) / Decrease in Current Assets	-	(404,000)
Increase / (Decrease) in Payables	22	(759,903)
Cash Generated from Operation	(14,818)	(1,233,796)
Income Tax Paid	(4,123)	(2,924)
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(18,941)</b>	<b>(1,236,720)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Investment	-	(740)
Fixed Deposits Made during the year	(1,034,418)	(926,076)
Fixed Deposits Matured during the year	955,796	-
Interest Received	65,754	29,007
<b>Net Cash from / (used in) Investing Activities (B)</b>	<b>(12,868)</b>	<b>(897,809)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issue of Equity Share Capital	-	2,100,000
Other Borrowing Cost	(148)	(158)
<b>Net Cash from / (used in) Financing Activities (C)</b>	<b>(148)</b>	<b>2,099,842</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(31,957)</b>	<b>(34,687)</b>
Cash & Cash Equivalents at the beginning of the year	46,248	80,935
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>14,291</b>	<b>46,248</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

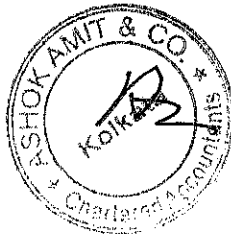
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Balances with Scheduled Banks</b>			
- On current account	14,065	45,978	80,665
<b>Cash on Hand</b>	226	270	270
	<b>14,291</b>	<b>46,248</b>	<b>80,935</b>

As per our report of even date

**For Ashok Amit & Co.**  
 Firm Regn No. 322338E  
 Chartered Accountants



**Ashok Agrawal**  
 Partner  
 Membership No. 050941  
 Dated: 6th June, 2017  
 Place: Kolkata





**Arun Garg**  
 Director  
 DIN - 06640576

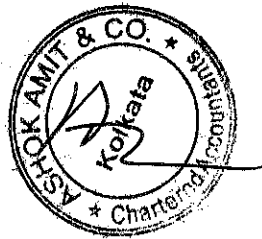


**Hukam Chand Daga**  
 Director  
 DIN - 00441914

**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Reconciliation of Equity as at 1st April, 2015 (date of transition to Ind AS) & 31st March, 2016**

Figure in ₹

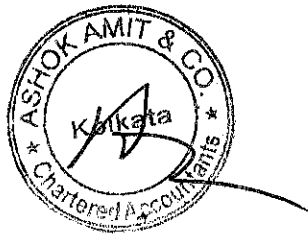
PARTICULARS	As at 1st April, 2015			As at 31st March, 2016		
	Local GAAP	Adjustment	Ind AS	Local GAAP	Adjustment	Ind AS
<b>I ASSETS</b>						
<b>Non Current Assets</b>						
Financial Assets						
Investments	70	-	70	810	-	810
<b>Current Assets</b>						
Financial Assets						
Cash & Cash Equivalent	80,935	-	80,935	972,324	-	972,324
Other Financial Assets	1,540,000	-	1,540,000	1,944,236	-	1,944,236
Current Tax Assets (Net)	-	-	-	2,924	-	2,924
<b>Total Assets</b>	<b>1,621,005</b>	<b>-</b>	<b>1,621,005</b>	<b>2,920,294</b>	<b>-</b>	<b>2,920,294</b>
<b>II EQUITY &amp; LIABILITIES</b>						
<b>Equity</b>						
Equity Share Capital	1,300,000	-	1,300,000	3,400,000	-	3,400,000
Other Equity						
Retained Earnings	(444,051)	-	(444,051)	(484,859)	-	(484,859)
<b>Total Equity</b>	<b>855,949</b>	<b>-</b>	<b>855,949</b>	<b>2,915,141</b>	<b>-</b>	<b>2,915,141</b>
<b>Non-Current Liabilities</b>						
Other Non-Current Liabilities	760,000	-	760,000	-	-	-
<b>Current Liabilities</b>						
Financial Liabilities						
Trade Payables						
- Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	5,056	-	5,056	5,153	-	5,153
<b>Total Equity &amp; Liabilities</b>	<b>1,621,005</b>	<b>-</b>	<b>1,621,005</b>	<b>2,920,294</b>	<b>-</b>	<b>2,920,294</b>



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2016**

Figure in ₹

Particulars		Local GAAP	Adjustment	Ind AS
I.	Revenue from Operations	-	-	-
II.	Other Income	29,243	-	29,243
III.	<b>Total Income (I + II)</b>	<b>29,243</b>	-	<b>29,243</b>
IV.	<b>EXPENSES</b>			
	Finance Costs	158	-	158
	Other Expenses	69,893	-	69,893
	<b>Total Expenses (IV)</b>	<b>70,051</b>	-	<b>70,051</b>
V.	<b>Profit / (Loss) Before Tax (III - IV)</b>	<b>(40,808)</b>	-	<b>(40,808)</b>
VI.	Income Tax Expense	-	-	-
VII.	<b>Profit / (Loss) for the year (V - VI)</b>	<b>(40,808)</b>	-	<b>(40,808)</b>



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

**1. i. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31st March, 2017 are the first the Company has prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April, 2015 and financial statements for the year ended and as at 31st March, 2016 also as per Ind-AS. For preparation of opening balance sheet under Ind-AS as at 1st April, 2015, the Company has availed exemptions and first time adoption policies in accordance with Ind-AS 101 "First-time Adoption of Indian Accounting Standards".

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value as described in accounting policies regarding financial instruments.

**ii. Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**2. Summary of Significant Accounting Policies**

**i. Revenue Recognition**

Revenue, if any, from sale of goods will be recognized upon passage of title to the customers which would generally coincide with delivery thereof. Claims, due to uncertainty in realization, are accounted for on acceptance/cash basis. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income, if any, will be recognized on a time proportion basis taking into account the amount outstanding and rate applicable. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between sale price, carrying value of Investment and other incidental expenses.

**ii. Borrowing Costs**

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs.

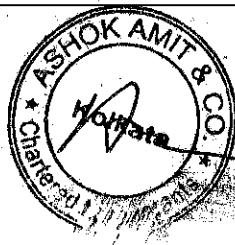
Borrowing costs relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready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

**iii. Taxation**

Provision for current Income Tax is made on the taxable income using the applicable tax rules and tax laws. Deferred Tax, if any, arising on account of timing difference and which are capable of reversal in one or more subsequent period is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets, if any, subject to consideration of prudence are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**iv. Earning per share**

Basic Earning Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

**v. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event 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. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**vi. Contingencies**

Contingent liabilities are not provided in the books and are disclosed by way of notes to the accounts in respect of obligations, where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent assets are not recognized.

**vii. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as financial instruments at fair value through profit or loss (FVTPL).

**Financial instrument at FVTPL**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Investment in Equity Shares are categorized as FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit & Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

**Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and the same is followed for subsequent measurement.

The Company's financial liabilities include trade and other payables.

**viii. Basis of classification of Current and non-current**

Assets and liabilities in the Balance Sheet have been classified as either current or non-current based upon the requirements of Schedule III to the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has considered its operating cycle to be 12 months.

**ix. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

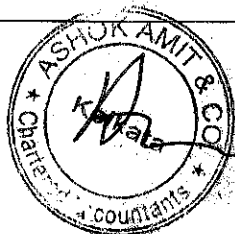
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

Figure in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>3. Non-Current Investments</b>			
Investments at fair value through Profit & Loss (FVTPL)			
Unquoted Equity Shares (fully paid up)			
In Others			
81 (31st March 2016: 81, 1st April, 2015: 7 nos.) Equity Shares of ₹10/- each of Sungod Coal Mining Company Pvt Ltd.	810	810	70
	<u>810</u>	<u>810</u>	<u>70</u>
<b>4. Cash and Cash Equivalents</b>			
Balances with Scheduled Banks			
- On current account	14,065	45,978	80,665
Cash on Hand	226	270	270
	<u>14,291</u>	<u>46,248</u>	<u>80,935</u>
Other Bank Balances			
Deposits with original maturity of more than 3 months but less than 12 months	1,004,697	926,076	-
	<u>1,004,697</u>	<u>926,076</u>	<u>-</u>
	<u>1,018,988</u>	<u>972,324</u>	<u>80,935</u>
<b>5. Other Current Financial Assets</b>			
Advances:			
(Recoverable in cash or in kind or for value to be received)			
Unsecured, considered good	1,944,000	1,944,000	1,540,000
Interest Accrued on:			
Fixed deposit	4,797	236	-
	<u>1,948,797</u>	<u>1,944,236</u>	<u>1,540,000</u>
<b>6. Current Tax Assets (Net)</b>			
Advance Payment of Income Tax & Tax Deducted at Source (net of Provision for tax)	-	2,924	-
MAT Credit Entitlement	10,541	-	-
	<u>10,541</u>	<u>2,924</u>	<u>-</u>
<b>7. Share Capital</b>			
Authorised Share Capital:			
	Equity Share		
	Nos.	Amount	
At 1st April, 2015	200,000	2,000,000	
Issued during the year	150,000	1,500,000	
At 31st March, 2016	350,000	3,500,000	
Issued during the year	-	-	
At 31st March, 2017	<u>350,000</u>	<u>3,500,000</u>	
<b>Terms/rights attached to equity shares</b>			
The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
<b>Issued Equity Capital</b>			
Equity Share of ₹ 10 each issued, subscribed and fully paid up			
At 1st April, 2015	130,000	1,300,000	
Increase / (decrease) during the year	210,000	2,100,000	
At 31st March, 2016	340,000	3,400,000	
Increase / (decrease) during the year	-	-	
At 31st March, 2017	<u>340,000</u>	<u>3,400,000</u>	
<b>Shares held by holding Company</b>			
Out of equity shares issued by the Company, shares held by its holding Company are as below:			
	31st March, 2017	31st March, 2016	1st April, 2015
	Amount	Amount	Amount
IGH Holdings Pvt. Ltd. 340,000 (31st March 2016: 340,000, 1st April 2015: 130,000) equity shares	3,400,000	3,400,000	1,300,000
<b>Details of shareholders holding more than 5% shares in the Company</b>			
	% Holding In the class	% Holding in the class	% Holding in the class
Equity Shares of ₹10/- each fully paid			
IGH Holdings Pvt. Ltd. 340,000 (31st March 2016: 340,000, 1st April 2015: 130,000) equity shares	100	100	100

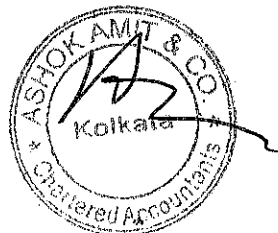




**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

Figure in ₹

<b>8. Other Equity</b>				<b>As at 31st March, 2017</b>
Retained Earnings				
At 1st April, 2015				(444,051)
Increase / (decrease) during the year				(40,808)
At 31st March, 2016				(484,859)
Increase / (decrease) during the year				55,150
At 31st March, 2017				<u>(429,709)</u>
<b>9. Other Non-Current Liabilities</b>				
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>	
Due to Others	-	-	760,000	
	<u>-</u>	<u>-</u>	<u>760,000</u>	
<b>10. Trade Payables</b>				
Total outstanding dues of micro and small enterprises	-	-	-	
Total outstanding dues of creditors other than micro and small enterprises	5,175	5,153	5,056	
	<u>5,175</u>	<u>5,153</u>	<u>5,056</u>	
<b>11. Other Current Financial Liabilities</b>				
Interest accrued	176	-	-	
	<u>176</u>	<u>-</u>	<u>-</u>	
<b>12. Current Tax Liabilities (Net)</b>				
Provision for taxation (net of Advance Income Tax & Tax Deducted at Source)	3,494	-	-	
	<u>3,494</u>	<u>-</u>	<u>-</u>	
<b>13. Other Income</b>				
Interest Income		<b>2016-17</b>	<b>2015-16</b>	
		70,314	29,243	
		<u>70,314</u>	<u>29,243</u>	
<b>14. Finance Costs</b>				
Interest Expenses		176	-	
Bank Charges		148	158	
		<u>324</u>	<u>158</u>	
<b>15. Other Expenses</b>				
Filing Fees		1,500	48,900	
Professional Fees		3,750	9,650	
Profession Tax		2,500	2,500	
Trade Licence		1,850	1,850	
General Charges		43	1,840	
		<u>9,643</u>	<u>64,740</u>	
<b>Payment to Auditor</b>				
<b>As Auditor</b>				
- Audit Fees (incl. Service Tax)		5,175	5,153	
<b>In Other Capacity</b>				
- For Certification & Other Services		22	-	
		<u>5,197</u>	<u>5,153</u>	
		<u>14,840</u>	<u>69,893</u>	



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

**16. First time adoption of Ind AS**

These financial statements for the year ended 31st March, 2017 are the first, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2017, together with the comparative period data as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

**17. Financial risk management objectives and policies**

The Company's principal financial liabilities comprises of loans and borrowings, other payables. The main purpose of these financial liabilities is to finance the Company's work. The Company's principal financial assets include other receivables and cash & cash equivalents.

The Company is exposed to market and liquidity risk. The Company's management oversees the management of these risks. All derivative activities for risk management purposes are carried out with support of specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing risks.



**SL BASE METAL MINING COMPANY PRIVATE LIMITED**  
**Notes to Financial Statement as at and for the year ended 31st March, 2017**

18. i.(a) The Company has entered into an MOU with a Mine owner for transfer of his mining lease in the name of the Company and transfer application has been submitted to the concerned authorities for approval. Transfer application has been filed and management is pursuing with State Government for transfer of Mining Lease in favour of the Company. In the meantime Govt. of India has amended the MMDR Act 1957 wherein transfer of minerals specified in Part A or Part B of the First Schedule is restricted to Concessions which are granted through Auctions only. In view of the amendment, our application for transfer is pending with the Mines Ministry of Maharashtra State Government. Various Statutory clearances are being taken from concerned authorities by the Mine Owner. Accordingly, there are no separate reportable segments as per Ind AS 108 on 'Segment Reporting'.

**(b) Related Party Disclosure:**

Names of related parties:

Holding Company: IGH Holdings Private Limited, a wholly owned subsidiary Company of Essel Mining & Industries Ltd.

Principal Holding Company: Essel Mining & Industries Ltd.

Transactions with Related Parties:

Figure in ₹

Particulars	Transaction value during the year		Balance as on		
	2016-17	2015-16	31st March, 2017	31st March, 2016	1st April, 2015
Issue of Equity shares @ ₹10/- per share - IGH Holdings Private Limited	-	2,100,000	3,400,000	3,400,000	1,300,000
Advance Returned back to Essel Mining & Industries Ltd.	-	(760,000)	-	-	760,000

ii. The Company has no amounts due to any micro and small enterprises as defined under section 7(1)(a) / 7(1)(b) / 7(2) of Micro, Small and Medium Enterprises Development Act, 2006 as on March 31st, 2017 (31st March, 2016 : NIL, 1st April, 2015 : NIL).

**iii. Earnings per Share (EPS):**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to Equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares.

The following reflects the income and Share data used in the basic and diluted EPS computations:

Particulars	2016-17	2015-16
Profit/(Loss) attributable to equity holders (₹)	55,150	(40,808)
Weighted Average number of Equity Shares outstanding	340,000	247,377
Nominal value of Equity Shares (₹)	10	10
Basic and Diluted Earning per Share (₹)	0.16	(0.16)

iv. Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	-	226	226
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	226	226

v. Previous year figures including those given in the brackets have been re-grouped and/or re-arranged wherever necessary.

**For Ashok Amit & Co.**  
 Firm Regn No. 322338E  
 Chartered Accountants

**Ashok Agrawal**  
 Partner  
 Membership No. 050941  
 Dated: 6th June, 2017  
 Place: Kolkata

**Arun Garg**  
 Director  
 DIN - 06640576

**Hukam Chand Daga**  
 Director  
 DIN - 00441914

