

ANNUAL REPORT

2014-2015

ADARSH MERCANTILE LIMITED

ADARSH MERCANTILE LIMITED

BOARD OF DIRECTORS

POTHERA NARAYANAN
GAUTAM AGARWALA
SUCHITA CHHAWCHHARIA
SUNDAR LAL MOHTA

CHIEF FINANCIAL OFFICER

SOURABH RUNGTA

COMPANY SECRETARY

KALPANA TEKCHANDANI

COMPANY IDENTIFICATION NUMBER

L51109WB1992PLC055082

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REGISTRAR

NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, BAGREE MARKET, 71, B.R.B.B
ROAD, 5TH FLOOR, KOLKATA-700001

AUDITORS

S RAY & CO.
CHARTERED ACCOUNTANTS
21A, SHAKESPEARE SARANI, FLAT 8C, 8TH
FLOOR, KOLKATA 700017

REGISTERED OFFICE

8A & 8B, SATYAM TOWERS
3, ALIPORE ROAD
KOLKATA – 700 027

ADARSH MERCANTILE LIMITED

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of M/s. **ADARSH MERCANTILE LIMITED** will be held at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 on Tuesday the 29th day of September, 2015 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of the Company including Audited Balance Sheet as at 31st March, 2015, Audited Profit & Loss Account and the Cash Flow statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Suchita Chhawchharia (DIN 00044063), who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company until the conclusion of next AGM and to fix their remuneration and in this respect, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Company, the appointment of M/s. Ray & Co., Chartered Accountants (Registration No. 313124E), as the Statutory Auditors of the Company, be and is hereby ratified to hold office of Auditors from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting and the Board of Directors be and is hereby authorized to fix their remuneration.”

SPECIAL BUSINESS:

4. APPOINTMENT OF MRS. SUCHITA CHHAWCHHARIA AS AN EXECUTIVE DIRECTOR

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“ RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mrs. Suchita Chhawchharia (holding DIN 00044063), as an Executive Director and also designated as Key managerial personnel (KMP), of the Company for a period of 3 (three) years with effect from 1st April, 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with liberty to the Board to alter and vary the terms and conditions

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of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. Suchita Chhawchharia, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. APPOINTMENT OF MR. SUNDAR LAL MOHTA AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to Section 149, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Sundar Lal Mohta (holding DIN 05122250), be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years from March 31, 2015 till March 30, 2020 and shall not be liable to retire by rotation.”

6. APPOINTMENT OF MR. NARAYANAN POTHERA AS AN INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Narayanan Pothera (holding DIN 01245854), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto March 30, 2020 and shall not be liable to retire by rotation.”

*By Order of the Board of Directors
For Adarsh Mercantile Limited*

*Kalpana Tekchandani
Company Secretary*

Place: Kolkata

Date: 14th August, 2015

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxies to be effective must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 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 PROXY FOR ANY OTHER MEMBER.**
4. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
5. The Register of Members and Transfer Books of the Company will be closed from 23.9.2015 to 29.9.2015 (both days inclusive) for the AGM and for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
6. There is no un-paid or un-claimed dividend for any of the dividend declared in the earlier years.
7. Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank Accounts etc. to M/s Niche Technologies Pvt. Ltd., D511, Bagri Market, 71, B.R.B. Basu Road, Kolkata – 700 001, the Registrar and Transfer Agents of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation, so as to enable the Company to dispatch dividend warrants to the correct address.
8. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
9. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. **The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Annual Reports, Notices and other communications via email. All the physical shareholders who have not registered their e-mail addresses so far are requested to register their e-mail address for**

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receiving all communication including Annual Report, Notices, etc. from the Company, electronically.

12. 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.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company/R&TA.

14. All Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all the working days during business hours upto the date of meeting.

15. 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.

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

- (i) The remote e-voting period commences on 26th September, 2015 (10:00 am) and ends on 28th 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 22nd September, 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.

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- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

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

- (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 “Adarsh Mercantile Limited” on which you choose to vote.

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- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
15. 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 santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cdslindia.com on or before 28.9.2015 upto 5.00 p.m. without which the vote shall not be treated as valid.
16. 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 22nd September, 2015.

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17. 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. 22nd September, 2015 are requested to send the written / email communication to the Company at www.adarshmercantile.in and to the RTA at nichetechpl@nichetechpl.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
18. The shareholders shall have one vote per equity share held by them as on the cut-off date of 22nd September, 2015. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
19. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
20. However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
21. Mr. Santosh Kumar Tibrewalla, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3(three) days of conclusion of the meeting make a consolidated scrutinizer's Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith.
22. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adarshmercantile.in and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to The Bombay Stock Exchange Limited, where the shares of the Company are listed.
23. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Annexure as referred to in the notes of the notice

Item No. 4

The Board at its meeting held on 31st March, 2015, has appointed, Mrs. Suchita Chhawchharia as an Executive Director designated as Key managerial personnel (KMP) for a period of 3 (three) years commencing from 1st April, 2015 subject to the approval of members by a special resolution in the ensuing Annual General Meeting on the following remuneration, perquisites and other terms & conditions as recommended by the Nomination and Remuneration Committee -

1. Salary: Rs. 10,000/- per month.

2. Other Terms

- (i) The Executive Director, as long as she functions as such, shall not be paid any sitting fee for attending meeting of the Board of Directors of any Committee thereof.
- (ii) Either party may terminate the agreement by giving 3 (Three) months notice to other party in writing or remuneration in lieu thereof without showing any reason.

Mrs. Suchita Chhawchharia shall not be liable to retire by rotation unless any of the provisions of the Act requires her retirement by rotation during his tenure as an Executive Chairman.

Mrs. Suchita Chhawchharia aged about 36 years, has completed her MBA in marketing from Pune and has vast experience in the financial sector. She has rich and varied experience in the field of Accounts, Finance, Investment and Fund Management. She is an independent thinker and a measured risk taker. Presently she is acting as an Executive Director of the Company and looking after all the business operation.

Mrs. Suchita Chhawchharia does not hold any equity shares of the Company.

In view of the provision of section 197(3) and Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial person, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members by passing a special resolution.

A Statement as per Schedule V (third proviso of Section II of Part II) in respect of appointment of Mrs. Suchita Chhawchharia as an Executive Director is annexed hereto which forms part of this explanatory statement.

Except Mrs. Suchita Chhawchharia, none of the Directors or any key managerial personnel or their relatives is in any way, financially or otherwise, directly or indirectly, concerned or interested in the aforesaid resolution.

The Board recommends the special resolution as set forth in Item no. 4 for the approval of the members of the Company.

The letters of Appointment issued to Mrs. Suchita Chhawchharia setting out the terms of her appointment is open for inspection at the Registered Office of the Company by any members

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during business hours in all working days till the conclusion of the ensuing Annual General Meeting.

Item No. 5

As per the provision of Section 149 of the Companies Act, 2013 and Rules made thereunder and clause 49 of the Listing Agreement with the Stock Exchange the Company is required to appoint requisite number of Independent Directors in the Board. Accordingly, the Board of Directors of the Company in its meeting held on 31st March, 2015, subject to the approval of members in the Annual General Meeting, has appointed Mr. Sundar Lal Mohta as an Additional Director designated as an Independent Director w.e.f. 31st March, 2015. Mr. Sundar Lal Mohta shall hold the office of Directors of the Company till the conclusion of the ensuing Annual General Meeting unless appointed.

A Notice pursuant to Section 160 of the Companies Act, 2013, with the requisite deposit has been received from a Member signifying his intention to propose for the appointment of Mr. Sundar Lal Mohta as an Independent Director of the Company for a period of 5 year till 30th March, 2020.

The Company has received requisite consent and declarations from Mr. Sundar Lal Mohta as required under various provisions of the Companies Act, 2013 and Rules made thereunder.

In the opinion of the Board, Mr. Sundar Lal Mohta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director and he is independent of the management.

The Board recommends the resolution in relation to appointment of Mr. Sundar Lal Mohta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Sundar Lal Mohta, no Director, key managerial personnel or their relatives, is in any way, financially or otherwise interested or concerned in the resolution.

The Board recommends the Ordinary resolution set forth in Item no. 5 of the Notice, for the approval by the shareholders of the Company.

Copy of the draft letter of appointment of Mr. Sundar Lal Mohta as an Independent Director setting out the terms and conditions is available for inspection by members during working hours at the Registered Office of the Company.

Item No. 6

Mr. Narayanan Pothera is a Non-Executive Independent Director of the Company.

Mr. Narayanan Pothera is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly, in compliance of Section 149,152, Schedule IV and other applicable provisions of the Companies Act, 2013, Mr. Narayanan Pothera being eligible and offered himself for appointment, was appointed in the Board Meeting as on 31st March, 2015 who shall hold office from 31st March, 2015 upto 30th March, 2020 and the consent of the members for

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his appointment is sought for. The Company has received requisite consent and declarations from Mr. Narayanan Pothera as required under various provisions of the Companies Act, 2013 and Rules made thereunder.

In the opinion of the Board, Mr. Narayanan Pothera fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director and he is independent of the management.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Narayanan Pothera as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Narayanan Pothera as an Independent Director, for the approval by the shareholders of the Company.

The resolution seeks the approval of the members for the appointment of Mr. Narayanan Pothera as an Independent Director of the Company up to March 30, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. Further, he shall not be liable to retire by rotation.

Except Mr. Narayanan Pothera, no Director, key managerial personnel or their relatives, is in any way, financially or otherwise interested or concerned in the resolution.

The Board recommends the Ordinary resolution set forth in Item no. 6 of the Notice, for the approval by the shareholders of the Company.

*By Order of the Board of Directors
For Adarsh Mercantile Limited*

*Kalpana Tekchandani
Company Secretary*

Place: Kolkata

Date: 14th August, 2015

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Statement as per Schedule V (third proviso of Section II of Part II) in respect of re-appointment of Mrs. Suchita Chhawchharia as an Executive Director

I. General Information:

- 1) Nature of industry: Trading
- 2) Date or expected date of commencement of commercial production: Not Applicable as it is an existing Company since 1992.
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- 4) Financial performance based on given indicators:

	(Rs in Lakhs)		
	31.3.2015	31.3.2014	31.3.2013
Turnover (Gross):	129.00	32.52	92.36
Net Profit/(Loss) :	0.93	2.96	0.24

- 5) Foreign investments or collaborations, if any: Not Applicable

II. Information about the appointee:

Name of the appointee:	Suchita Chhawchharia
Background details:	Mrs. Suchita Chhawchharia aged about 36 years, has completed her MBA in marketing from Pune and has vast experience in the financial sector. She has rich and varied experience in the field of Accounts, Finance, Investment and Fund Management. She is an independent thinker and a measured risk taker. Presently she is acting as an Executive Director of the Company and looking after all the business operation.
Past remuneration	NIL
Recognition or awards	NIL
Job profile and his suitability	She is responsible for operation and other functions of the Company.
Remuneration proposed	Rs. 1.20 lac p.a. as per resolution.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as an executive Director of the Company.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	No pecuniary relationship with the Company except managerial remuneration.

III. Other information:

- i) **Reasons of loss or inadequate profits:** During the year 2014-15 the Company earned lower profits due to reduced trading margins in the prevailing market conditions. However, the Company earned significant capital gains and dividend income during the year which was offset by loss in derivative transactions.

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- ii) **Steps taken or proposed to be taken for improvement:** Various cost effective measures and proper research is being taken improves trading margins.
- iii) **Expected increase in productivity and profitability in measurable terms:** The Company expects substantial increase in production and profitability after implementation of its necessary steps for improvement.

IV. Disclosures:

The requisite disclosures have been set out in Corporate Governance Report which forms part of the Annual Report for the F.Y. 2014-15 of the Company.

Additional information of Directors recommended for appointment of Managerial Personnel and Independent Directors as required under clause 49 of the Listing Agreement.

Sl. No.	Name of the Directors	Mrs. Suchita Chhawchharia	Mr. Sundar Lal Mohta	Mr. Narayanan Pothera
1.	Date of Birth	19/01/1979	15/08/1964	16/02/1952
2.	Nationality	Indian	Indian	Indian
3.	Date of appointment on board	24/06/2013	31/03/2015	28/09/2007
4.	No. of shares held	-	-	35100
5.	Qualification & Expertise	MBA	CWA	SSLC
6.	Directorship in other Companies	1. Avon Credit Pvt. Ltd.	1. Beatle Agecies Pvt. Ltd. 2. Natwar Enclave Pvt. Ltd. 3. Damodar Enclave Pvt. Ltd. 4. Murari Enclave Pvt. Ltd. 5. Banibihari Enclave Pvt. Ltd. 6. Subhlabh Tradelink Pvt. Ltd.	1. Pushpanjali Trexim Ltd. 2. Columbia Trading Co. Ltd. 3. H I Engineers Pvt. Ltd. 4. Avon Commodities Pvt. Ltd. 5. Finotex Vinimoy Pvt. Ltd. 6. Mapps IT Services Pvt. Ltd.
7.	Member/ Chairman of the Board Committees in other Companies*	NIL	NIL	NIL

*Information with respect to Chairmanship/ membership in Board committees of the Company for the above Directors has been detailed in the section 'The Report on Corporate Governance' as annexed to this Annual Report Details of Committee Chairmanship/ memberships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (both listed and unlisted).

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BOARD'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 30th Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2015.

(Amount in Rs)

Financial Results	FY 2014-15	FY 2013-14
Particulars	Amount	Amount
i. Turnover	1,28,99,223	32,52,300
ii. Other Income	26,38,164	18,28,793
iii. Total Revenue	1,55,37,387	50,81,093
iv. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	10,83,156	13,19,456
v. Finance Cost	9,83,263	9,93,041
vi. Depreciation	-	467
vii. Profit before Taxation (PBT)	99,893	3,25,948
viii. Taxation	7,000	30,000
ix. Profit after Taxation (PAT)	92,893	2,95,948
x. Profit brought forward from previous year	85,10,935	82,21,673
xi. Surplus in the Statement of Profit & Loss Account	92,893	295,948
xii. Adjustment of Income tax for earlier years	-	(6,686)
xiii. Transfer to General Reserve	-	-
xiv. Balance Carried to Balance Sheet	86,03,828	85,10,935

OPERATIONS:

Your company has earned a net profit of Rs. 92,893 during the year compared to Rs. 2,95,948 in the previous year which is lower than last year. Further, the revenue from operations is Rs. 1,28,99,223 during the year as compared to Rs. 32,52,300 during the previous year. A detailed review of the operations, performance of the Company and its business is given in the Management Discussion & Analysis, which forms part of the Annual Report.

OUTLOOK:

Your Company is making all efforts to accelerate the growth of its business. In spite of the market risk faced by your Company, your Directors are optimistic about the future prospects of the Company.

LISTING OF EQUITY SHARES:

Your Directors take immense pleasure to announce that your Company got listed for trading in its equity shares with effect from 18th July, 2014 with the Bombay Stock Exchange Limited (BSE).

DIVIDEND:

In order to conserve resources of the Company to meet working capital requirements, your Board did not recommended any dividend on equity shares of the Company for the financial year ended 31st March, 2015.

ADARSH MERCANTILE LIMITED

TRANSFER TO RESERVES

The Company has not transferred any amount to any reserve.

DEPOSITS:

The Company has not accepted any deposit during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the Directors Responsibility Statement as referred to in section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- iii) The Directors have 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;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information related to conservation of energy, Research & Development, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 are given in the **Annexure – 'A'** as attached hereto and forming part of this Report.

CORPORATE GOVERNANCE

Your Company has practiced sound Corporate Governance and taken necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. Your Company has complied with the requirements of revised Clause 49 of the Listing Agreement as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Directors Report and the Corporate Governance Report as per the requirements of Companies Act, 2013 and the Listing Agreement entered by the Company with the Stock Exchanges, as a matter of prudence and good governance.

A Report on Corporate Governance along with a certificate from Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary regarding compliance of conditions of Corporate Governance and certification by CEO & CFO are given in **Annexure – 'B', 'C' & 'D'**.

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MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

A report on Management Discussion & Analysis is given in the **Annexure – ‘E’** to this report.

PERSONNEL

The particulars and information of the employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been set out as **Annexure – ‘F’** to this Report, attached hereto.

COMPANY’S WEBSITE

The website of your Company, www.adarshmercantile.in, has been designed to present the Company’s businesses up-front on the home page. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director’s & corporate profile, details of Board Committees, Corporate Policies and business activities of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the Listing agreement has been uploaded.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i) Appointments / re-appointment :

- a) Mr. Sundar Lal Mohta (DIN 05122250) has been appointed as an Additional Director (Non Executive-Independent Director) of the Company with effect from 31st March, 2015 pursuant to Section 149, 152 & 161 of the Companies Act, 2013 and other applicable provisions of the said Act and as per the requirements of clause 49 of the Listing agreement. He has provided declaration of his independence as per Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and rules made thereunder, the aforesaid Director would hold the office of Directors upto the date of ensuing Annual General Meeting of the Company unless appointed as a Director of the Company by the Shareholders. Amongst other terms, Mr. Sundar Lal Mohta, when confirmed by the Shareholders would no longer be required to retire by rotation in view of Section 149(13) of the Companies Act, 2013 and can hold the office for a consecutive period of five years as per Section 149(10) of the said Act and hence his appointment has been proposed accordingly.

- b) Mrs. Suchita Chhawchharia (DIN 00044063) was appointed as an Executive Director of the Company for a period of 3(three) years with effect from 1st April, 2015 by the Board of Directors of the Company in its meeting held on 31st March, 2015 on such terms and conditions as recommended by the Nomination & Remuneration Committee pursuant to the provisions of sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to shareholders’ approval by means of a special resolution in the ensuing Annual General meeting of the Company. Her re-appointment as an Executive Director has been proposed accordingly.
- c) Mr. Narayanan Pothera (DIN 01245854) was appointed as a Non-Executive- Independent Director with effect from 31st March, 2015 for a period of 5 years upto 30th March, 2020 by the Board of Directors of the Company in its meeting held on 31st March, 2015 pursuant to the provisions of sections 149 and Clause 49 of the Listing Agreement subject to the approval of the shareholders in

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the ensuing Annual General meeting of the Company. He has provided declaration of his independence as per Section 149(6) of the Companies Act, 2013 and his office will not be liable to retire by rotation in view of Section 149(13) of the Companies Act, 2013

ii) Retirement by Rotation:

Mrs. Suchita Chhawchharia (DIN 00044063), Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions, of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible offered herself for re-appointment.

iii) Appointment of Whole time- Key Managerial Personnel (KMP):

Pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Rule 8(5)(iii) of Companies (Accounts) Rules, 2014 the Board has appointed the following personnel as the designated Whole time Key Managerial Personnel of the Company within the meaning of the said section :

- a) Mrs. Suchita Chhawchharia– Executive Director.
- b) Ms. Kalpana Tekchandani– Company Secretary & Compliance Officer.
- c) Mr. Sourabh Rungta– Chief Financial Officer.

There is no change in the Key Managerial Personnel during the year. However, Mrs. Suchita Chhawchharia, Executive Director was appointed as KMP w.e.f. 1st April, 2015, Mr. Sourabh Rungta has been appointed as KMP with effect from 1st April, 2015 and Ms. Kalpana Tekchandani has been appointed as KMP with effect from 6th April, 2014.

None of the Directors of the Company as mentioned in item nos. (i), (ii) & (iii) are disqualified as per section 164(2) of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) & 149(6) of the Companies Act, 2013, as applicable.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is not falling under the purview of section 135 of the Companies Act, 2013 and the relevant Rules made there under is not applicable for the time being . Thus the Board is not required to constitute the CSR Committee and nor has to comply with any of the provisions thereof.

AUDITORS AND THEIR REPORTS

(i) Statutory Auditor:

The Statutory Auditor M/s Ray & Co., Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2016-17, subject to ratification by the shareholders in every AGM. Accordingly, the Board on recommendation of Audit committee has proposed for ratification of their appointment in the office of Statutory Auditors of the Company for the financial year 2015-16.

The Notes to Accounts, as referred in the Auditors Report are self-explanatory and hence does not call for any further explanation.

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(ii) Secretarial Auditor:

The Board has appointed Mr. Santosh Kumar Tibrewalla, Practising Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2014-15 under the provisions of section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in MR 3 is enclosed as **Annexure - 'G'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

CODE OF CONDUCT:

The Code of Conduct for Directors, KMPs and Senior Executive of the Company is already in force and the same has been placed on the Company's website: www.adarshmercantile.in and the declaration to this effect is given in **Annexure - 'H'**

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, your Company has already adopted the Code of Conduct for prevention of Insider Trading and the same is also placed on the Company's website: www.adarshmercantile.in. Further, in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company at their meeting held on 29th May, 2015 have approved and adopted the code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

DISCLOSURES AS PER APPLICABLE ACT AND LISTING AGREEMENT:

i) Related Party Transactions:

All transaction entered with related parties during the FY 2014-15 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and the listing agreement which may have potential conflict of interest with the Company at large. Accordingly, disclosure in Form AOC 2 is not required.

The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of Directors were taken wherever required in accordance with the Policy.

ii) Number of Board Meetings:

The Board of Directors met 6 (six) times in the year 2014-15. The Details of the Board meeting and attendance of the Directors are provided in the Corporate Governance Report, attached as Annexure to this Board's Report.

iii) Composition of Audit Committee:

The Board has constituted the Audit Committee under the Chairmanship of Mr. Narayanan Pothera. Complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

iv) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in **MGT-9** as provided under section 92(3) of the Companies Act, 2013 is enclosed as **Annexure - 'I'**.

ADARSH MERCANTILE LIMITED

v) Risk Analysis:

The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

vi) Internal Financial Control :

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed.

vii) Loans, Guarantees and Investments:

The particulars of loans, guarantees and investments made are provided in Notes 9, 10 & 11 of the Balance Sheet.

viii) Post Balance Sheet events:

There is no material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2014-15.

ix) Subsidiaries, Associates or Joint Ventures:

Your Company does not have any subsidiaries, joint ventures but it has 1 (one) associate M/s. Avon Credit Pvt. Ltd., during the year under review. As per the provision of Section 129(3) and rule 5 of the Companies (Accounts) Rules, 2014 the statement in **AOC-1** containing the salient features of the financial statement of the associate Company is given in **Annexure -‘J’**.

x) Evaluation of the Board’s Performance:

During the year under review, the Board, in compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, has adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their separate meeting.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

xi) Nomination, Remuneration and Evaluation Policy:

ADARSH MERCANTILE LIMITED

The Company on recommendation of its Nomination & Remuneration Committee has laid down a Nomination, Remuneration and Evaluation Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the Listing Agreement with the stock exchanges (as amended from time to time). This Policy is formulated to provide a framework and set standards in relation to the followings and details on the same are given in the Corporate Governance Report, attached as Annexure to this Board's Report:

- a. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
- b. Remuneration payable to the Directors, KMPs and Senior Management Executives.
- c. Evaluation of the performance of the Directors.
- d. Criteria for determining qualifications, positive attributes and independence of a Director.

xii) Vigil Mechanism (Whistle Blower Policy):

Your Company has formulated a Whistle Blower Policy and employees of the Company are encouraged to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: www.adarshmercantile.in and also set out in the Corporate Governance Report attached as Annexure to this Board's Report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY REGULATOR OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANIES OPERATIONS IN FUTURE

There have been no significant & material orders passed by regulator / courts / tribunals impacting going concern status and Companies operations in future.

APPRECIATION

Your Directors take this opportunity to place on record their gratitude to the Central and State Governments, Bankers and Investors for their continuous support, cooperation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

*For and on behalf of the Board of Directors
For Adarsh Mercantile Limited*

Suchita Chhawchharia
Executive Director
(DIN: 00044063)

Gautam Agarwala
Director
(DIN: 00791678)

Place : Kolkata

Date : 14.08.2015

ADARSH MERCANTILE LIMITED

ANNEXURE - A TO THE DIRECTORS' REPORT

Particulars pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014:

A) Conservation of Energy -

(i) Steps taken or impact on conservation of energy

Your Company not being a Manufacturing Company, the provisions relating to measures for conservation of energy and reduction of energy consumption are not applicable.

(ii) Steps taken by the Company for utilizing alternate sources of energy

Not Applicable.

(iii) Capital investment on energy conservation equipments

Not Applicable.

B) Technology Absorption -

(i) Efforts made towards technology absorption : N.A

(ii) Benefits derived like product improvement, cost reduction : N.A
product development or import substitution.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- } N.A.
a) Details of technology imported }
b) Year of import }
c) Whether the technology been fully absorbed }
d) If not fully absorbed, areas where absorption has not taken place, reasons thereof: and }

(iv) the expenditure incurred on Research and Development NA

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There have been no foreign exchange earnings in terms of actual inflows and foreign exchange outgo during the year in terms of actual outflows.

Registered Office:

8A & 8B, Satyam Towers,
3, Alipore Road,
Kolkata – 700 027

Date: 14th August, 2015.

On behalf of the Board of Directors,
For Adarsh Mercantile Limited

Sd/-
Suchita Chhawchharia
Executive Director
(DIN: 00044063)

Sd/-
Gautam Agarwala
Director
(DIN: 00791678)

ADARSH MERCANTILE LIMITED

ANNEXURE B TO THE DIRECTOR'S REPORT

REPORT ON CORPORATE GOVERNANCE :

1. Company's philosophy on Corporate Governance

The Company, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, has adopted the practice of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability and checks at the different levels of the management of the Company.

2. BOARD OF DIRECTORS

a) Composition of Board

The composition and category of Board of Directors:

Sl. No	Name of the Directors	Category
1.	Mrs. Suchita Chhawchharia	Executive Director – Promoter - Woman Director
2.	Mr. Gautam Agarwala	Non-Executive Director
3.	Mr. Narayanan Pothera	Non-Executive – Independent Director
4.	Mr. Sundar Lal Mohta*	Non-Executive – Independent Director

* Appointed as an Additional Director of the Company w.e.f 31st March, 2015.

The appointment of all the Independent Directors of the Company is to be confirmed by the shareholders in the ensuing Annual General Meeting of the Company to be held on 29th September, 2015. The Independent Directors are appointed/re-appointed as on 31st March, 2015, with immediate effect for a term of 5 (five) years upto 30th March, 2020 in compliance with the provision of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The appointment letters issued to every Independent Directors sets out their roles, responsibilities, fiduciary duties in the Company and the expectation of the Board from them along with other terms of their appointment.

Their work will comprise of taking active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The Company in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, has taken initiatives to familiarize its Independent Directors (IDs) with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programs posted on the website of the Company: www.adarshmercantile.in.

The Board has carried out performance evaluation of Mr. Narayanan Pothera and recommended to continue the term of his appointment.

b) Attendance of each Director at the Board meetings and the Last Annual general meeting (AGM) and also number of other Directorships/Membership of Committee of each Director in various Companies.

Name of the Directors	Attendance Particulars		No. of other Directorships and other committee memberships/chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Memberships	Committee Chairmanships
Mrs. Suchita Chhawchharia	6	Present	NIL	1	NIL
Mr. Gautam Agarwala	6	Present	NIL	1	1
Mr. Narayanan Pothera	6	Present	2	1	1

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Mr. Sundar Lal Mohta#	1	Present	NIL	1	NIL
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* Membership & Chairmanship of the Audit Committees & Stakeholders Relationship Committees are only considered.

** excluding Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013

Appointed as an Additional Director of the Company w.e.f 31st March, 2015

Separate Meeting of the Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, the Company has facilitated holding of a separate meeting of the Independent Directors, which was held on 31st March, 2015 and inter alia has reviewed : -

- i. the performance of non-independent Directors and the Board as a whole ;
- ii. the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors ; and
- iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- iv. An adequate and functional vigil mechanism was in place.

The Directors expressed their satisfaction with the evaluation process.

c) Number of Board meetings held and dates on which held

During the financial year 2014-15, 6 (Six) Board meetings were held on 6th April, 2014, 15th May, 2014, 12th August, 2014, 14th November, 2014, 12th February, 2015 and 31st March, 2015. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Listing Agreement with the Stock Exchange.

3. Code of Conduct :

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2015. Duties of the Independent Directors have suitably been incorporated in the code .The Code is displayed on the Company's website: www.adarshmercantile.in

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (as amended), the Board has approved the 'Code of Conduct for prevention of Insider Trading' and entrusted the Audit Committee to monitor the compliance of the code. The Board at its meeting held on 29th May, 2015 has approved and adopted the SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

Whistle Blower (Vigil Mechanism) Policy :

As per the requirements of the Companies Act, 2013 and the revised Clause 49 of the Listing agreement, the Company in its meeting held on 6th April, 2014 had established a mechanism for employees to report concerns for unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

4. Audit Committee :

The Audit Committee was entrusted with review of quarterly and annual financial statements before submission to the Board, review of observations of auditors and to ensure compliance of internal control systems, authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. All the members of the Committee are financially literate. The Committee was reconstituted on 31st March, 2015.

The scope of the Audit Committee, inter alia includes:

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- a) Review of the Company's financial reporting process, the financial statements and financial/risk management policies ;
- b) Review of the adequacy of the internal control systems and finance of the internal audit team;
- c) Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same ;
- d) Recommendation for appointment, remuneration & terms of Appointment of Auditors, etc.

During the period 4 (Four) meetings of the Audit Committee were held during the year viz. on 15th May, 2014, 12th August, 2014, 14th November, 2014 and 12th February, 2015.

Name of Directors	Category	No. of Meetings Held	Attended
Mr. Narayanan Pothera	Non-Executive Independent - Chairman	4	4
Mr. Gautam Agarwala	Non-Executive Director	4	4
Mr. Sundar Lal Mohta*	Non-Executive Independent	4	1

* Appointed as a Member of the Committee w.e.f 31st March, 2015

Ms. Kalpana Tekchandani, the Company Secretary of the Company, is the Secretary of the Committee.

The Audit Committee Meetings are usually held at Company's Registered Office and attended by members of the Committee, Accounts Heads and Unit Heads. Representative of the Statutory Auditors of the Company is also invited in the meeting as and when required.

Terms of reference:

The present terms of reference / scope and function of the Audit Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

ADARSH MERCANTILE LIMITED

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Examining the financial statement and the auditor's report thereon;
21. Monitoring the end use of funds raised through public offers and related matters;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To review -
 - o Management discussion and analysis of financial condition and results of operations;
 - o Statement of significant related party transactions, submitted by management;
 - o Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - o Internal audit reports relating to internal control weaknesses, etc.
 - o Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

The Audit committee is empowered to investigate any activities within its terms of reference, seek information from employees, obtain outside legal or other professional advice or secure attendance of outside experts of relevant field as and when necessitated. The Audit Committee also reviews such matters as referred to it by the Board.

5. **Nomination & Remuneration Committee**

During the period 2 (Two) meetings of the Nomination & Remuneration Committee was held on 12th February, 2015 and 31st March, 2015 during the financial year 2014-15. The Committee was reconstituted on 31st March, 2015.

- a. The composition of Nomination & Remuneration Committee and attendance of its meeting are given below :

Name of Directors	Category	No. of Meetings Held	Attended
Mr. Sundar Lal Mohta*	Non-Executive Independent - Chairman	2	1
Mr. Gautam Agarwala	Non-Executive Independent	2	2
Mr. Narayanan Pothera	Non-Executive Independent	2	2

* Appointed as a Member of the Committee w.e.f 31st March, 2015

Ms. Kalpana Tekchandani, the Company Secretary of the Company, is the Secretary of the Committee.

- b. Remuneration Policy :

ADARSH MERCANTILE LIMITED

The Company follows the policy to fix remuneration of Executive Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.

Sitting Fees: The Non- Executive Directors have waived their sitting fees for attending the meetings of the Board and Committees thereof.

c. Remuneration to Directors :

The Statement of the remuneration paid/payable to the Executive Director and Sitting fees paid /payable to the Non-Executive Directors is given below:

Name of the Directors	Remuneration paid / payable for 2014 – 15				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees(Rs.)	Pay per month (Rs.)	Period	Effective from
Mrs. Suchita Chhawchharia	-	-	-	-	3 years	01.04.2015
Mr. Gautam Agarwala	-	-	-	-	-	-
Mr. Narayanan Pothera	-	-	-	-	-	-
Mr. Sundar Lal Mohta	-	-	-	-	-	-

- No remuneration/ sitting fees have been paid to the Non-Executive Director.
- No remuneration have been paid to the Executive Director
- No Commission has been paid to any Director.

d. Terms of reference

The terms of reference of the Nomination & Remuneration Committee are as follows:

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulate a criteria for determining the qualification, positive attitudes, independence of a Director and evaluation of Independent Directors and the Board;
- iii. To evaluate every Directors performance;
- iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
- v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- vii. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- viii. To devise a policy on Board diversity.
- ix. To carry out any other function as is mandated by the Board of Directors of the Company or prescribed by the Listing Agreement, as amended, from time to time.
- x. To invite any employee or such document as it may deem fit for exercising of its functions
- xi. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

e. Policy for evaluation of Independent Directors and the Board :

The following criteria may assist in determining how effective the performances of the Directors have been:

ADARSH MERCANTILE LIMITED

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

6. **Stakeholders Relationship Committee**

“Investors’/ Shareholders’ Grievance Committee” was renamed as “Stakeholders Relationship Committee” by the Board in its meeting held on 6th April, 2014 in terms of Section 178 of the Companies Act, 2013. The committee presently comprises of Mrs. Suchita Chhawchharia, Mr. Gautam Agarwala and Mr. Narayanan Pothera. Mr. Gautam Agarwala is the Chairman of the Committee.

Ms. Kalpana Tekchandani, the Company Secretary of the company, is the compliance officer of the Committee.

The Committee oversees the disposal of all complains / grievances of shareholders like non-transfer of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, dematerialization & re-materialisation of Shares, etc.

No request for Share transfer remains pending for registration for more than 15 days. No complaint / query are received by the Company during the financial year and no complaint is pending as on 31st March, 2015.

Shares held by Non-Executive Directors

Sl. No.	Name of the Directors	No. of Shares
1.	Mr. Gautam Agarwala	NIL
2.	Mr. Narayanan Pothera	35100
3.	Mr. Sundar Lal Mohta	NIL

Shareholders' Complaints

The numbers of shareholders’/ investors’ complaints received, resolved/ replied and pending during the year under review are as under:

Nature of complaints	Received	Resolved/ Replied	Pending
Non-receipt of share certificates	Nil	Nil	Nil
Non-receipt of dividend	Nil	Nil	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total	Nil	Nil	Nil

Securities and Exchange Board of India (‘SEBI’) Complaints Redress System (‘SCORES’):

ADARSH MERCANTILE LIMITED

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' ('ATRs') along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. **The Company is already registered under SCORES to efficiently and effectively redress the investors/shareholders complaints in time.**

7. Share Transfer Committee

The committee presently comprises of Mrs. Suchita Chhawchharia, Mr. Sundar Lal Mohta and Mr. Gautam Agarwala. Mrs. Suchita Chhawchharia is the Chairman of the Committee.

Ms. Kalpana Tekchandani, the Company Secretary of the company, is the compliance officer of the Committee.

Share Transfer Committee Meetings are held as and when required by the Company.

8. General Body Meetings

Date, Time and Location where last three Annual General Meeting held:

Nature of the General Meeting	Date & Time	Venue	If Special resolution(s) Passed
Annual General Meeting	27 th September, 2014, 11:00 AM	8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027	No
Annual General Meeting	23 rd September, 2013, 11:00 AM	8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027	No
Annual General Meeting	15 th September, 2012, 11:00 AM	8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027	No

Notes:

No special resolution is proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made thereunder.

9. Disclosures

- a. Disclosures on materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years.**

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority related to the capital markets during last three years.

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last three years.

- c. Whistle Blower Policy :**

The Whistle Blower policy of the Company is in place and the Company has not denied access to any personnel of the Company to the Audit Committee.

Accounting Treatment in preparation of financial statement:

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The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

d. Subsidiary Company :

The Company does not have any material non-listed Indian Subsidiary as defined in Clause 49 of the Listing Agreement.

e. Risk Management :

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

g. CEO / CFO Certification:

The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report.

h. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Clause 49 are annexed hereto which forms part of this report.

10. Details of Directors seeking appointment / re-appointment

The Details of Directors seeking appointment / re-appointment as required under the clause 49(VIII)(E)(1) of the Listing Agreement with the Stock Exchanges is given in annexure to the notice which forms part of this Report. The disclosure of relationships between directors inter se as required as per Clause 49(VIII)(E) is as follows :

Relationship between the Directors inter se:

Name of Directors	Name of Other Director	Name of Relationship
Mr. Narayanan Pothera	Nil	Nil
Mrs. Suchita Chhawchharia	Nil	Nil
Mr. Sundar Lal Mohta	Nil	Nil

11. Means of Communication :

The un-audited / audited quarterly financial results of the Company are approved by the Board within the prescribed time and are furnished to the Uttar Pradesh Stock Exchange Association Limited and Bombay Stock Exchange Limited. The results are also published within 48 hours in the “Bengal leader” newspapers in English and “Dainik Lipi” in Bengali. The financial results are also displayed on the Company's website: www.adarshmercantile.in

No presentation has been made to Institutional Investors or Analysts.

12. General Information for Shareholders :

- a. Annual General Meeting : **Date :** 29th September, 2015 .
(Date, Time & Venue) **Time :** 11.00 A.M
Venue : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027
- b. Dividend payment : The Board have not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2015.
- c. Date of Book closure : 23.9.2015 to 29.09.2015 (both days inclusive)
- d. Financial year : April to March
- e. Listing Details : The Shares of the Company are listed on the Uttar Pradesh Stock Exchange Association Limited (UPSE)* at Padam Towers, 14/113, Civil Lines, Kanpur – 208 001 and Bombay Stock Exchange Ltd. (BSE) at 25 P.J.

ADARSH MERCANTILE LIMITED

Towers Dalal Street, Mumbai – 400 001.

The Scrip code of the shares of the Company at UPSE is A00039 and BSE is 538563.

No listing fee is due as on date to both UPSE and BSE.

*(By virtue of SEBI Exit Order No. WTM/RKA/MRD/49/2015 dated 9.6.15, U.P. Stock Exchange is de-recognised as a Stock Exchange)

f. Stock Market Price Data : Monthly High/Low price during the last Financial Year at the Bombay Stock Exchange and Uttar Pradesh Stock Exchange depicting liquidity of the Equity Shares are given hereunder:

Month	Bombay Stock Exchange / Uttar Pradesh Stock Exchange		
	Month's High Price	Month's Low Price	Volume (No of Shares)
Apr-14 *	NT	NT	NA
May-14 *	NT	NT	NA
Jun-14 *	NT	NT	NA
Jul-14	NT	NT	NA
Aug-14	NT	NT	NA
Sep-14	NT	NT	NA
Oct-14	3.50	3.50	500
Nov-14	NT	NT	NA
Dec-14	NT	NT	NA
Jan-15	4.45	3.67	5
Feb-15	NT	NT	NA
Mar-15	NT	NT	NA

* The Shares of the Company was listed with Bombay Stock Exchange on 18th July, 2014.

N.T denotes 'No Trading' in the Stock Exchange.

Share price performance in comparison to broad based indices BSE Sensex for the financial year 2014-15.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
Apr 2014*	22,417.80	NT
May 2014*	24,217.34	NT
June 2014*	25,413.78	NT
July 2014	25,894.97	NT
August' 14	26,638.11	NT
September' 14	26,630.51	NT
October' 14	27,865.83	3.50
November' 14	28,693.99	NT
December' 14	27,499.42	NT
January' 15	29,182.95	4.45
February' 15	29,361.50	NT
March' 15	27,957.49	NT

* The Shares of the Company was listed with Bombay Stock Exchange on 18th July, 2014.

g. Registrar and Transfer Agent : M/s. Niche Technologies Pvt. Ltd.
71, B.R.B. Basu Road, Kolkata-700 001
Tel : 033 2235 7270, Fax : 033 2215 6823
E-mail : nichetechpl@nichetechpl.com
website : www.nichetechpl.com

h. Share Transfer System : Share Transfer System is entrusted to the Registrar

ADARSH MERCANTILE LIMITED

and Share Transfer Agents. The Share Transfer Committee is empowered to approve the Share Transfers. The Share Transfer, transmission of shares, Issue of duplicate certificate, etc. is endorsed by Directors/Executives/Officers as may be authorised by the Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrars within 15 days.

i. Distribution of Shareholding as on 31st March, 2015 :

No. of Ordinary Shares held	No. of Shares	%	No. of Share-Holders /folios	%
Up to 500	40520	1.10	486	93.28
501 to 1,000	2500	0.07	3	0.58
1,001 to 5,000	1650	0.04	1	0.19
5,001 to 10,000	-	-	-	-
10,001 to 50,000	562475	15.31	19	3.65
50,001 to 100,000	393900	10.72	5	0.96
100,001 and above	2673955	72.76	7	1.34
Total	3675000	100.00	521	100.00

j. Shareholding Pattern as on 31st March, 2015:

Category	No. of Shares	%
Promoters	1553205	42.26
Mutual Fund/UTI	-	-
Banks/Financial Institutions /Insurance Companies/Govt. Company	-	-
Private Corporate Bodies	897600	24.43
NRI/Foreign Shareholders	-	-
Public/Others	1224195	33.31
Total	3675000	100.00

- k. Dematerialisation of Shares : ISIN: INE 673E01018
26,43,205 shares of the Company are held in Dematerialized form representing 71.92% of the paid-up share Capital of the Company.
- l. Outstanding Instruments : The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments. As such there is no impact on Equity Shares of the Company.
- m. Address for correspondence : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027.
- n. Contact Person : Ms. Kalpana Tekchandani, Company Secretary

Mandatory / Non-mandatory provisions of the Corporate Governance

The Company has complied with all the applicable mandatory requirements of the Clause 49 of the Listing Agreement and has complied with the following non-mandatory requirements of the aforesaid clause:-

Reporting of Internal Auditor: The Internal Auditors report directly to the Audit Committee.

The Company has taken cognizance of other non mandatory requirements as set out in clause 49 of the Listing Agreement and shall consider adopting the same at an appropriate time.

ADARSH MERCANTILE LIMITED

ANNEXURE - C TO THE DIRECTORS' REPORT

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE LISTING AGREEMENT WITH STOCK EXCHANGES

To,
The Members of
M/s. Adarsh Mercantile Limited

I have examined the Compliance of Corporate Governance by M/s. Adarsh Mercantile Limited for the Financial Year 2014-15, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

Place: Kolkata

Date: 14.08.2015

sd/-
(SANTOSH KUMAR TIBREWALLA)
Practicing Company Secretary
Membership No. : 3811
Certificate of Practice No.: 3982

ADARSH MERCANTILE LIMITED

ANNEXURE - D TO THE DIRECTORS' REPORT

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company

**The Board of Directors,
Adarsh Mercantile Limited
8A & 8B, Satyam Towers
3, Alipore Road
Kolkata - 700 027.**

Dear Sirs,

In terms of Clause 49(IX) of the Listing Agreement, we, Suchita Chhawchharia, Executive Director - CEO and Sourabh Rungta, CFO, Certify that:

1. We have reviewed financial statements and the cash flow statements for the financial year 2014-15 and to our best of knowledge, belief and information –
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To our best of knowledge, belief and information, no transactions entered into by the Company during the financial year 2014-15 are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that 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 internal controls which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee:
 - 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 significant role in the Company's internal control system over financial reporting.

ADARSH MERCANTILE LIMITED

5. We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board Members and senior management personnel have affirmed compliance of Code of Conduct for the year 2014-15.

For Adarsh Mercantile Limited

Place: Kolkata

Date: 14.08.2015

Sd/-
Suchita Chhawchharia
Executive Director
DIN: 00044063

Sd/-
Sourabh Rungta
Chief Finance Officer

ANNEXURE - E TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Listing Agreement and contains expectations and projections about the strategy for growth, product development, market position, expenditures and financial results. The Company's actual results, performance or achievements could differ from those projected in such forward looking statements on the basis of any subsequent development, information or events for which the Company do not bear any responsibility.

a) Industry Structure and Development:

The year 2014-15 was a challenging year where growth of the Indian economy was lower than the advance estimates of 7.4 per cent released in February, 2014. The fourth quarter (January-March) of last fiscal saw the economy grow at 7.5 per cent, better than 6.6 per cent recorded for the previous three months, October-December. The economy experienced a recovery in GDP rate from 6.90% in 2013-14 to 7.2% in 2014-15 based on a new way of calculating gross domestic product (GDP).

b) Opportunities and threats/Risk and concerns:

Your Company's growth and profitability are dependent on the functioning of Commodity & Capital Markets. Your Company expects a favorable market in the years to come. Your Company on its part is also well poised to seize new opportunities as they come.

c) Segment wise or product wise performance:

The Company is engaged primarily in the business of trading activities accordingly there are no separate reportable segments

d) Outlook:

Your Company is making all efforts to accelerate the growth of its business. In spite of the market risk faced by your Company, your Directors are optimistic about the future prospects of the Company.

The company is taking appropriate steps to keep the costs under control. The outlook for the current year remains positive.

e) Internal control systems and their adequacy:

Your company has an adequate system of internal control, which provides reasonable assurance with regard to safeguarding the company's assets, promoting operational efficiency and ensuring compliance with various statutory provisions. The Audit Committee of the Board plays a significant role in the internal control system and reviews the scope of internal audit work and internal Audit reports, financial performance of the company and suggests improvements in the internal control systems wherever required.

f) Discussion on financial performance with respect to operational performance:

During the year under review the Company received dividend of Rs. 3,02,145 as compared to Rs. 2,57,716 in the previous year. The interest income during the year was Rs. 2,198,741 as against Rs. 2,052,328 in the corresponding previous year. The Company earned capital gains of Rs. 4,874,191 compared to a loss of Rs. 448,251 in the previous year. Further, during the year the Company incurred a loss in derivative transactions of Rs. 47,08,678. The trading activities of the Company resulted in a gain of Rs. 707,612 during the year as compared to a gain of Rs. 114,142 during the previous year.

g) Material developments in Human Resources/Industrial Relations front, including number of people employed:

The Company believes that its Human Resources are its biggest strength. While the technology and product is fairly standardized in this mature industry, the superior results achieved by the Company on various fronts, including financial, environmental and social, are made possible by the talent, spirit,

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commitment and contribution of its employees at all levels. Accordingly, the Company places peoples at the heart of its business strategy.

The Company consistently nurtures a transparent and empowered work environment, which fosters meritocracy and incentivizes employees for high levels of delivery. As on March 31, 2015, the Company's total permanents employee strength was 3.

h) Cautionary statement:

Statement made in this section of the report is based on the prevailing position in the market conditions. Actual results could however differ materially from those expressed or implied with regard to Company's Outlook and Performance.

ADARSH MERCANTILE LIMITED

ANNEXURE – F TO THE DIRECTORS' REPORT

Details pertaining to remuneration

(As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (Rs. in lacs)	% increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mrs. Suchita Chhawchharia (Executive Director)	NIL	NIL	NIL	Profit Before Tax decreased by 69.35% and Profit After Tax decreased by 68.61% in the financial year 2014-15.
2	Mr. Sourabh Rungta Chief Financial Officer (*)	NIL	NA	NA	
3	Ms. Kalpana Tekchandani Company Secretary & Compliance Officer (**)	0.72	NA	NA	

* Appointed w.e.f 1st April, 2015

** Appointed w.e.f 6th April 2014

Note: i) None of the Directors received any remuneration including sitting fees during the financial year 2014-15;

ii) The median remuneration of employees of the Company during the financial year was Rs. 0.05 lakh;

iii) In the financial year, there was an increase of 11.11% in the median remuneration of employees;

iv) There were 3 permanent employees on the rolls of Company as on March 31, 2015;

v) Relationship between average increase in remuneration and company performance: - During the year 2014-15 the Company earned lower profits due to reduced trading margins in the prevailing market conditions resulting in the Profit before Tax for the financial year ended March 31, 2015 being decreased by 69.35% whereas the increase in median remuneration was 11.11%, which was due to new appointment of Ms. Kalpana Tekchandani (Company Secretary of the Company) w.e.f 6th April, 2014, otherwise there was no increase in the remuneration of the employees as compared to previous financial year;

vi) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 100% to Rs. 0.72 lakh in 2014-15 as Ms. Kalpana Tekchandani was appointed as Company Secretary w.e.f 6th April, 2014, whereas the Profit Before Tax decreased by 69.35% to Rs. (1.00) lakh in 2014-15 (Rs. 3.26 lakh in 2013-14);

vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

	Closing Market Price per Share (Rs.)		Percentage Increase	Price Earnings Ratio		Market Capitalisation (Rs in Lakh)	
	As on 31.03.2014	As on 31.03.2015		As on 31.03.2014	As on 31.03.2015	As on 31.03.2014	As on 31.03.2015
BSE	NA*	4.45**	NIL	NA*	148.33	NA*	163.54

ADARSH MERCANTILE LIMITED

UPSE ***	-	-	-	-	-	-	-
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*The Shares of the Company was listed with Bombay Stock Exchange on 18th July, 2014.

** Rates mentioned denotes last traded price

*** (By virtue of SEBI Exit Order No. WTM/RKA/MRD/49/2015 dated 9.6.15, U.P. Stock Exchange is de-recognised as a Stock Exchange)

The Company has not made any Public Issue or Rights Issue of securities in the last 10 (ten) years, and therefore no comparison has been made of current share price with public offer price.

The Company's shares are listed on BSE Limited and UPSE Limited.

viii) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2014-15 was NIL whereas the increase in the managerial remuneration for the same financial year was 100% as new appointment of Ms. Kalpana Tekchandani (Company Secretary of the Company) was made w.e.f 6th April, 2014.

ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.

x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Since none of the directors received remuneration of any type during the year 2014-15, the said point is not applicable.

xi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2015 as per the Remuneration Policy of the Company.

Note: the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

In case if there is an even no. of observation the median shall be the average of the two middle values.

Process of calculation of Median

From the following figures available:

9, 15, 11, 12, 3, 5, 10, 20, 14, 6, 8, 8, 12, 12, 18, 15, 6, 9, 18, 11 (total 20 nos) – It is called even nos

Calculate Median --

To find the Median, place the numbers in value order and find the middle number (or the mean of the middle two numbers). In this case the mean of the 10th and 11th values:

3, 5, 6, 6, 8, 8, 9, 9, 10, 11, 11, 12, 12, 12, 14, 15, 15, 18, 18, 20:

$$\text{Median} = \frac{11 + 11}{2} = 11$$

From the following figures available:

9, 15, 11, 12, 3, 5, 10, 20, 14, 6, 8, 8, 12, 18, 15, 6, 9, 18, 11 (total 19 nos) – It is called odd nos.

Calculate Median --

To find the Median, place the numbers in value order and find the middle number (or the mean of the middle two numbers). In this case the mean of the 10th and 11th values:

3, 5, 6, 6, 8, 8, 9, 9, 10, 11, 11, 12, 12, 14, 15, 15, 18, 18, 20:

$$\text{Median} = 11$$

ADARSH MERCANTILE LIMITED

ANNEXURE - G TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

To,
The Members,
Adarsh Mercantile Limited
8A & 8B Satyam Towers
3, Alipore Road
Kolkata – 700 027.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adarsh Mercantile 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 Adarsh Mercantile Limited(name of the Company's) 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, has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Adarsh Mercantile Limited. ('the Company') for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**

ADARSH MERCANTILE LIMITED

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (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; **(Not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**.

(vi) I have carried out requisite verification and also relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances under other applicable Acts, laws and Regulations to the Company, Internal Audit Report, Statutory Auditors Report, etc. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**.

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 hence not applicable to the Company during the audit period)**.
- (ii) The Listing Agreements entered into by the Company with UP Stock Exchange Limited & Bombay Stock Exchange Limited;

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

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

ADARSH MERCANTILE LIMITED

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.

Majority decision is carried through while the dissenting members' views are 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 got listed with Bombay Stock Exchange Limited (BSE) on 18th July, 2014.

Place: Kolkata

Date: 14.07.2015

Signature:

Name of Company Secretary Santosh Kumar Tibrewalla
in practice :

FCS No. :

3811

C P No. :

3982

ADARSH MERCANTILE LIMITED

ANNEXURE - H TO THE DIRECTORS' REPORT

Declaration for Compliance with the Code of Conduct of the Company as per Clause 49(II)(E) of Listing Agreement

I, Suchita Chhawchharia, Executive Director of Adarsh Mercantile Limited declare that as of 31st March, 2015 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For Adarsh Mercantile Limited

Place: Kolkata

Date: 14.08.2015.

Sd/-

Suchita Chhawchharia
Executive Director
DIN: 00044063

ADARSH MERCANTILE LIMITED

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:									
1	CIN	L51109WB1992PLC055082							
2	Registration Date	01/04/1992							
3	Name of the Company	ADARSH MERCANTILE LTD							
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES							
		INDIAN NON-GOVERNMENT COMPANY							
5	Address of the Registered office & contact details	8A & 8B, SATYAM TOWERS, 3 ALIPORE ROAD, WEST BENGAL, KOLKATA- 700027							
6	Whether listed company	YES							
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Niche Technologies Pvt. Ltd. 71, B.R.B. Basu Road, Kolkata-700 001 Tel : 033 2235 7270, Fax : 033 2215 6823 E-mail : nichetechpl@ nichetechpl.com website : www.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	NA								
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES									
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section				
1	Avon Credit Pvt. Ltd.	U65923WB1989PTC046025	Associate	31.62	129				
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 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	60,075	-	60,075	1.635%	60,075	-	60,075	1.635%	0.000%
b) Central Govt	-	-	-	0.000%	-	-	-	0.000%	0.000%
c) State Govt(s)	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) Bodies Corp.	14,93,130	-	14,93,130	40.629%	14,93,130	-	14,93,130	40.629%	0.000%
e) Banks / FI	-	-	-	0.000%	-	-	-	0.000%	0.000%
f) Any other	-	-	-	0.000%	-	-	-	0.000%	0.000%
Sub Total (A) (1)	15,53,205	-	15,53,205	42.264%	15,53,205	-	15,53,205	42.264%	0.000%
(2) Foreign									
a) NRI Individuals	-	-	-	0.000%	-	-	-	0.000%	0.000%
b) Other Individuals	-	-	-	0.000%	-	-	-	0.000%	0.000%
c) Bodies Corp.	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) Any other	-	-	-	0.000%	-	-	-	0.000%	0.000%
Sub Total (A) (2)	-	-	-	0.000%	-	-	-	0.000%	0.000%
TOTAL (A)	15,53,205	-	15,53,205	42.264%	15,53,205	-	15,53,205	42.264%	0.000%

ADARSH MERCANTILE LIMITED

B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	0.000%	-	-	-	0.000%	0.000%
b) Banks / FI	-	-	-	0.000%	-	-	-	0.000%	0.000%
c) Central Govt	-	-	-	0.000%	-	-	-	0.000%	0.000%
d) State Govt(s)	-	-	-	0.000%	-	-	-	0.000%	0.000%
e) Venture Capital Funds	-	-	-	0.000%	-	-	-	0.000%	0.000%
f) Insurance Companies	-	-	-	0.000%	-	-	-	0.000%	0.000%
g) FIs	-	-	-	0.000%	-	-	-	0.000%	0.000%
h) Foreign Venture Capital Funds	-	-	-	0.000%	-	-	-	0.000%	0.000%
i) Others (specify)	-	-	-	0.000%	-	-	-	0.000%	0.000%
Sub-total (B)(1):-	-	-	-	0.000%	-	-	-	0.000%	0.000%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8,25,000	72,600	8,97,600	24.424%	8,25,000	72,600	8,97,600	24.424%	0.000%
ii) Overseas	-	-	-	0.000%	-	-	-	0.000%	0.000%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	44,370	44,370	1.207%	-	44,370	44,370	1.207%	0.000%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,65,000	9,14,625	11,79,625	32.099%	2,65,000	9,14,625	11,79,625	32.099%	0.000%
c) Others (specify)									
Non Resident Indians	-	-	-	0.000%	-	-	-	0.000%	0.000%
Overseas Corporate Bodies	-	-	-	0.000%	-	-	-	0.000%	0.000%
Foreign Nationals	-	-	-	0.000%	-	-	-	0.000%	0.000%
Clearing Members	-	-	-	0.000%	-	-	-	0.000%	0.000%
Trusts	-	200	200	0.005%	-	200.00	200.00	0.005%	0.000%
Foreign Bodies - D R	-	-	-	0.000%	-	-	-	0.000%	0.000%
Sub-total (B)(2):-	10,90,000	10,31,795	21,21,795	57.736%	10,90,000.00	10,31,795.00	21,21,795.00	57.736%	0.000%
Total Public (B)	10,90,000	10,31,795	21,21,795	57.736%	10,90,000.00	10,31,795.00	21,21,795.00	57.736%	0.000%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.000%	-	-	-	0.000%	0.000%
Grand Total (A+B+C)	26,43,205	10,31,795	36,75,000	100.000%	26,43,205	10,31,795	36,75,000	100.000%	0.000%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	AVON CREDIT PVT LTD	14,93,130	40.629%	-	14,93,130	40.629%	-	0.00%
2	ASHISH CHHAUWCHHARIA	30,075	0.818%	-	30,075	0.818%	-	0.00%
3	KSHITIZ CHHAUWCHHARIA	30,000	0.816%	-	30,000	0.816%	-	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			NO CHANGE DURING THE YEAR			
	Changes during the year			NO CHANGE DURING THE YEAR			
	At the end of the year			NO CHANGE DURING THE YEAR			

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Winy Commercial & Fiscal Services						
	At the beginning of the year			315000	8.571%	315000	8.571%
	Changes during the year						
	At the end of the year			315000	8.571%	315000	8.571%
2	Hemangi Vinimoy Private Limited						
	At the beginning of the year			170000	4.626%	170000	4.626%
	Changes during the year						
	At the end of the year			170000	4.626%	170000	4.626%
3	Spectra Vnajiya Private Limited						
	At the beginning of the year			180000	4.898%	180000	4.898%
	Changes during the year						
	At the end of the year			180000	4.898%	180000	4.898%
4	Yukhti Solutions Private Limited						
	At the beginning of the year			-	0.000%	-	0.000%
	Changes during the year			160000	4.354%	160000	4.354%
	At the end of the year			160000	4.354%	160000	4.354%
5	Krishnendu Maity						
	At the beginning of the year			180825	4.920%	180825	4.920%
	Changes during the year						
	At the end of the year			180825	4.920%	180825	4.920%
6	Ratan Kumar Seal						
	At the beginning of the year			175000	4.762%	175000	4.762%
	Changes during the year						
	At the end of the year			175000	4.762%	175000	4.762%
7	Madhu Verma						
	At the beginning of the year			90000	2.449%	90000	2.449%
	Changes during the year						
	At the end of the year			90000	2.449%	90000	2.449%
8	Raj Kumar Shah (HUF)						
	At the beginning of the year			96050	2.614%	96050	2.614%
	Changes during the year						
	At the end of the year			96050	2.614%	96050	2.614%
9	Nirmala Singh						
	At the beginning of the year			75000	2.041%	75000	2.041%
	Changes during the year						
	At the end of the year			75000	2.041%	75000	2.041%
10	Sujoy Kumar Mondal						
	At the beginning of the year			82600	2.248%	82600	2.248%
	Changes during the year						
	At the end of the year			82600	2.248%	82600	2.248%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	P.Narayanan						
	At the beginning of the year			35,100.00	0.96%		
	Changes during the year			-	0.00%		
	At the end of the year			35,100.00	0.96%		

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	86,00,000	-	-
ii) Interest due but not paid	-	8,93,737	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	94,93,737	-	-
Change in Indebtedness during the financial year				
* Addition	-	11,84,936	-	-
* Reduction	-	(39,00,000)	-	-
Interest paid during the year		(5,53,761)		
Net Change	-	(32,68,825)	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	50,00,000	-	-
ii) Interest due but not paid	-	12,24,912	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	62,24,912	-	-

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/WT/ Manager		Total Amount
	Name	N.A		(Rs/Lac)
	Designation			
1	Gross salary	-	-	-
	(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 (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	NIL	NIL		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			0.72	0.72
	(b) Value of perquisites u/s 17(2) Income-tax Act,			-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-	-
2	Stock Option			-	-
3	Sweat Equity			-	-
	Commission			-	-
4	- as % of profit			-	-
	- others, specify			-	-
5	Others, please specify			-	-
	Total			0.72	0.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ADARSH MERCANTILE LIMITED

ANNEXURE – J TO THE DIRECTORS' REPORT

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries - NIL

Part "B": Associates and Joint Ventures:

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Avon Credit Pvt. Ltd.
1. Latest audited Balance Sheet Date	31 March 2014
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	Equity – 15290
Amount of Investment in Associates/Joint Venture	Rs. 314500/-
Extend of Holding %	31.62% - Equity
3. Description of how there is significant influence	Holding more than 20% of total share capital pursuant to Section 2(6) of Companies Act, 2013
4. Reason why the associate/joint venture is not consolidated	With reference to exemption Notification dated 14.10.2014 of MCA, Consolidation is not done.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Not stated, since the Audited Financial Statement not available till date.
6. Profit / Loss for the year	Not stated, since the Audited Financial Statement not available till date.
i. Considered in Consolidation	N.A.
i. Not Considered in Consolidation	N.A.

ADARSH MERCANTILE LIMITED

Other information:

1. Names of associates or joint ventures which are yet to commence operations. Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year. Not Applicable

*For and on behalf of the Board of Directors
For Adarsh Mercantile Limited*

Sd/-
Suchita Chhawchharia
Executive Director
(DIN: 00044063)

Sd/-
Gautam Agarwala
Director
(DIN: 00791678)

Sd/-
Sourabh Rungta
Chief Financial officer

Place: Kolkata
Date: 14.08.2015

ADARSH MERCANTILE LIMITED

Independent Auditor's Report

To the Members of Adarsh Mercantile Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Adarsh Mercantile Limited ("the Company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial

ADARSH MERCANTILE LIMITED

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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:
 - i. the Company does not have any pending litigations which would impact its financial position;

ADARSH MERCANTILE LIMITED

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Ray & Co.
Firm Registration No.: 313124E
Chartered Accountants

Kolkata
May 29, 2015

Subrata Roy
Partner
Membership No. 051205

ADARSH MERCANTILE LIMITED

Annexure to the Independent Auditor's Report of even date to the members of Adarsh Mercantile Limited, on the financial statements for the year ended 31 March, 2015.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As planned, all the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records pursuant to Section 148 of the Companies Act, 2013 and Rules made for any of the products of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

ADARSH MERCANTILE LIMITED

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	44,600	2008-2009	Assistant Commissioner of Income Tax

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) The Company has no dues payable to financial institutions or a bank or debenture holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company has not raised any term loans during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Ray & Co.
Firm Registration No.: 313124E
Chartered Accountants

Kolkata
May 29, 2015

Subrata Roy
Partner
Membership No. 051205

ADARSH MERCANTILE LIMITED

Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015		As at 31st March, 2014	
<u>EQUITY & LIABILITIES</u>					
Shareholders' Funds					
(a) Share Capital	2	3,67,50,000		3,67,50,000	
(b) Reserves & Surplus	3	<u>1,91,25,251</u>	5,58,75,251	<u>1,90,32,358</u>	5,57,82,358
Current Liabilities					
(a) Short-term Borrowings	4	50,00,000		86,00,000	
(b) Other Current Liabilities	5	13,39,649		10,29,100	
(c) Short-term Provisions	6	<u>37,000</u>	63,76,649	<u>30,000</u>	96,59,100
TOTAL			<u>6,22,51,900</u>		<u>6,54,41,458</u>
<u>ASSETS</u>					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	7	-		32,70,608	
(b) Non-Current Investments	8	1,88,05,262		2,42,19,733	
(c) Long-Term Loans and Advances	9	<u>2,02,83,137</u>	3,90,88,399	<u>1,09,72,158</u>	3,84,62,499
Current Assets					
(a) Current Investments	10	77,48,728		27,42,353	
(b) Inventories	11	14,93,671		19,42,341	
(c) Trade Receivables	12	32,67,715		1,520	
(d) Cash and Cash equivalents	13	5,31,111		69,046	
(e) Short-term Loans and Advances	9	<u>1,01,22,276</u>	2,31,63,501	<u>2,22,23,699</u>	2,69,78,959
TOTAL			<u>6,22,51,900</u>		<u>6,54,41,458</u>
Significant Accounting Policies	1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For Ray & Co.

Firm Registration No. 313124E

Chartered Accountants

Subrata Roy

Partner

M. No. 051205

Suchita Chhawchharia
(DIN- 00044063)

Pothera Narayanan
(DIN- 01245854)

Directors

Kolkata

May 29, 2015

Sourabh Rungta

Chief Financial Officer

Kalpana Tekchandani Co. Secretary

ADARSH MERCANTILE LIMITED

Statement of Profit and Loss for the year ended 31st March 2015

	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
I. Revenue from operations			
Sale of Products		1,28,70,988	32,19,300
Other Operating Income		28,235	33,000
Revenue from operations	14	1,28,99,223	32,52,300
II. Other Income	15	26,38,164	18,28,793
III. Total Revenue (I + II)		1,55,37,387	50,81,093
IV. Expenses:			
(a) Purchases of stock-in-trade	16	1,17,14,706	31,94,756
(b) Changes in Inventories of Stock-in-trade	17	4,48,670	(89,598)
(c) Employee Benefits Expense	18	2,12,000	1,40,000
(d) Finance costs	19	9,83,263	9,93,041
(e) Depreciation and amortization expense	7	-	467
(f) Other expenses	20	20,78,855	5,16,479
Total expenses		1,54,37,494	47,55,145
V. Profit before Tax (V - VI)		99,893	3,25,948
VI. Tax Expenses			
(a) Current Tax		7,000	30,000
VII. Profit/(Loss) for the Period (V - VI)		92,893	2,95,948
VIII. Earning per Equity Share (nominal value of share Rs.10)			
(a) Basic	25	0.03	0.08
(b) Diluted	25	0.03	0.08

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For Ray & Co.
Firm Registration No. 313124E
Chartered Accountants

Suchita Chhawchharia
(DIN- 00044063)

Pothera Narayanan
(DIN- 01245854)

Directors

Subrata Roy
Partner
M. No. 051205

Sourabh Rungta

Chief Financial Officer

Kolkata
May 29, 2015

Kalpana Tekchandani

Co. Secretary

ADARSH MERCANTILE LIMITED

Cash Flow Statement for the year ended 31st March 2015

	2014-15	2013-14
Cash flow from operating activities		
Profit before tax	99,893	3,25,948
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	-	467
Sundry Balance Written Off	3,11,383	-
Loss/(profit) on sale of Investments	(48,74,191)	4,48,251
Interest & Dividend Income	(24,72,651)	(22,77,044)
Interest expense	9,83,263	9,93,041
Operating profit before working capital changes	(59,52,303)	(5,09,337)
<u>Movements in working capital :</u>		
Increase/(decrease) in short-term provisions	-	(50,000)
Increase/(decrease) in other trade payables	-	(67,63,640)
Increase/(decrease) in other current liabilities	3,10,549	6,68,562
Decrease/(increase) in trade receivables	(32,66,195)	70,76,080
Decrease/(increase) in inventories	4,48,670	(89,598)
Decrease/(increase) in long-term loans and advances	(93,10,978)	(64,72,158)
Decrease/(increase) in short-term loans and advances	1,21,15,186	(1,02,77,512)
Cash generated from / (used in) operations	(56,55,071)	(1,64,17,604)
Direct taxes paid/Adjusted (net of refunds)	(13,763)	15,122
Net Cash flow from / (used in) operating activities (A)	(56,68,836)	(1,64,02,482)
Cash flow from investing activities		
Proceeds from sale/ (purchase) of Non-current investments (Net)	51,05,981	43,78,582
Proceeds from sale/ (purchase) of current investments (Net)	(50,06,375)	1,10,53,476
Proceeds from sale/ (purchase) of Fixed Assets (Net)	32,67,715	-
(Loss)/Profit on sale of Investments	48,74,191	(4,48,251)
Interest & Dividend Income	24,72,651	22,77,044
Net Cash flow from / (used in) investing activities (B)	1,07,14,163	1,72,60,852
Cash flow from financing activities		
Proceeds from short-term borrowings	(36,00,000)	1,00,000
Interest paid	(9,83,263)	(9,93,041)
Net Cash flow from / (used in) financing activities (C)	(45,83,263)	(8,93,041)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,62,065	(34,671)
Cash and cash equivalents at the beginning of the year	69,046	1,03,717
Cash and cash equivalents at the end of the year	5,31,111	69,046
Components of cash and cash equivalents		
Balances with Banks in Current Account	4,91,410	43,222
Cash on hand	39,700	25,824
Total cash and cash equivalents	5,31,111	69,046

As per our report of even date

For and on behalf of the Board

For Ray & Co.
Firm Registration No. 313124E
Chartered Accountants

Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2015

Suchita Chhawchharia
(DIN- 00044063)

Pothera Narayanan
(DIN- 01245854)

Sourabh Rungta

Kalpana Tekchandani

Directors

Chief Financial Officer

Co. Secretary

ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31st March, 2015

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013. Accounting policies not referred to otherwise are consistent and are in consonance with the generally accepted accounting principles in India.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

1.3 Fixed Assets & Depreciation

- (i) Fixed assets are stated at cost of acquisition and subsequent improvements thereto; less accumulated depreciation, and impairment loss, if any.
- (ii) Depreciation on tangible assets is provided on written down value on the basis of useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation on the amounts added on revaluation is amortized over the period of useful life of the asset as determined, and equivalent amount thereof is transferred to the Profit & Loss Account from the Revaluation Reserve.

1.4 Impairment of Assets

The carrying amounts of the assets are reviewed at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged when the asset is identified as impaired.

1.5 Investments

Long-term Investments are carried at acquisition cost. Investments intended to be held for less than one year are classified as 'Current Investments' and carried at lower of cost and net realizable value. Provision for diminution in value is made if the decline in value is other than temporary in nature in the opinion of the management.

1.6 Inventories

Inventories of shares and securities are valued at lower of cost and net realizable value.

1.7 Employee Retirement Benefits

- (i) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are charged off in the period in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

1.8 Taxes on Income

Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.

1.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31st March, 2015

2. Share Capital

a) Capital Structure

Authorised

4,000,000 Equity Shares of Rs. 10/- each

(Previous year - 4,000,000 Equity Shares of Rs. 10/- each)

Issued, Subscribed and Fully Paid Up

3,675,000 Equity Shares of Rs. 10/- each

(Previous year - 3,675,000 Equity Shares of Rs. 10/- each)

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive in proportion to their shareholding the remaining assets of the Company, after distribution of the preferential amount.

b) Share Capital Reconciliation

Equity Shares

31 March 2015

31 March 2014

Opening balance

Issued during the period

Closing Balance

31 March 2015

31 March 2014

Nos.

Amount

Nos.

Amount

36,75,000

3,67,50,000

36,75,000

3,67,50,000

-

-

-

-

36,75,000

3,67,50,000

36,75,000

3,67,50,000

c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date

31 March 2015

31 March 2014

No. of shares

% holding

No. of shares

% holding

Avon Credit Private Limited

Winy Commercial & Fiscal Services Limited

14,93,130

3,15,000

40.63%

8.57%

14,93,130

3,15,000

40.63%

8.57%

3. Reserves & Surplus

General Reserve

Balance b/f

General Reserve on Amalgamation

Balance b/f

Surplus/(Deficit) in the Statement of Profit & Loss

Opening balance

Profit/(Loss) for the year

Less: Income tax for earlier years

Net Surplus/(Deficit) at the end of the year

Total Reserves & Surplus

2,45,000

1,02,76,423

85,10,935

92,893

-

86,03,828

1,91,25,251

2,45,000

1,02,76,423

82,21,673

2,95,948

6,686

85,10,935

1,90,32,358

4. Short-term Borrowings

Loans repayable on demand - from other parties (unsecured)

50,00,000

86,00,000

50,00,000

86,00,000

5. Other Current Liabilities

Interest accrued and due on borrowings

Other payables

Statutory Dues Payable

Others (year end accrual for expenses)

12,24,912

98,327

16,410

13,39,649

8,93,737

1,02,779

32,584

10,29,100

6. Short-term Provisions

Other Provisions - for Income Tax

37,000

30,000

37,000

30,000

ADARSH MERCANTILE LIMITED

7. FIXED ASSETS

Description	Gross Block				Accumulated depreciation/ amortisation				Net book value	
	As at 31 March, 2014	Additions	Sales / Adjustment s	As at 31 March, 2015	Upto 31 March, 2014	For the Period	Sales / Adjustment s	Upto 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Tangible Assets										
Land - Freehold	32,67,715	-	32,67,715	-	-	-	-	-	-	32,67,715
Office Equipments	14,000	-	-	14,000	11,107	-	(2,893)	14,000	-	2,893
Total	32,81,715	-	32,67,715	14,000	11,107	-	(2,893)	14,000	-	32,70,608
Previous Year's figures	32,81,715	-	-	32,81,715	10,640	467	-	11,107	32,70,608	-

ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	31 March 2015		31 March 2014	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
8. Non-Current Investments				
(fully paid-up; FV Rs 10 each, unless otherwise stated)				
Other Investments				
(a) Investments in Equity Instruments				
<u>Quoted</u>				
Andhra Petrochemicals Ltd.	-	-	11,000	2,65,311
Ansal Properties & Infrastructure Ltd. (FV Rs 5)	-	-	400	1,47,324
Ashiana Housing Ltd. (FV Rs 2)	16,282	4,91,676	29,625	7,96,538
Bharti Airtel Ltd. (FV Rs 5)	-	-	200	78,805
Coal India Ltd.	-	-	680	2,28,726
Dhuner Investments Ltd.	-	-	3,772	2,73,262
Dhuner Petrochem & Tea Ltd.	-	-	4,311	5,27,168
Dhuner Tea & Ind. Ltd.	862	-	-	-
Eclerx Services Ltd.	-	-	50	31,010
Electrosteel Steels Ltd.	2,00,000	18,34,240	2,00,000	18,34,240
Gateway Distriparks Ltd.	-	-	1,750	2,25,489
GMR Infrastructure Ltd.	-	-	2,750	2,41,536
Gujarat Ambuja Exports Ltd. (FV Rs 2)	-	-	7,147	2,25,546
HDFC Bank Ltd.	-	-	100	62,443
Hindustan Construction Company Ltd. (FV Rs 1)	-	-	8,100	2,66,131
IFGL Refractories Ltd.	-	-	18,983	6,27,752
Intrasoft Technologies Ltd.	15,358	13,98,949	15,358	13,98,949
ITC Ltd. (FV Rs 1)	3,500	7,66,473	3,500	7,66,473
Jai Balaji Industries Ltd.	-	-	1,000	1,87,905
JSW Holdings Ltd.	-	-	50	1,37,151
Larsen & Toubro Ltd. (FV Rs 2)	-	-	150	63,721
NCC Ltd. (FV Rs 2)	-	-	2,750	1,36,748
National Organic Chemical Industries Ltd.	-	-	15,000	2,38,331
Padmini Technologies Ltd.	13,000	80,600	13,000	80,600
Punj Lloyd Ltd. (FV Rs 2)	-	-	130	12,335
Reliance Industrial Infrastructure Ltd.	-	-	500	3,16,091
Sancia Global Infraprojects Ltd.	500	1,12,473	500	1,12,473
S Kumars.Com Ltd.	40,100	52,130	40,100	52,130
State Bank of India Ltd.	-	-	100	2,10,508
Suzlon Energy Ltd. (FV Rs 2)	-	-	300	67,669
Techno Electric & Engineering Co. Ltd. (FV Rs 2)	-	-	1,620	3,57,327
Tulip Telecom Ltd. (FV Rs 2)	300	18,573	300	18,573
United Breweries Ltd. (FV Rs 1)	1,450	7,91,430	1,450	7,91,430
Winy Commercial & Fiscal Services Ltd.	2,80,000	8,00,000	2,80,000	8,00,000
WPIL Ltd.	-	-	600	2,41,778
		63,46,544		1,18,21,472
<u>Unquoted</u>				
<u>Associates</u>				
Avon Credit Pvt. Ltd.	15,290	3,14,500	15,290	3,14,500
<u>Others</u>				
BCCO Holdings Pvt. Ltd.	20,000	10,00,000	20,000	10,00,000
Bliss Tie-up Pvt. Ltd.	7,250	3,62,500	7,250	3,62,500
Hermestar of India Ltd.	-	-	25	2,500
Hind Products Pvt. Ltd.	-	-	599	5,990
Lucky Trading Co. Ltd.	-	-	4,500	45,000
S G Wires Pvt. Ltd.	-	-	3,00,000	2,55,000
		16,77,000		19,85,490
(b) Investments in Mutual Funds (Unquoted)				
Birla Sunlife Dynamic Bond Fund (Growth)	1,67,993.015	30,00,000	1,67,993.015	30,00,000
HDFC Equity Fund - Dividend	7,684.597	3,26,876	7,684.597	3,26,876
ICICI Prudential Focussed Blue Chip Fund (Growth)	33,693.742	6,65,000	27,777.609	5,25,000
IDFC Dynamic Bond Fund Plan A (Growth)	1,14,270.565	25,00,000	1,14,270.565	25,00,000
IDFC Premier Equity Fund Plan A - (Dividend)	4,650.001	1,20,000	4,650.001	1,20,000
Kotak Bond - Short Term (Growth)	1,09,391.171	20,98,147	1,09,391.171	20,98,147
Reliance Dynamic Bond Fund (Growth)	1,17,205.708	17,13,583	1,26,040.359	18,42,748
ICICI Prudential Flexible Income Plan (Growth)	722.470	1,58,113	-	-
Reliance Short Term Fund (Growth)	8,903.808	2,00,000	-	-
		1,07,81,718		1,04,12,771
Aggregate Amount of				
Quoted Investments		63,46,544		1,18,21,472
Unquoted Investments		1,24,58,718		1,23,98,261
		1,88,05,262		2,42,19,733
Market Value of Quoted Investments				
		1,56,59,539		1,49,67,213
Repurchase price of Units of Mutual Fund				
		1,44,28,651		1,20,76,894

Notes to the financial statements for the year ended 31st March, 201562

ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31st March, 2015

17. Changes in Inventory of Stock-in-trade

<u>Inventories at the beginning of the year</u>		
Shares & Securities	19,42,341	18,52,743
<u>Inventories at the end of the year</u>		
Shares & Securities	14,93,671	19,42,341
	<u>4,48,670</u>	<u>(89,598)</u>

18. Employee Benefits Expense

Salaries, Bonus & Allowances	2,12,000	1,40,000
	<u>2,12,000</u>	<u>1,40,000</u>

19. Finance Costs

Interest expense	9,83,263	9,93,041
	<u>9,83,263</u>	<u>9,93,041</u>

20. Other expenses

Advertisement expenses	17,010	17,270
<u>Auditors' Remuneration</u>		
Audit Fees	13,483	13,483
Tax Audit	2,809	2,809
Listing expenses	7,45,732	62,804
Miscellaneous expenses	55,108	37,708
Professional Charges	8,03,256	3,71,830
Sundry Balances written off	3,11,383	-
Selling expense of Fixed Assets	96,195	-
Rates & Taxes	33,879	10,576
	<u>20,78,855</u>	<u>5,16,479</u>

31 March, 2015 31 March, 2014

21. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,25,14,857	2,18,25,836
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22. Contingent liabilities

Contingent Liability in respect of contested demand of AY 2008-09	44,600	44,600
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23. Segment Reporting

The Company is predominantly engaged in the business of trading activities and is a 'Single Segment' Company.

24. Related Party Disclosures

As per Accounting Standard 18 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

(i) Names of the related parties and description of relationship

List of related parties where control exists:

- Key Management Personnel (KMP) and their relatives**
Mrs. Suchita Chhawchharia - Director
Mr. Kshitiz Chhawchharia - Relative of Director
- Enterprises where KMP/ relatives of KMP have significant influence or control**
BCCO Commodities Private Limited
BCCO Consultants Private Limited
BCCO Holdings Private Limited
B Chhawchharia & Co.
- Associates**
Avon Credit Private Limited

(ii) Transactions with related parties during the period

<u>Sl.</u>	<u>Name of the Related Party</u>	<u>31 March, 2015</u>	<u>31 March, 2014</u>
1.	Avon Credit Private Limited		
	<u>Closing Balance:</u>		
	Year end Investments	3,14,500	3,14,500
2.	BCCO Commodities Private Limited		
	<u>Closing Balance:</u>		
	Year end receivables	45,00,000	45,00,000

ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31st March, 2015

3. BCCO Holdings Private Limited

Transactions

Interest received	1,23,880	1,57,260
Interest & Loan repaid	2,41,534	3,59,090
Closing Balance:		
Year end Investments	10,00,000	10,00,000
Year end receivables	14,23,880	15,41,534

25. Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March, 2015	31 March, 2014
Net Profit / (Loss) attributable to equity shareholders	92,893	2,95,948
Weighted average number of equity shares in calculating EPS	36,75,000	36,75,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	0.03	0.08

26. Accounting for Taxes on Income

As availability of future taxable income is not certain, on consideration of prudence, provision for deferred tax assets is not made in term of AS 22, Accounting for Taxes on Income.

27. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has circulated confirmation for the identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of information available with the Company under the aforesaid Act, there are no Enterprises to whom the Company owes dues which are outstanding at year end. This has been relied upon by the Auditors.

28. There is no employee eligible for gratuity and as such no provision made.

29. Previous year figures have been reclassified wherever appropriate to confirm to current year's presentation.

30. All the figures in these notes are in 'Rs' except otherwise stated.

As per our report of even date

For Ray & Co.
Firm Registration No. 313124E
Chartered Accountants

Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2015

For and on behalf of the Board

Suchita Chhawchharia
(DIN- 00044063)

Pothera Narayanan
(DIN- 01245854)

Sourabh Rungta

Kalpana Tekchandani

Directors

Chief Financial Officer

Co. Secretary