

# **ANNUAL REPORT**

**2018-19**

**ADARSH MERCANTILE LIMITED**

# ADARSH MERCANTILE LIMITED

## CONTENTS

Corporate Information	3
Notice	4
Director's Report	13
Standalone Independent Auditor's Report	62
Standalone Balance Sheet	70
Standalone Statement of Profit & Loss Account	71
Standalone Cash Flow Statement	72
Notes on Standalone Financial Statement	73
Consolidated Independent Auditor's Report	80
Consolidated Balance Sheet	87
Consolidated Statement of Profit & Loss Account	88
Consolidated Cash Flow Statement	89
Notes on Consolidated Financial Statement	90
Email-id Registration Form	97
Attendance Slip	98
Proxy Form	99
ECS Form	100
Nomination Form	101

# **ADARSH MERCANTILE LIMITED**

CIN: L51109WB1992PLC055082

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

SUCHITA CHHAWCHHARIA, EXECUTIVE DIRECTOR

ARITRA BASU, NON-EXECUTIVE DIRECTOR

SUNDAR LAL MOHTA, INDEPENDENT DIRECTOR

MANISH KHAITAN, INDEPENDENT DIRECTOR

### **CHIEF FINANCIAL OFFICER**

MR. SHIV SHANKAR SHARMA

### **COMPANY SECRETARY**

MS. ANKITA BANERJEE

### **STATUTORY AUDITORS**

M/S. RAY & CO.  
CHARTERED ACCOUNTANTS  
SHAKESPEARE COURT  
21A, SHAKESPEARE SARANI, FLAT 8C,  
8<sup>TH</sup> FLOOR, KOLKATA 700017

### **REGISTERED OFFICE**

8A & 8B, SATYAM TOWERS,  
3, ALIPORE ROAD,  
KOLKATA – 700027

### **REGISTRAR**

NICHE TECHNOLOGIES PRIVATE LIMITED  
3 A AUCKLAND PLACE,  
ROOM NO. 7A & 7B, 7TH FLOOR,  
KOLKATA-700017

# ADARSH MERCANTILE LIMITED

CIN: L51109WB1992PLC055082

Registered Office: 8A & 8B, Satyam Towers, 3, Alipore Road,  
Kolkata – 700 027.

Phone No. : (033) 2479-1951, Fax: (033) 2479-1952

Email: [adarshmercantile@gmail.com](mailto:adarshmercantile@gmail.com), Website: [www.adarshmercantile.in](http://www.adarshmercantile.in)

## **NOTICE**

**NOTICE** is hereby given that the 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 Saturday, the 14<sup>th</sup> day of September, 2019 at 12.30 P.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company which comprises of Balance Sheet as at 31<sup>st</sup> March, 2019, 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 Mr. Aritra Basu (DIN: 06779222), who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. **RE-APPOINTMENT OF MR. SUNDAR LAL MOHTA (DIN: 05122250) AS AN INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sundar Lal Mohta (DIN: 05122250) be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (Five) consecutive years, with effect from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2025 and shall not be liable to retire by rotation.”

*By Order of the Board of Directors  
For Adarsh Mercantile Limited  
Sd/-*

*Ankita Banerjee  
Company Secretary*

**Place: Kolkata**

**Date: 08.08.2019**

**NOTES:**

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013("the Act"), with respect to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The profile of the Directors seeking appointment/ re-appointment, as required in terms of applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India is annexed hereto and forms part of this Notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
4. **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.**
5. The instrument appointing proxy must be duly stamped, completed, dated, signed and deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The instrument of proxy is valid only for the Annual General Meeting and any adjournment thereof. A proxy form is enclosed.
6. 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 authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. The proxy shall carry his / her / their Identity proof for attending the meeting to proof his/her/their credentials in terms of the Secretarial Standards.
8. 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.
9. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business on 02.08.2019.
10. 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. 07.09.2019 are requested to send the duly signed written / email communication to the Company at [adarshmercantile@gmail.com](mailto:adarshmercantile@gmail.com) and to the RTA at [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 07.09.2019. A person who is not a member as on cut-off date should treat this notice for information purpose only.
12. The shareholders shall have one vote per equity share held by them as on the cut-off date i.e. 07.09.2019. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
13. Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to the Registrar and Share Transfer Agent. The nomination form may also be downloaded from the Company's website : [www.adarshmercantile.in](http://www.adarshmercantile.in)
14. **The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, the 8<sup>th</sup> day of September, 2019 to Saturday, the 14<sup>th</sup> day of September, 2019 (both days inclusive) for the purpose of this AGM.**
15. There is no un-paid or un-claimed dividend for any of the dividend in the earlier years.
16. Relevant documents referred to in this Notice is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours and also at the AGM in physical mode.
17. Members whose shareholding is in the electronic mode are requested to update address & bank account details to their respective Depository Participant(s) and the Members whose shareholding is in the physical mode are requested to provide the same to R&TA.
18. **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 Quarterly Reports, Notices, Annual Reports including financial statements, Board Reports, etc. and any other communications via email. All the shareholders holding shares in physical mode who have not registered their e-mail addresses so far are requested to register their e-mail address to the RTA/ Company for receiving all aforesaid communication from the Company, electronically.**
19. The Notice of the AGM, along with the Annual Report, Attendance Slip and Proxy Form along with the process, instructions and the manner of conducting e-voting are being sent by electronic mode only to all those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report'2019 are being sent in the permitted mode. The documents referred to above are also available on the Company's website: [www.adarshmercantile.in](http://www.adarshmercantile.in)
20. As an austerity measure copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their copy of Annual report to the Meeting.
21. 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.

## 22. Voting Through Electronic Means

**I.** As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system (“remote-voting”) under an arrangement with The Central Depository Services (India) Limited (“CDSL”) as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.

**II.** Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

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

- (i) The voting through electronic means will commence on Wednesday, the 11<sup>th</sup> day of September 2019 at 10.00. a.m. (IST) and will end on Friday, the 13<sup>th</sup> day of September 2019 at 5.00 p.m.(IST). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-Voting module shall be disabled by CDSL for voting thereafter. The Shareholders as on the cut-off date 07.09.2019 may cast their vote.
- (ii) Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iv) Click on “Shareholders” tab.
- (v) After that enter your user ID;
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID; and
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company excluding the special characters.
- (vi) Next enter the image verification as displayed and click Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
  - (x) The Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will then 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.
  - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xii) Click on the EVSN for the relevant <**ADARSH MERCANTILE LIMITED**> on which you choose to vote.
  - (xiii) 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.
  - (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (xv) 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.
  - (xvi) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
  - (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
  - (xviii) If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xix) **Note for Institutional Shareholders and Custodians.**
    - Non-Individual shareholders (i.e. other than individuals, HUF, NRI, etc) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a compliance user 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.
  - (xxi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
1. 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](mailto:santibrewalla@gmail.com) with a copy mark to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and the same may also be send to the Scrutinizer in physical mode also on or before 13.09.2019 upto 5.00 p.m. without which the vote shall not be treated as valid.
  2. 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.



3. 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.
4. 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.
5. 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.
6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.adarshmercantile.in](http://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 BSE Limited, where the shares of the Company are listed.
7. Shareholders are requested to give their valuable suggestions for improvement of our investor services.
8. Route-map to the venue of the AGM is annexed for the convenience of the members.

*By Order of the Board of Directors*

***For Adarsh Mercantile Limited***

***Sd/-***

***Ankita Banerjee***

***Company Secretary***

**Place: Kolkata**

**Date: 08.08.2019**

## **ANNEXURE TO NOTICE OF AGM**

### **A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting**

**[ In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India ]**

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Mr. Aritra Basu</b>	<b>Mr. Sundar Lal Mohta</b>
1.	DIN	06779222	05122250
2.	Date of Birth and Age	30.05.1986, 33 years	15.08.1964, 54 years
3.	Nationality	Indian	Indian
4.	Date of appointment on Board	31.03.2016	31.03.2015
5.	Terms & Condition of appointment/ re-appointment	N.A.	As provided in the notice
6.	Remuneration proposed	N.A.	-
7.	Remuneration last drawn	N.A.	-
8.	No. of shares held in the Company	-	-
9.	Qualification & Expertise in specific functional area	B.Com. Expertise in Accounts & Finance	B.Com., Cost Accountant (ICWAI)
10.	No. of Board Meetings Attended during F.Y. 2018-19	4	4
11.	List of other listed Companies in which Directorships held as on 31st March, 2019	NIL	NIL
12.	List of other Companies in which Directorships held as on 31 <sup>st</sup> March, 2019	1. Downhill Distributors Pvt. Ltd. 2. Edition Sales Pvt. Ltd. 3. Mapps IT Services Pvt. Ltd.	1. Beatle Agecies Private Limited 2. Exuberance Events Private Limited
13.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31 <sup>st</sup> March, 2019	NIL	NIL
14.	Disclosure of relationship between Directors, Managers and Key Managerial Personnel inter se	NIL	NIL

### **Item No. 3**

The present term of appointment of Mr. Sundar Lal Mohta as an Independent Director would expire on 31<sup>st</sup> March, 2020 pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board at its meeting held on 8<sup>th</sup> August, 2019, in accordance to performance evaluation report and on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Sundar Lal Mohta as an Independent Director, subject to the approval of members in the ensuing Annual General Meeting of the Company for a further period of 5(five) years commencing from 1<sup>st</sup> April, 2020.

The Board consider that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Sundar Lal Mohta as an Independent Director. Accordingly, the Board recommend the resolution in relation to re-appointment of Mr. Sundar Lal Mohta as an Independent Director, for approval by the shareholders of the Company upto 31<sup>st</sup> March, 2025 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. Mr. Mohta has given his consent to act as an Independent Director of the company and has furnished requisite declaration confirming that he meet the criteria of Independence as laid down in Section 149(6) of the Act and regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is not disqualified to be re-appointed under Section 164 of the Act.

The Company has received notice in writing from a member of the Company under Section 160 of the Act proposing the candidature of Mr. Mohta for the office of Independent Directors of the Company.

In accordance to the verification made by the Company and its Nomination Committee, the aforesaid Director is not debarred from holding of official Director pursuant to any SEBI Order.

In the opinion of the Board, Mr. Sundar Lal Mohta independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 for his re-appointment as an Independent Director.

A brief profile of Mr. Mohta including nature of his expertise and shareholding in the Company are annexed to the notice.

Except Mr. Sundar Lal Mohta, no Director, Key Managerial Personnel of your Company and their relatives, are in any way, financially or otherwise, directly or indirectly interested or concerned in the resolution.

Accordingly, the Board recommends the special resolution set forth in Item no. 3 in relation to re-appointment of Mr. Sundar Lal Mohta as an Independent Director, for the approval by the shareholders.

Copy of draft letter of appointment setting out the terms of his re-appointment is open for inspection at the Registered Office of the Company by any members during business hours in all working days till the conclusion of the ensuing Annual General Meeting.

**ROUTE MAP FOR AGM ON 14.09.2019  
AT THE REGISTERED OFFICE OF THE COMPANY**



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2019.

(Amount in Rs.)

Financial Results (Standalone)	FY 2018-19	FY 2017-18
Particulars	Amount	Amount
i. Total Revenue	87,99,230	1,90,51,544
ii. Earnings Before Interest, Depreciation, Taxation and Amortization(EBIDTA)	17,61,667	78,37,092
iii. Finance Cost	17,50,549	12,92,563
iv. Profit before Taxation (PBT)	11,118	65,44,529
v. Tax	2,55,900	12,18,800
vi. Profit after Taxation (PAT)	(2,44,782)	53,25,729
vii. Other Comprehensive Income (net of tax)	(40,40,137)	3,48,040
viii. Total Comprehensive Income	(42,84,919)	56,73,769
ix. Profit brought forward from previous year	1,82,39,897	1,29,03,082
x. Surplus/ (Deficit) in the Statement of Profit & Loss Account	(2,44,782)	53,25,729
xi. Transfer to General Reserve	Nil	Nil
xii. Other Adjustments- Income Tax for earlier years	Nil	11,086
xiii. Transfer from OCI Reserve	14,29,047	Nil
xiv. Balance Carried to Balance Sheet	1,94,24,162	1,82,39,897

### **STATE OF COMPANY'S AFFAIRS AND OPERATIONS**

The Company is engaged in the business of Trading of goods, shares and securities and investments in Mutual Funds, Shares & Securities. and has earned revenue of Rs. 87.99 lakhs compared to Rs190.52 lakhs which is lower by 53.81% than last year.

Your Company has incurred a net loss of Rs. 2.45 lakhs during the year compared to the net profit of Rs. 53.26 lakhs in 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.

There is no change in the business of the Company during the financial year 2018-19.

### **PERFORMANCE & FINANCIAL POSITION OF ASSOCIATE**

#### **ASSOCIATE - AVON CREDIT PVT. LTD.**

The Company has reported total revenue of Rs. 68.02 lakhs during the year as compared to Rs. 73.86 lakhs in the previous year and has earned a Net Profit of Rs. 4.98 lakhs as compared to a Profit of Rs. 5.85 lakhs in the previous year.

The Associate Company has not directly contributed to the Revenue and the profit earned since they have not passed on any profit to the Company earned by them.

## **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.

## **DIVIDEND**

In order to conserve resources of the Company to meet working capital requirements, your Board did not recommend any dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2019.

## **ISSUE OF SHARES**

The Company has not issued any shares during the financial year under review.

## **TRANSFER TO RESERVES**

The Company has not transferred any amount to any reserve during the year under review.

## **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 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 applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Exchange, 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'**.

## **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](http://www.adarshmercantile.in) and the declaration to this effect is given in **Annexure - 'E'**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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](http://www.adarshmercantile.in) Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have adopted the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

## **MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

A report on Management Discussion & Analysis is given in the **Annexure – 'F'** to this report.

## **PERSONNEL**

The ratio of the remuneration of each Executive Director and Key Managerial Personnel (KMP) to the median employee's remuneration's as per 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 – 'G'** to this Report, attached hereto.

## **COMPANY'S WEBSITE**

The website of your Company, [www.adarshmercantile.in](http://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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been uploaded.

## **LISTING OF SECURITIES IN STOCK EXCHANGES**

The shares of the Company are presently listed at BSE Limited. The Company is registered with both NSDL and CDSL for holding the shares in dematerialized form and open for trading. The Company has paid fees to the Depositories.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **a) Retirement by Rotation**

Mr. Aritra Basu (DIN : 06779222), Non-Executive 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 himself for re-appointment.

### **b) Re-appointment of Independent Director**

The present terms of appointment of Mr. Sundar Lal Mohta (DIN: 05122250) as an Independent Director would expire on 31<sup>st</sup> March, 2020. The Board of Directors at its meeting held on 8<sup>th</sup> August, 2019 has re-appointed Mr. Sundar Lal Mohta as an Independent Director, pursuant to the provisions of sections 149, 152 and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 subject to the approval of members by a special resolution in the ensuing Annual General Meeting of the Company, for a further period of 5 (Five) years commencing from 1<sup>st</sup> April, 2020 on such terms and conditions. In accordance to the verification made by the Company and its Nomination Committee, the aforesaid Director is not debarred from holding of official Director pursuant to any SEBI Order.

### **c) Appointment of Whole time- Key Managerial Personnel (KMP):**

The present Whole-time Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2019 are as follows :-

- i. Mrs. Suchita Chhawchharia – Executive Director
- ii. Mr. Shiv Shankar Sharma – Chief Financial Officer
- iii. Ms. Ankita Banerjee – Company Secretary

ii) Ms. Ankita Banerjee had been appointed as the Company Secretary & Compliance Officer (designated as the Whole-time Key Managerial Personnel) of the Company by the Board in its meeting held on May 29, 2018 with effect from June 01, 2018, as recommended by the Nomination & Remuneration Committee of the Company, 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.

iii) Ms. Arpita Dey, Company Secretary and Compliance Officer of the Company had resigned with effect from June 01, 2018.

During the year under review, there was no change in the composition of the Board of Directors.



None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013 and rules made thereunder or any other provisions of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All members of the Board of Directors and senior management personnel affirmed compliance with the code of conduct of Board of Directors and Senior Management on an annual basis.

### **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. 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 present Statutory Auditor, M/s. Ray & Co, Chartered Accountants (Peer reviewed), holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the Financial Year 2019-20.

The observations made by the Statutory Auditors in their Auditors Report together with the notes to accounts, as append thereto are self-explanatory and hence does not call for any further explanation.

#### **(ii) Internal Auditor:**

The Company had appointed M/s NST & Associates, Chartered Accountants, as the Internal Auditor of the Company for the Financial Year 2018-19 and they have furnished their report. The Board has re-appointed them as Internal Auditor for the FY 2019-20.

#### **(iii) Secretarial Auditor:**

The Board had appointed Mr. Subhajit Das, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2018-19 under the provisions of section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR 3 is enclosed as **Annexure - 'H'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

### **DISCLOSURES AS PER APPLICABLE ACT AND LISTING AGREEMENT**

#### **i) Related Party Transactions:**

All transaction entered with related parties during the FY 2018-19 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 Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which may have potential conflict of interest with the Company at large.

The necessary disclosures regarding the related party transactions in accordance to the IND AS required in Form-AOC-2 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. The Company has not entered into any specific contract with related parties. Since the Company has entered into transaction with its Associates, firms/ Companies in which Directors are interested disclosure as per Para A of Schedule V is provided in Notes to the Accounts under 'Related Party Disclosures'.

**ii) Number of Board Meetings:**

The Board of Directors met 4 (four) times in the year 2018-19. 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) Committees of the Board :**

4 (Four) Committees of Directors are in force as on March 31, 2019 viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and the Share Transfer Committee. A detail note on the Committee is provided in the Corporate Governance Report section of this Annual Report.

**iv) Composition of Audit Committee:**

The Audit Committee comprises of three Non-Executive Directors including two Independent Directors as on March 31, 2019:-

- Manish Khaitan – Non Executive Independent Director
- Sundar Lal Mohta – Non Executive Independent Director
- Aritra Basu– Non Executive Director

**v) Extracts of Annual Return:**

The details forming part of the extract of the Annual Return in Form **MGT-9** as provided under section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure - 'I'**. This information is also available at the website of the Company at [www.adarshmercantile.in](http://www.adarshmercantile.in).

**vi) Risk Analysis:**

The Board has developed and implemented a risk management policy identifying therein the elements of risk that may threaten the existence of the Company. The Company has a mechanism that helps the Board to keep an overall watch on the business risks and informs the Board members about the evaluation, and estimation of the levels of risks involved in a situation, their comparison against benchmarks or standards, and determination of an acceptable level of risk and mitigation plans and periodical reviews are undertaken to ensure that the critical risks are controlled by the executive management.

**vii) Internal Financial Control :**

The Company has in place adequate internal financial control to ensure the orderly and efficient conduct of its business, including adherence to the Company's policy, safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and

completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has in place adequate internal financial control as required under section 134(5)(e) of the Act and the same was evaluated by the Audit Committee. During the year such controls were tested with reference to financial statements and no material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditor's Report.

**viii) Loans, Guarantees and Investments:**

During the year under review, your Company has invested and deployed its surplus funds in Securities and given loan which is within the overall limit and within the powers of the Board as applicable to the Company in terms of section 179 and 186 of the Companies Act, 2013. The particulars of all such loans, guarantees and investments are entered in the register maintained by the Company for the purpose.

**ix) 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 2018-19.

**x) Subsidiaries, Associates or Joint Ventures:**

As on 31<sup>st</sup> March, 2019 Company has only one associate i.e. M/s. Avon Credit Pvt. Ltd. and there is no Company which has become or ceased to be the Company's subsidiary, joint venture or associate Company 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'**.

The consolidated financial statement in this Annual Report is as per the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"). In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information will be available on our website. These documents will also be available for inspection during business hours on all working days except Saturday at the Registered Office of the Company and also on the date of the AGM. The Company will also make available copy on specific request by any member of the Company, interested in obtaining the same.

In accordance to regulation 33 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opts to submit consolidated financial results only on Annual basis and the same has been intimated to the Stock exchange.

**xi) Evaluation of the Board's Performance:**

The Board has in place a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation 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.

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.

#### **xii) Nomination, Remuneration and Evaluation Policy:**

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 SEBI (LODR) Regulations, 2015 (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 website of your Company, [www.adarshmercantile.in](http://www.adarshmercantile.in):

- a. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP), 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.

#### **xiii) Vigil Mechanism (Whistle Blower Policy):**

The Company has adopted a whistleblower mechanism for Directors, employees and other person to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and ethics. The Audit committee oversees the vigil mechanism and the persons who avail the mechanism are encouraged to escalate to the level of the Audit Committee for any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. This policy also allows the direct access to the Chairperson of the Audit Committee.

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 Directors and 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](http://www.adarshmercantile.in) and also set out in the Corporate Governance Report attached as Annexure to this Board's Report.

#### **xiv) Internal Complaint Committee:**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xv) **SECRETARIAL STANDARDS:**

Secretarial Standards, i.e. SS-1, SS-2 and SS-3 relating to 'Meetings of the Board of Directors' 'General Meetings' and Dividend, respectively, to the extent as applicable have been duly followed by the Company.

**THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

**INDUSTRIAL RELATIONS**

The industrial relation during the year 2018-19 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There have been no significant & material orders passed by regulators / courts / tribunals impacting going concern status and Company's 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.

*Place : Kolkata*  
*Date : 08.08.2019*

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

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

*Sd/-*  
*Aritra Basu*  
*Director*  
*(DIN: 06779222)*

## **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)-  
a) Details of technology imported }  
b) Year of import } N.A.  
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 N.A.

### **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: 08.08.2019**

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

Sd/-	Sd/-
<i>Suchita Chhawchharia</i>	<i>Aritra Basu</i>
Executive Director	Director
(DIN: 00044063)	(DIN: 06779222)

# **ANNEXURE B TO THE DIRECTOR'S REPORT**

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19**

*(As required under Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein referred as "Listing Regulations")*

In accordance with the applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance at Adarsh Mercantile Limited is set out herein below :-

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, integrity, accountability and checks at the different levels of the management of the Company. The objective is to meet stakeholders' aspiration and societal expectations. It is demonstrated in governance process, healthy returns to shareholders and an entrepreneurial performance, focused work environment. We are delivering high quality products of international standards at extremely competitive prices to our customers. Our employee satisfaction is reflected in the stability of our senior management, low attrition across at various levels and substantially higher productivity.

Corporate Governance is not just a destination, but a path to constantly improve sustainable value creation. It is just not limited to comply the prescribed corporate governance applicable to the Company rather it is committed to achieve higher standards and adopt best principles and practices in the given environment.

### **2. BOARD OF DIRECTORS**

a) The Company's policy is to maintain optimum combination of Executive Directors and Non-Executive Directors. The composition and category of Board of Directors are as follows:

<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>Category and their designation</b>
1.	Mrs. Suchita Chhawchharia	Executive Director – Promoter - Woman Director
2.	Mr. Sundar Lal Mohta	Non-Executive – Independent Director
3.	Mr. Manish Khaitan	Non-Executive – Independent Director
4.	Mr. Aritra Basu	Non-Executive Director

The Nomination and Remuneration Committee has identified persons who are eminent and has an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decision as Independent Directors of the Company. Every Independent Directors of the Company at the first meeting of the Board in every financial year gives a declaration that they meet the criteria of independence as provided under law.

The appointment of the Independent Directors of the Company for a term of consecutive five years has been confirmed in the Annual General Meeting of the Company and they are not being liable to retire by rotation. They meet all the criteria's as provided in the Companies Act, 2013 applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have taken 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 Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

### **FAMILIARISATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS**

The Company in accordance with applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI LODR') 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 programmes.

The Board members are provided with necessary documents, reports and internal policies, periodic presentations are made on business and performance updates of the Company, business strategy and risks involved to enable them to familiarise with the Company's procedures and practices.

An ongoing familiarisation with respect to the business/ working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

By way of the familiarisation programme undertaken by the Company, the Directors are shared with the nature of the industry in which the Company is presently functioning, the functioning of various business units, the Company's market share, the CSR activities which will be pursued by the Company and other relevant information pertaining to the Company's business.

As required under Regulation 25 of the SEBI LODR Regulations, the Company held various familiarisation programmes for the Independent Directors throughout the year on an ongoing and continuous basis with a view to familiarising the independent directors with the Company's operations. The familiarisation programmes carried out during the year include:-

1. Presentations made by business and functional heads of the Company from time to time on different functions and areas.
2. Presentations made and deliberations held from time to time on major changes and developments in the Act and SEBI LODR Regulations.

The familiarization programme of the Company for its Independent Directors has been disclosed on the Company's website: [www.adarshmercantile.in](http://www.adarshmercantile.in)

### **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 committee memberships/ chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Memberships	Committee Chairmanships
Mrs. Suchita Chhawchharia	4	Present	NIL	1	NIL
Mr. Sundar Lal Mohta	4	Present	NIL	1	NIL
Mr. Manish Khaitan	4	Present	NIL	2	1
Mr. Aritra Basu	4	Present	NIL	2	1

\* 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.

#### **c) NUMBER OF BOARD MEETINGS HELD AND DATES ON WHICH HELD**

During the financial year 2018-19, 4 (Four) Board meetings were held on 29.05.2018, 14.08.2018, 13.11.2018 and 11.02.2019. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and the provision of Companies Act, 2013.

The meetings of the Board are held at the Registered Office of the Company.

The Board is given presentations covering finance, sales, profit, opportunities, strategy and risk management practices before taking on record the Company's quarterly/ annual financial results. The agenda and notes on agenda are circulated to all the Directors in advance.

#### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

The Company's Independent Directors of the Company met once during the financial year 2018-19 on 11<sup>th</sup> February, 2019 in compliance with Schedule IV, Code of Independent Directors under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was attended by all the Independent Directors. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and also reviewed:

- the performance of non-independent Directors and the Board as a whole ;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors ; and
- assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform their duties.

#### **d) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

The details of Director seeking appointment/re-appointment as required under Regulation 36 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in annexure to the notice.

e) **DISCLOSURE OF RELATIONSHIP BETWEEN THE DIRECTORS INTER SE**

None of the Directors in the Board have inter se relation with each other thus the disclosure of relationships between Directors inter se as required under applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required to be given.

f) **SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS**

Sl. No.	Name of the Directors	No. of Shares
1.	Mr. Sundar Lal Mohta	NIL
2.	Mr. Manish Khaitan	NIL
3.	Mr. Aritra Basu	NIL

3. **AUDIT COMMITTEE**

The Audit Committee was entrusted with review of quarterly and annual financial statements before submission to the Board, management discussion and analysis of financial condition and results of operations, 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.

All the members of the Audit Committee are Independent Directors and possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls. The terms of reference of the Audit Committee are extensive and as stated below, go beyond what is mandated in Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of Companies Act, 2013.

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

1. Oversight 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. Review of the adequacy of the internal control systems and finance of the internal audit team;
5. Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same ;
6. 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.
7. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  8. 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;
  9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  10. Approval or any subsequent modification of transactions of the Company with related parties;
  11. Scrutiny of inter-corporate loans and investments;
  12. Valuation of undertakings or assets of the Company, wherever it is necessary;
  13. Evaluation of internal financial controls and risk management systems;
  14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  15. 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;
  16. Discussion with internal auditors of any significant findings and follow up there on;
  17. 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;
  18. 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;
  19. 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;
  20. To review the functioning of the Whistle Blower mechanism;
  21. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
  22. Examining the financial statement and the auditor's report thereon;
  23. Monitoring the end use of funds raised through public offers and related matters;
  24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  25. To review -
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions, submitted by management;
    - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
    - Internal audit reports relating to internal control weaknesses, etc.
    - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
    - 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.

During the period 4 (Four) meetings of the Audit Committee were held during the year ended 29.05.2018, 14.08.2018, 13.11.2018 and 11.02.2019.

The Audit Committee comprised of following three members–

<b>Name of Directors</b>	<b>Category</b>	<b>No. of Meetings Held</b>	<b>Attended</b>
Mr. Manish Khaitan	Non-Executive – Independent Director-Chairman	4	4
Mr. Aritra Basu	Non-Executive Director-Member	4	4
Mr. Sundar Lal Mohta	Non-Executive – Independent Director-Member	4	4

Ms. Arpita Dey, the Company Secretary of the Company, was acting as the Secretary of the Committee till 31.05.2018.

Ms. Ankita Banerjee, is acting as the Secretary of the Committee w.e.f. 01.06.2018.

#### **4. NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee presently comprises of three members – Mr. Sundar Lal Mohta, Mr. Aritra Basu and Mr. Manish Khaitan. Mr. Sundar Lal Mohta is the Chairman of the Committee.

**a.** The Terms of reference of the Committee are as under:

- 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 performance 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 SEBI (LODR) Regulations, 2015, 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.

During the period 2 (Two) meeting of the Nomination & Remuneration Committee was held on 29.05.2018 and 11.02.2019.

b. The attendance of its meeting are given below :

Name of Directors	Category	No. of Meeting Held	Attended
Mr. Sundar Lal Mohta	Non-Executive – Independent Director-Chairman	2	2
Mr. Aritra Basu	Non-Executive Director-Member	2	2
Mr. Manish Khaitan	Non-Executive – Independent Director-Member	2	2

Ms. Arpita Dey, the Company Secretary of the Company, was acting as the Secretary of the Committee till 31.05.2018.

Ms. Ankita Banerjee, is acting as the Secretary of the Committee w.e.f. 01.06.2018.

**c. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

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

- 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.

## 5. REMUNERATION OF DIRECTORS

### (a) Remuneration Policy /Criteria

- i. Executive Directors: 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.
- ii. Non-Executive Directors :Sitting fees for attending Board Meetings or Committees thereof.
- iii. KMPs & Senior Management Personnel: The motto of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contributes to the Company but makes their job satisfaction.

### (b) Sitting Fees:

Sitting fees for attending Board Meetings or Committees thereof is as mentioned in clause (a) above.

### (c) Remuneration to Directors:

The statement of the remuneration paid /payable to the Managing /Whole-time /Executive Directors and Sitting Fees paid/ payable to Non-Executive Directors is given below:-

(Amount in Lakhs)

Name of the Directors	Remuneration paid / payable for F.Y. 2018-19				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees (Rs.)	Pay per month (Rs.)	Period	Effective from
Mrs. Suchita Chhawchharia	1.20	-	-	-	3 years	01.04.2018

### Notes:

1. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
2. The Notice period and severance fees are not applicable to the Executive Directors of the Company.
3. The Non- Executive Directors have waived their sitting fees for the F.Y. 2018-19.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee presently comprises of three members – Mr. Manish Khaitan, Mr. Aritra Basu and Mrs. Suchita Chhawchharia.

During the period 4 (Four) meeting of the Stakeholders Relationship Committee was held on 29.05.2018, 14.08.2018 and 13.11.2018 and 11.02.2019.

<b>Name of Directors</b>	<b>Category</b>	<b>No. of Meetings Held</b>	<b>Attended</b>
Mr. Aritra Basu	Non-Executive Director - Chairman	4	4
Mrs. Suchita Chhawchharia	Executive Director – Member	4	4
Mr. Manish Khaitan	Non-Executive – Independent Director - Member	4	4

Ms. Arpita Dey, the Company Secretary of the Company, was acting as the Secretary of the Committee till 31.05.2018.

Ms. Ankita Banerjee, is acting as the Secretary of the Committee w.e.f. 01.06.2018.

The Committee oversees the disposal of all complains / grievances of shareholders like non-transfer and transmissions of shares, non-receipt of Annual Report, non-receipt of declared Dividend, dematerialization & re-materialization of Shares, etc.

No request for Share transfer/ transmission remains pending for registration for more than 15 days. No complaint / query is received by the Company during the financial year and no complaint and no request for share transfer/ transmission is pending as on 31<sup>st</sup> March, 2018.

#### **Shareholders' Complaints**

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

<b>Nature of complaints</b>	<b>Received</b>	<b>Resolved/ Replied</b>	<b>Pending</b>
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
<b>Total</b>	Nil	Nil	Nil

#### **SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI') COMPLAINTS REDRESS SYSTEM ("SCORES")**

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. Aritra Basu and Mr. Manish Khaitan. Mrs. Suchita Chhawchharia is the Chairman of the Committee.

Ms. Ankita Banerjee is acting as the Secretary of the Committee.

The Share Transfer Committee meets as and when required and is entrusted with transfer / transmission of shares, issue of duplicate share certificates, changes of name / status, transposition of names, sub-division / consolidation of share certificates, dematerialization / rematerialization of shares, etc.

## **8. GENERAL BODY MEETINGS**

(a) **Date, Time and Venue where last three Annual General Meeting held:**

<b>Year</b>	<b>Date &amp; Time</b>	<b>Venue</b>	<b>If Special Resolution(s) Passed</b>
2017-18	17 <sup>th</sup> September, 2018 2.00 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No
2016-17	22 <sup>nd</sup> September, 2017 2.00 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes
2015-16	23 <sup>rd</sup> September, 2016 11.00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No

- (b) No special resolution 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 in view of the amendment made in Section 110 by Companies (Amendment) Act, 2017 which inter alia provides that ‘any item proposed to be transacted by Postal Ballot may be transacted at the general meeting by a Company provided that the Company is providing facility of e-voting to its members under section 108 of the Companies Act, 2013’.

## **9. MEANS OF COMMUNICATION**

The un-audited / audited quarterly/ annual financial results along with limited review report/audit report by the Auditors in the prescribed format are taken on record by the Board of Director at its meeting within the prescribed time of the close of every quarter and the same are furnished to the Stock Exchange where the Company’s shares are listed. The results are also published within 48 hours of conclusion of Board Meeting in the “Morning India” newspapers in English and “Sukhabar” in Bengali. The financial results are also displayed on the Company's website: [www.adarshmercantile.in](http://www.adarshmercantile.in)

The Company’s website display official news releases as and when occurred.

No presentation has been made to Institutional Investors or Analysts.

## **10. GENERAL INFORMATION FOR SHAREHOLDERS**

- a. Annual General Meeting : **Date** : 14<sup>th</sup> day of September, 2019.  
(Date, Time & Venue) **Time** : 12.30 P.M  
**Venue** : 8A & 8B, Satyam Towers,  
3, Alipore Road, Kolkata-700027.
- b. Financial year : 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019



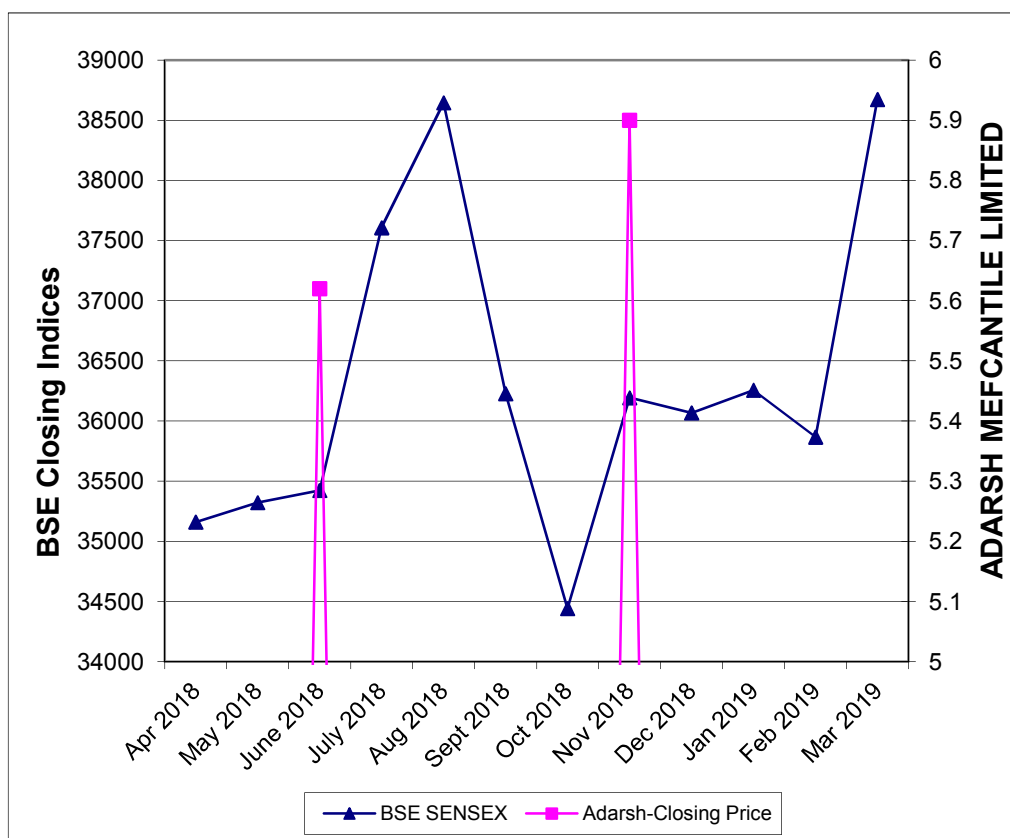
- c. Dividend payment : The Board has not recommended any Dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2019.
- d. Date of Book closure : 08.09.2019 to 14.09.2019 (both days inclusive)
- e. Listing Details : Equity Shares of the Company are listed on **BSE Ltd. ( Scrip Code : 538563)**  
25, Phiroze Jeejeebhoy  
Towers, Dalal Street, Mumbai – 400 001.  
No listing fees to BSE are due as on date.
- f. Stock Market Price Data : Monthly High/Low price during the last Financial Year at the BSE depicting liquidity of the Equity Shares is given hereunder:

Month	BSE		
	Month's High Price	Month's Low Price	Volume
April, 2018	NT	NT	NA
May, 2018	NT	NT	NA
June, 2018	5.62	5.62	125
July, 2018	NT	NT	NA
August, 2018	NT	NT	NA
September, 2018	NT	NT	NA
October, 2018	NT	NT	NA
November, 2018	5.90	5.90	118
December, 2018	NT	NT	NA
January, 2019	NT	NT	NA
February, 2019	NT	NT	NA
March, 2019	NT	NT	NA

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

g. Share price performance in comparison to BSE Sensex for the Financial Year 2018-19.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April, 2018	35160.36	NT
May, 2018	35322.38	NT
June, 2018	35423.48	5.62
July, 2018	37606.58	NT
August, 2018	38645.07	NT
September, 2018	36227.14	NT
October, 2018	34442.05	NT
November, 2018	36194.30	5.90
December, 2018	36068.33	NT
January, 2019	36256.69	NT
February, 2019	35867.44	NT
March, 2019	38672.91	NT



h. Registrar and Share Transfer Agent : M/s. Niche Technologies Pvt. Ltd.  
 (SEBI Registration No: INR000003290)  
 3A Auckland Place, 7th Floor, Room No. 7A & 7B,  
 Kolkata - 700 017  
 Phone No. - 033 2280 6616/17  
 Fax – 033 – 2280 6619  
 E-mail: nichetechpl@ nichetechpl.com  
 Website: www. nichetechpl.com

i. Share Transfer System : Share Transfer System is entrusted to the Registrar and Share Transfer Agents. The Share Transfer Committee is empowered to approve the Share Transfers. Transfer Committee Meeting is held as and when required. The Share Transfer, transmission of shares, Issue of duplicate certificate, etc. is endorsed by Directors/Executives/Officers as may be authorised by the Committee. Requests for transfers received from members and miscellaneous correspondence are processed/ resolved by the Registrars within stipulated time.

j. Distribution of Shareholding as on 31<sup>st</sup> March, 2019:

<b>No. of Ordinary Shares held</b>	<b>No. of Shares</b>	<b>% Of Shares</b>	<b>No. of Share-Holders /folios</b>	<b>% Of Shareholders</b>
Up to 500	1150	0.1313	23	46.9388
501 to 1,000	960	0.0261	1	2.0408
1,001 to 5,000	1050	0.0286	1	2.0408
5,001 to 10,000	16,260	0.4424	2	4.0816
10,001 to 50,000	2,31,175	6.2905	7	14.2857
50,001 to 1,00,000	4,79,175	13.0388	7	14.2857
1,00,001 and above	29,45,230	80.1423	8	16.3265
<b>Total</b>	<b>36,75,000</b>	<b>100.0000</b>	<b>49</b>	<b>100.0000</b>

k. Shareholding Pattern as on 31<sup>st</sup> March, 2019:

<b>Category of Shareholders</b>	<b>No. of Shares</b>	<b>%</b>
<b>Promoters</b>	<b>2085330</b>	<b>56.74</b>
<b>Mutual Fund/UTI</b>	-	-
<b>Banks/Financial Institutions /Insurance Companies/Govt. Company</b>	-	-
<b>Indian Companies</b>	<b>644168</b>	<b>17.53</b>
<b>NRIs/Foreign Shareholders (including bodies corporate)</b>	-	-
<b>Public/Others</b>	<b>945502</b>	<b>25.73</b>
<b>Total</b>	<b>3675000</b>	<b>100.00</b>

- l. Dematerialisation of Shares : **ISIN : INE 673E01018**  
32,59,165 shares of the Company are held in Dematerialized form representing 88.68% of the paid-up share Capital of the Company as on 31<sup>st</sup> March, 2019.
- m. 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.
- n. Commodity Price Risk/ Foreign Exchange Risk and Hedging activities : Not applicable to the Company as Company is not associated with hedging activities.
- o. Address for correspondence : **Adarsh Mercantile Limited**  
8A & 8B, Satyam Towers  
3, Alipore Road, Kolkata-700027  
Phone No. - 033-2479-1951  
Fax – 033-2479-1952

p. Contact Person : Ms. Ankita Banerjee, Company Secretary

**11. OTHER 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. Vigil Mechanism / Whistle Blower Policy :**

As per the requirements of the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behaviour, 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.

- d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**

The Company has complied with all the applicable mandatory Regulations of SEBI (LODR) Regulations, 2015 and has adopted 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 applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

- e. Accounting Treatment in preparation of financial statement :**

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

**f. Policy for determining ‘material’ subsidiaries :**

The Company does not have any material non-listed Indian subsidiary as defined in Regulation 16 and 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**g. Web link where policy on dealing with related party transactions :**

Policy on dealing with related party transaction is displayed at the website of the Company [www.adarshmercantile.in](http://www.adarshmercantile.in)

**h. Disclosures of commodity price risks and commodity hedging activities :**

The Company is not associated with hedging activities.

**i. 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.

**j. Certificate from Practicing Company Secretary**

As required under the provisions of Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in Practice have been received in Annexure- ‘K’ stating that none of the Directors on the board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

**k. CEO / CFO certification :**

The CEO/CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure D.

**l. Management Discussion and Analysis Report :**

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure F.

**(12) DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF**

There is no non compliance of any requirement of Corporate Governance Report of above sub-para as detailed above, thus no explanations need to be given.

**(13) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

- a. Office to Non-executive Chairperson: The Company has not appointed any permanent Chairman as such maintenance of separate office is not required.
- b. Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
- c. The financial statement of your Company is continued to be with unmodified audit opinion.
- d. Separate posts of Chairperson& CEO. The Company has not appointed any Chairperson in the Company.
- e. The Internal Auditors reports directly to the Audit Committee.

**(14) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As on 31<sup>st</sup> March, 2019, there are no outstanding shares of the Company lying in the demat suspense/ unclaimed suspense account.

**(15) 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 31<sup>st</sup> March, 2019. Duties of the Independent Directors have suitably been incorporated in the code. The Code is displayed on the Company's website: **www.adarshmercantile.in**. A declaration signed by **the Executive Director & CEO** is annexed as **Annexure 'E'**.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (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 has 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.

**(16) DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 to 27 AND CLAUSES (b) TO (i) OF SUB – REGULATION (2) OF REGULATION (46)**

The Company has complied with the requirements of aforesaid Regulations.

## **ANNEXURE - C TO THE DIRECTORS' REPORT**

### **CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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 2018-19, as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with Stock Exchange.

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 generally complied with the condition of Corporate Governance as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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: 08.08.2019**

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

## **ANNEXURE - D TO THE DIRECTORS' REPORT**

### **Certification by Executive Director - Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company**

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

Dear Sir(s),

In terms of Regulation 17(8) read with the Schedule II of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Suchita Chhawchharia, Executive Director - CEO and Shiv Shankar Sharma, CFO, certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year 2018-19 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 and belief, no transactions entered into by the Company during the financial year 2018-19 are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting 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 or 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) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Adarsh Mercantile Limited  
Place: Kolkata**

**Date: 08.08.2019**

**Sd/-  
Suchita Chhawchharia  
Executive Director & CEO  
DIN: 00044063**

**Sd/-  
Shiv Shankar Sharma  
Chief Finance Officer**



## **ANNEXURE - E TO THE DIRECTORS' REPORT**

### **Declaration for Compliance with the Code of Conduct of the Company as per Regulations 26(3) read with the Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Suchita Chhawchharia, Executive Director-CEO of M/s. **Adarsh Mercantile Limited** declare that as of 31<sup>st</sup> March, 2019 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: 08.08.2019**

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

## **ANNEXURE - F TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 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) 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.

#### **b) Segment wise or product wise performance:**

The Company is engaged primarily in the business of trading activities accordingly there are no separate reportable segments. In view of the slackened economy there has been a substantial decline in the commodity trading. In its Endeavour to look for better opportunities, the company has now entered into different commodity trading.

#### **c) 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.

#### **d) 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.

#### **e) Discussion on financial performance with respect to operational performance:**

The Company has prepared its accounts under Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act").

During the year under review the Company received dividend of Rs. 1,91,113 as compared to Rs. 2,53,227 in the previous year. The interest income during the year was Rs. 7,69,263 as against Rs. 3,75,856 in the corresponding previous year. The Company earned capital gains of Rs. 10,09,868 compared to Rs. 50,35,550 in the previous year. The trading activities of the Company resulted in a loss of Rs. 2,19,695 during the year as compared to a gain of Rs. 27,11,149 during the previous year.

**f) Developments in Human Resources**

The Company believes that its human resources as core strength. While the technology and product is fairly standardized in the present scenario, the results achieved by the Company are related primarily to the talent, spirit, commitment and contribution of its employees at all levels.

The Company consistently nurtures a transparent and empowered work environment, which fosters meritocracy and incentivizes employees for high levels of delivery.

There were 5 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019.

**g) 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.

## **ANNEXURE - G 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 2018-19 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under :

<b>Sl. No.</b>	<b>Name of Director/ KMP and Designation</b>	<b>Remuneration of Director / KMP for financial year 2018-19 (Rs. in lakhs)</b>	<b>% increase in Remuneration in the financial year 2018-19</b>	<b>Ratio of remuneration of each Director/ to median remuneration of employees</b>
1	Mrs. Suchita Chhawchharia Executive Director	1.20	Nil	1.11:1
2	Mr. Shiv Shankar Sharma Chief Financial Officer	4.89	8.95%	N.A.
3	Ms. Arpita Dey Company Secretary & Compliance Officer (resigned w.e.f. 01.06.2018)	0.20	Nil	N.A.
4	Ms. Ankita Banerjee Company Secretary & Compliance Officer (appointed w.e.f. 01.06.2018)	1.00	Nil	N.A.

**Note:**

1. No other Director other than the Executive Director received any remuneration during the financial year 2018-19.
2. The median remuneration of employees of the Company during the financial year was Rs. 1.08 lakhs compared to the previous year was Rs. 1.08 lakhs;
3. In the financial year, there was an increase of 0% in the median remuneration of employees;

iv) There were 5 permanent employees on the rolls of Company as on March 31, 2019;

v) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2018-19 was 0% whereas the increase in the managerial remuneration for the same financial year was 8.95%;

vi) It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2019 is as per the Remuneration Policy of the Company.

**Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**A. LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN :**

Sl . N o.	Name of the Emplo yees	Desig nation of the emplo yee	Remu nerati on drawn durin g the financ ial year 2017- 18 (Rs. in lakhs)	Nature of employ ment, whethe r contrac tual or otherw ise	Qualifi cations and experie nce	Date of commen cement of employ ment	Age	Last employ ment held before joining the Compan y	% of equit y share s held in the Com pany	Whet her relati ve of any Direc tor or Man ager of the Com pany and if so, name of such Direc tor or Man ager
1	Mrs. Suchita Chhawc hharia	Execut ive Direct or	1.20	otherwi se	MBA	01.04.15	41	Shaw Public School	N.A	N.A
2	Shiv Shankar Sharma	CFO	4.89	otherwi se	Graduat e	01.07.16	55	B.Chhaw chharia & CO	0.12 %	N.A
3	Arpita Dey	Comp any Secret ary	0.20	otherwi se	CS	16.01.17	28	N.A	N.A	N.A

4	Ankita Banerjee	Company Secretary	1.00	otherwise	CS	01.06.18		Santosh Kumar Tibrewala, PCS	N.A	N.A
5	Anirban Das	Jr.Executive	0.96	otherwise	H.S	01.04.16	37	N.A	N.A	N.A
6	Ramesh Barik	Jr.Executive	0.96	otherwise	H.S	01.04.16	30	N.A	N.A	N.A

**B. List of employees drawing a remuneration not less than Rs. 102.00 lakhs per annum or Rs. 8.50 lakhs per month, if employed for part of the year :** No employee in the Company has drawn remuneration falling under this category.

- C. There are no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Executive Director and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.
- D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.
- E. There were no employees who were in receipt of remuneration as required to be disclosed under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# **ANNEXURE - H TO THE DIRECTORS' REPORT**

## **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

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

**To,  
The Members,  
M/s. 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 **M/s. Adarsh Mercantile Limited** (hereinafter called 'the Company') bearing **CIN : L51109WB1992PLC055082**. 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 M/s. Adarsh Mercantile Limited'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 31<sup>st</sup> March, 2019, has 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 M/s. Adarsh Mercantile Limited ('the Company') for the financial year ended on 31<sup>st</sup> March, 2019, **to the extent Acts / provisions of the Acts applicable**, 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **to the extent applicable:-**

- (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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (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;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company has complied with the laws applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with the BSE Limited;

During the period under review, the Company has 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. There is no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity 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.

None of the Directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

**I further report that** during the audit period the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards, etc. referred to above.

**Place:** Kolkata

**Date:** 05.08.2019

**Signature : Sd/-**

**Name of Company Secretary in Practice : Subhajit Das**

**ACS No. : 28815**

**C P No. : 11049**



# **ANNEXURE - I TO THE DIRECTORS' REPORT**

## **MGT-9**

### **EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2019**

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

#### **I. REGISTRATION AND OTHER DETAILS**

<b>i.</b>	<b>CIN</b>	L51109WB1992PLC055082
<b>ii</b>	<b>Registration Date</b>	01/04/1992
<b>iii</b>	<b>Name of the Company</b>	ADARSH MERCANTILE LIMITED
<b>iv</b>	<b>Category / Sub-Category of the Company</b>	Public Company limited by Shares
<b>v</b>	<b>Address of the Registered office of and contact details</b>	8A & 8B, SATYAM TOWERS, 3, ALIPORE ROAD KOLKATA – 700027 Phone No. – (033)24791951 Fax – (033) 24791952
<b>vi</b>	<b>Whether listed company - Yes/No</b>	Yes
<b>vii</b>	<b>Name, Address and Contact details of Registrar and transfer Agent, if any</b>	M/s. Niche Technologies Pvt. Ltd. Address: 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 017  E-mail id - nichetechpl@ nichetechpl.com Phone No. – (033) 2280 6616/17 Fax –(033) – 2280 6619

#### **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:-

<b>Sl. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Share & Securities	N.A.	1.46
2	Raw Jute	46695	98.54

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

<b>Sl. No.</b>	<b>Name and Address Of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of share s held</b>	<b>Applicable Section</b>
1.	AVON CREDIT PRIVATE LIMITED	U65923WB1989PTC046025	Associate	31.62	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	416725	-	416725	11.339	456200	136000	592200	11.339	16.114
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1493130	-	1493130	40.629	1493130	-	1493130	40.629	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	1909855	-	1909855	51.969	1949330	136000	2085330	56.744	4.775
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1909855	-	1909855	51.969	1949330	136000	2085330	56.744	4.775

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	644168	35100	679268	18.483	644168	-	644168	17.528	-0.955
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	514	40720	40984	1.115	10982	8370	19352	0.527	-0.588
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	220000	824375	1044375	28.418	654685	271465	926150	25.201	-3.217
c) Others (Trusts)	318	200	518	0.014	-	-	-	0.014	-0.014
<b>Sub-total (B)(2):-</b>	865000	900145	1765145	48.031	1309835	279835	1589670	43.256	-4.775
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	865000	900145	1765145	48.031	1309835	279835	1589670	43.256	-4.775
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	Nil
<b>Grand Total (A+B+C)</b>	2774855	900145	3675000	100.00	3259165	415835	3675000	100	Nil

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2018)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2019)			
		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	ASHISH CHHAWCHHARIA	70075	1.907	-	70075	1.907	-	-
2	ASHISH CHHAWCHHARIA (KARTA OF HUF)	140000	3.810	-	179475	4.884	-	1.074
3	AVON CREDIT PVT. LTD.	1493130	40.629	-	1493130	40.629	-	-
4	KSHITIZ CHHAWCHHARIA	70000	1.905	-	70000	1.905	-	-
5	KSHITIZ CHHAWCHHARIA (HUF)	136650	3.719	-	272650	7.419	-	3.701
	Total	1909855	51.969	-	2085330	56.744	-	4.775

## iii) Change in Promoters' Shareholding:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	KSHITIZ CHHAWCHHARIA (KARTA OF HUF)				
	a) At the Beginning of the Year (01.04.2018)	136650	3.719		
	b) Changes during the year– Transfer 28/02/2019	136000	3.701	272650	7.419
	c) At the End of the Year (31.03.2019)			272650	7.419
2.	ASHISH CHHAWCHHARIA (KARTA OF HUF)				
	a) At the Beginning of the Year (01.04.2018)	140000	3.810		
	b) Changes during the year – Transfer 08/02/2019	39475	1.074	179475	4.884
	c) At the End of the Year (31.03.2019)			179475	4.884

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

Sl. No.	Names of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	KRISHNENDU MAITY At the Beginning of the year At the end of the year	180725	4.918	180725	4.918
2.	MADHU VERMA At the Beginning of the year Changes during the year– Transfer 28/02/2019 At the end of the year	90000 40000	2.449 1.088	50000	1.361
3.	NIRMALA SINGH At the Beginning of the year Changes during the year– Transfer 04/01/2019 At the end of the year	75000 4700	2.041 0.128	79700	2.169
4.	PARIKSHIT CHAKRABORTY At the Beginning of the year Changes during the year– Transfer 27/04/2018 Changes during the year– Transfer 07/12/2018 Changes during the year– Transfer 28/02/2019 At the end of the year	100 -100 51850 100	0.003  1.411 0.003	100  51950	2.612  1.414
5.	SHULEEN SHARMA At the Beginning of the year Changes during the year– Transfer 08/02/2019 At the end of the year	- 71100	- 1.935	71100	1.935
6.	RATAN KUMAR SEAL At the Beginning of the year At the end of the year	175050	4.763	175050	4.763
7.	SPECTRA VANIJYA PRIVATE LIMITED At the Beginning of the year At the end of the year	180000	4.898	180000	4.898
8.	SUJOY KUMAR MONDAL At the Beginning of the year Changes during the year– Transfer 10/08/2018 At the end of the year	82500 100	2.245 0.003	82600 82600	2.248 2.248
9.	WINY COMMERCIAL & FISCAL SERVICES LIMITED At the Beginning of the year At the end of the year	315000	8.571	315000	8.571
10.	YUKTHI SOLUTIONS PRIVATE LIMITED At the Beginning of the year At the end of the year	149100	4.057	149100	4.057
	<b>TOTAL</b>	<b>1524225</b>	<b>41.476</b>	<b>1343393</b>	<b>36.555</b>

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

Sl No	Names of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Aritra Basu – Non-Executive Director At the Beginning of the year At the end of the year	100	0.00	0	0.00
2.	Shiv Shankar Sharma – CFO & KMP At the Beginning of the year At the end of the year	45000	1.22	45000	1.22

\* Note: Other Directors on the Board and Key Managerial Personnel's are not holding any share of the Company.

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1<sup>st</sup> April, 2018)</b>				
i) Principal Amount	NIL	99,50,000	NIL	99,50,000
ii) Interest due but not paid		11,36,788		11,36,788
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>1,10,86,788</b>	<b>NIL</b>	<b>1,10,86,788</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	3,15,75,491	NIL	3,15,75,491
• Reduction		(1,11,73,845)		(1,11,73,845)
<b>Net Change</b>	<b>NIL</b>	<b>2,04,01,646</b>	<b>NIL</b>	<b>2,04,01,646</b>
<b>Indebtedness at the end of the financial year (31<sup>st</sup> April, 2019)</b>				
i) Principal Amount	NIL	3,05,00,000	NIL	3,05,00,000
ii) Interest due but not paid		9,88,434		9,88,434
iii) Interest accrued but not due		-		-
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>3,14,88,434</b>	<b>NIL</b>	<b>3,14,88,434</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
			<b>Mrs. Suchita Chhawchharia (Executive Director)</b>	
<b>1</b>	<b>Gross salary</b> (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		<b>1.20</b>  <b>NIL</b>	<b>1.20</b>  <b>NIL</b>
<b>2</b>	<b>Stock Option</b>		<b>NIL</b>	<b>NIL</b>
<b>3</b>	<b>Sweat Equity</b>		<b>NIL</b>	<b>NIL</b>
<b>4</b>	<b>Commission</b> - as % of profit - others, specify.....		<b>NIL</b>	<b>NIL</b>
<b>5</b>	<b>Others, please specify</b>		<b>NIL</b>	<b>NIL</b>
	<b>Total (A)</b>		<b>1.20</b>	<b>1.20</b>
	<b>Ceiling as per the Act</b>	Due to Inadequate profit ceiling applies as per Section II of Part II of Schedule V.		

### B. Remuneration to other directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
<b>1</b>	<b>Independent Directors</b>	Mr. Sundar Lal Mohta	Mr. Manish Khaitan		
	<ul style="list-style-type: none"> <li>Fee for attending board / committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
<b>2</b>	<b>Other Non-Executive Directors</b>			Mr. Aritra Basu	

	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>				-
	<b>Overall Ceiling as per the Act</b>	1% of Net Profit during the financial year and Rs. 1,00,000 to each of the Director per meeting of Board or Committee thereof.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ankita Banerjee (Company Secretary)	Shiv Shankar Sharma (CFO)		Total
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.20	4.89		6.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil		Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
<b>2</b>	<b>Stock Option</b>	Nil	Nil		Nil
<b>3</b>	<b>Sweat Equity</b>	Nil	Nil		Nil
<b>4</b>	<b>Commission</b> - as % of profit - others, specify.....	Nil	Nil		Nil
<b>5</b>	<b>Others, please specify</b>	Nil	Nil		Nil
	<b>Total</b>	1.20	4.89		6.09



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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					

**Place : Kolkata****Date : 08.08.2019**

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

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

*Sd/-  
Aritra Basu  
Director  
(DIN: 06779222)*

## **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 or associate companies or joint ventures**

##### **Part A : Subsidiaries**

The Company has no subsidiary as on 31.03.2019.

##### **Other information:**

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

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

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

<b>Name of Associates or Joint Ventures</b>	Associate Company: AVON CREDIT PVT. LTD.
<b>1. Latest audited Balance Sheet Date</b>	23.05.2019
<b>2. Date on which the associate or joint venture was associated or acquired</b>	08.05.2010
<b>3. Shares of Associate or Joint Ventures held by the company on the year end</b>	
No.	Equity – 15,290 of Rs. 10/- each
Amount of Investment in Associates or Joint Venture	Rs. 3,14,500/-
Extend of Holding (in percentage)	31.62% - Equity
<b>4. Description of how there is significant influence</b>	Holding more than 20% of total share capital pursuant to Section 2(6) of Companies Act, 2013
<b>5. Reason why the associate/joint venture is not consolidated</b>	N.A.
<b>6. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	Rs. 22,90,066
<b>7. Profit for the year</b>	Rs. 4,98,352
i. Considered in Consolidation	Yes – Rs. 1,57,579
ii. Not Considered in Consolidation	N.A. –Rs. 3,40,773 as per Accounting Standards

**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/-  
Aritra Basu  
Director  
DIN: 06779222***

***Sd/-  
Shiv Shankar Sharma  
Chief Financial Officer***

***Sd/-  
Ankita Banerjee  
Company Secretary***

**Place: Kolkata  
Date: 08.08.2019**

## **ANNEXURE - K TO THE DIRECTORS' REPORT**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
**M/s. Adarsh Mercantile Limited**  
**8A & 8B, Satyam Towers,**  
**3, Alipore Road,**  
**Kolkata- 700027.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Adarsh Mercantile Limited having CIN L51109WB1992PLC055082 having registered office at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata- 700027. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that **none** of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory Authorities.

<b>Sl. No.</b>	<b>Name of Director(s)</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1	Mrs. Suchita Chhawchharia	00044063	06/03/2006
2	Mr. Sundar Lal Mohta	05122250	31/03/2015
3	Mr. Manish Khaitan	07136784	31/03/2016
4	Mr. Aritra Basu	06779222	31/03/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Kolkata

**Date:** 08.08.2019

**Signature:**    **Sd/-**

**Name**        : Santosh Kumar Tibrewalla

**Membership No.** : 3811

**C.P. No.**        : 3982

## **Independent Auditor's Report**

**To the Members of  
ADARSH MERCANTILE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

1. We have audited the accompanying standalone financial statements of **ADARSH MERCANTILE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matter**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

15. 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) these standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24.05.2019 as per Annexure B expressed unmodified;
- h) 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 (as amended), 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 litigation which would impact its financial position as at 31 March 2019;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

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

**Sd/-**  
**Subrata Roy**  
Partner

Kolkata  
May 24, 2019

Membership No.: 051205

## Annexure A

### **The Annexure referred to in Independent Auditor's Report of even date to the members of Adarsh Mercantile Limited, on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019**

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, and to the best of our knowledge and belief, we report that:

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company maintains inventory of shares and securities. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, 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 specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to 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 become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

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	44,601	A.Y 2008-09	Assessing Officer, Income tax department

Income Tax Act, 1961	Income Tax	6,014	A.Y 2007-08	Assessing Officer, Income tax department
Income Tax Act, 1961	Fringe Benefit Tax	672	A.Y 2007-08	Assessing Officer, Income tax department

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Sd/-**  
**Subrata Roy**  
Partner

Kolkata  
May 24, 2019

Membership No.: 051205

## **Annexure B to the Auditor's Report**

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

1. In conjunction with our audit of the standalone financial statements of ADARSH MERCANTILE LIMITED ("the Company") as of and for the year ended 31<sup>st</sup> March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

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

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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

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

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

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

Kolkata  
May 24, 2019

**Sd/-**  
**Subrata Roy**  
Partner  
Membership No.: 051205

# ADARSH MERCANTILE LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Investment Property	2	1,17,79,833	1,79,26,983
(d) Other Intangible Assets		-	-
(e) Financial Assets:	3		
(i) Investments		4,83,75,762	4,19,51,338
(ii) Trade Receivables		-	-
(iii) Loans		1,78,61,815	1,34,34,049
(iv) Others		-	-
(f) Deferred Tax Assets (net)		-	-
(g) Other Non-Current Assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	4	37,01,162	39,46,222
(b) Financial Assets:	5		
(i) Investments		88,82,162	15,29,044
(ii) Trade Receivables		20,38,833	4,14,819
(iii) Cash and cash equivalents		52,214	2,59,649
(iv) Bank Balances other than (iii) above		-	-
(v) Loans		74,63,194	42,70,717
(vi) Other Financial Assets		20,000	1,01,200
(c) Current Tax Assets (net)	6	18,11,606	6,56,774
(d) Other current assets	7	32,68,194	32,80,616
<b>TOTAL ASSETS</b>		<b>10,52,54,775</b>	<b>8,77,71,411</b>

## EQUITY AND LIABILITIES

### Equity

(a) Equity Share Capital	8	3,67,50,000	3,67,50,000
(b) Other Equity	9	3,31,45,345	3,74,30,265

### Liabilities

#### (1) Non-current liabilities

(a) Financial Liabilities:			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		9,385	-
(d) Other non-current liabilities		-	-

#### (2) Current liabilities

(a) Financial Liabilities:	10		
(i) Borrowings		3,05,00,000	99,50,000
(ii) Trade Payables		20,29,617	4,11,736
(iii) Other financial liabilities		11,48,311	11,36,788
(b) Other current liabilities	11	1,97,416	8,73,822
(c) Provisions	12	14,74,700	12,18,800
(d) Current Tax Liabilities (net)		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,52,54,775</b>	<b>8,77,71,411</b>

## Significant accounting policies and notes to financial statements

1

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

As per our report of even date

For Ray & Co.

Firm Registration No. 313124E

Chartered Accountants

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 24, 2019

For and on behalf of the Board

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma

CFO

Sd/-

Ankita Banerjee

Company Secretary

**ADARSH MERCANTILE LIMITED**
**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(In Rs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	13	51,90,504	1,10,68,376
II. Other income	14	36,08,726	79,83,168
III. Total Income (I+II)		87,99,230	1,90,51,544
IV. Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	15	50,89,141	1,08,69,132
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16	2,45,060	(25,47,048)
Employee benefits expense	17	9,21,105	8,81,274
Finance costs	18	17,50,549	12,92,563
Depreciation and amortisation expense		-	-
Other expenses	19	7,82,256	20,11,094
Total Expenses (IV)		87,88,112	1,25,07,015
V. Profit before exceptional items and tax (III-IV)		11,118	65,44,529
VI. Exceptional Items		-	-
VII. Profit/ (loss) before tax (V-VI)		11,118	65,44,529
VIII. Tax expense:			
(1) Current tax		2,55,900	12,18,800
(2) Deferred tax		-	-
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		(2,44,782)	53,25,729
X. Profit/ (loss) for the period from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (VIII-IX)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		(2,44,782)	53,25,729
XIV. Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or loss		(40,30,752)	3,48,040
(ii) Income tax relating to items that will not be reclassified to profit or loss		9,385	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV. Total Comprehensive Income for the period (XI+XII)		(42,84,919)	56,73,769
(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
XVI. Earning per equity share (for continuing operation):			
(1) Basic	20	0.32	1.45
(2) Diluted	20	0.32	1.45
XVII. Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII. Earning per equity share (for discontinued and continuing operation):			
(1) Basic		0.32	1.45
(2) Diluted		0.32	1.45

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

As per our report of even date

For Ray &amp; Co.

Firm Registration No. 313124E

Chartered Accountants

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 24, 2019

For and on behalf of the Board

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma

CFO

Sd/-

Ankita Banerjee

Company Secretary

**ADARSH MERCANTILE LIMITED****STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	31st March, 2019 Rs.	31st March, 2018 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax	11,118	65,44,529
Non-cash adjustment to reconcile profit before tax to net cash flows		
Gain/(loss) on sale of Investments	(10,09,868)	(50,35,550)
Rental Income	(1,44,870)	(80,400)
Unrealised Profit/(Loss) on fair valuation of Investments	(15,69,610)	(22,73,310)
Dividend Income from Investments	(1,15,115)	(2,18,083)
Interest Income on Deposits	(7,69,263)	(3,72,466)
Interest Expended	17,50,549	12,92,563
Operating profit before working capital changes	(18,47,059)	(1,42,717)
<b>Movements in working capital :</b>		
Decrease/(increase) in Inventories	2,45,060	(25,47,048)
Decrease/(increase) in Trade Receivables	(16,24,014)	(2,83,450)
Decrease/(increase) in Loans & Advances	(68,51,480)	(60,68,465)
Decrease/(increase) in Other Financial Assets	81,200	(1,01,200)
Decrease/(increase) in Other Current Assets	12,921	59,86,600
Increase/(decrease) in Trade Payables	16,17,881	4,11,736
Increase/(decrease) in Other Current Liabilities	(6,76,406)	6,77,046
Cash generated from / (used in) operations	(90,41,896)	(20,67,498)
Direct taxes paid (net of refunds)	(11,54,832)	(3,50,802)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>(1,01,96,728)</b>	<b>(24,18,300)</b>
<b>Cash flow from investing activities</b>		
Dividend Income	1,15,115	2,18,083
Gain/(loss) on sale of Investments	10,09,868	50,35,550
Rental Income	1,44,870	80,400
Unrealised Profit/(Loss) on fair valuation of Investments	15,69,610	22,90,520
Sale/(Purchase) of Investments	(1,78,08,294)	21,25,558
Sale/(Purchase) of Property	61,47,150	(26,97,041)
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>(88,21,681)</b>	<b>70,53,070</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of Short term Borrowings	2,04,01,646	(34,00,000)
Interest paid	(17,50,549)	(16,08,888)
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>1,86,51,097</b>	<b>(50,08,888)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,67,312)	(3,74,118)
Cash and cash equivalents at the beginning of the year	2,59,649	6,33,767
<b>Cash and cash equivalents at the end of the year</b>	<b>(1,07,663)</b>	<b>2,59,649</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks		
In Current Accounts	(1,59,877)	2,26,436
Cash on hand	52,214	33,213
<b>Total cash and cash equivalents</b>	<b>(1,07,663)</b>	<b>2,59,649</b>

As per our report of even date

**For Ray & Co.****Firm Registration No. 313124E**

Chartered Accountants

Sd/-

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 24, 2019

**For and on behalf of the Board**

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma CFO

Sd/-

Ankita Banerjee

Company Secretary



**Statement of changes in Equity for the year ended March, 31, 2019**

**A. Equity Share Capital**

	(in Rs.)
<b>Balance as at April 1, 2017</b>	<b>3,67,50,000</b>
Changes during the year	-
<b>Balance as at March 31, 2018</b>	<b>3,67,50,000</b>
Changes during the year	-
<b>Balance as at March 31, 2019</b>	<b>3,67,50,000</b>

**B. Other Equity**

Particulars	General Reserve	Retained earnings	Securities Premium
<b>Balance as at April 01, 2017</b>	<b>1,05,21,423</b>	<b>2,12,23,986</b>	-
Profit for the year	-	53,25,729	-
Other comprehensive income for the year, net of income tax	-	3,48,040	-
<b>Total comprehensive income for the year</b>	-	<b>2,68,97,755</b>	-
Income Tax Adjustments	-	11,086	-
<b>Balance at March 31, 2018</b>	<b>1,05,21,423</b>	<b>2,69,08,841</b>	-
Profit for the year	-	11,84,265	-
Other comprehensive income for the year, net of income tax	-	(54,69,183)	-
<b>Total comprehensive income for the year</b>	-	<b>2,26,23,923</b>	-
Income Tax Adjustments	-	-	-
<b>Balance at March 31, 2019</b>	<b>1,05,21,423</b>	<b>2,26,23,923</b>	-

As per our report of even date

**For and on behalf of the Board**

**For Ray & Co.**

**Firm Registration No. 313124E**

Chartered Accountants

**Sd/-**

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 24, 2019

**Sd/-**

Suchita Chhawchharia  
(DIN- 00044063)

**Sd/-**

Aritra Basu  
(DIN- 06779222)

} Directors

**Sd/-**

Shiv Shankar Sharn

CFO

**Sd/-**

Ankita Banerjee

Company Secretary

**1. Significant Accounting Policies**

**1.1 Statement of Compliance**

These Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act").

The effect of amendments to the Ind AS 115 'Revenue from Contracts with Customers' and certain amendments to existing Ind AS as notified by Ministry of Corporate Affairs are applicable w.e.f. 1st April, 2018; wherever applicable have been given effect to, there being no effect of amendments to IND AS 115.

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

**1.2 Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and Property, Plant and Equipment and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in IND AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Fair value measurement is to be followed on transition to IND AS. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

These Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal except otherwise stated. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement, as well as the changes in equity, are based on the principle of materiality.

**1.3 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty**

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

**1.4 Property, Plant and Equipment**

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is recognised on written down value method over the estimated useful lives (or lease term, if shorter) in accordance with Schedule II of the Companies Act, 2013.

**1.5 Intangible Assets**

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses.

**1.6 Impairment of Assets**

Property, Plant & Equipment are reviewed at each balance sheet date for impairment. In case, events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount.

**1.7 Financial Assets and Financial Liabilities**

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss. The Financial Assets and Financial Liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**1.8 Inventories**

(i) Finished Goods are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads and excise duty.

(iii) Cost in respect of process stock represents, cost incurred upto the stage of completion.

**1.9 Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements
- (iii) Contingent Assets are also not recognized in the financial statement and if material, are disclosed by way of notes.

1.11 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments. Under IND AS, Investments are measured at fair value and accordingly, difference between the fair value and carrying value is recognised in the Statement of Profit and Loss.

1.12 Employee Benefits

- (i) Short term Employee benefits are accrued in the year services are rendered by the employees.
- (ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.
- (iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.13 Taxes on Income

- (i) Provision for Tax is made for current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
- (ii) Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.
- (iii) Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted. Since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 'Income Taxes'.

2 Investment Property

Residential Flat

As at 31 March, 2019	As at 31 March, 2018
1,17,79,833	1,79,26,983
<b>1,17,79,833</b>	<b>1,79,26,983</b>

3 Non- Current Financial Assets

(i) Investments

a. Equity Shares (Quoted)

	31 March 2019		31 March 2018	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
Ashiana Housing Ltd.	33,782	38,88,308	33,782	51,99,050
Dhunseri Tea & Ind. Ltd.	599	1,28,366	862	2,37,136
Electrosteel Steels Ltd.	1,750	54,338	87,500	2,13,500
IFGL Refractories Ltd	252	60,745	252	63,189
India Bulls Real Estate Ltd	-	-	-	-
Intrasoft Technologies Ltd.	5,947	7,61,216	8,945	61,72,945
ITC Ltd. (FV Rs 1)	5,550	16,46,685	5,550	14,20,245
JSW Energy Ltd	1,000	72,600	-	-
L & T Infotech Ltd	175	2,97,955	175	2,29,583
Mahindra CIE Auto Ltd	-	-	200	60,310
Manaksia Industries Ltd	-	-	3,015	1,50,599
Motherson Sumi System Ltd	225	33,581	150	46,763
Padmini Technologies Ltd.	13,000	1	13,000	80,600
Sancia Global Infraprojects Ltd.	500	1	500	245
Srikalahasthi Pipes Ltd	-	-	250	82,050
Solara Active Pharma Sciences Ltd	83	34,781	-	-
State Bank of India	700	2,24,560	700	1,75,070
Strides Arcolab Ltd	-	-	500	3,46,700
Talwarkars Better Val Ltd	2,000	1,07,900	-	-
Texmaco Infrastructure Ltd	1,500	84,750	1,500	92,100
Tulip Telecom Ltd. (FV Rs 2)	-	-	300	459
United Breweries Ltd. (FV Rs 1)	1,450	20,22,968	1,450	13,73,368
		<b>94,18,754</b>		<b>1,59,43,910</b>

b. Equity Shares (Unquoted)

Associates

Avon Credit Pvt. Ltd.	15,290	3,14,500	15,290	3,14,500
-----------------------	--------	----------	--------	----------

Others

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
Tulip Telecom Ltd. (FV Rs 2)	300	459	-	-
		<b>16,77,459</b>		<b>16,77,000</b>

		31 March 2019		31 March 2018	
		Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>c. Preference Shares (Unquoted)</b>					
Ambicon Ventures Pvt Ltd		1,50,000	1,50,00,000	-	-
			1,50,00,000		-
<b>d. Mutual Funds (Unquoted)</b>					
ABSL Corporate Bond Fund -Growth		88,128.968	63,16,952	88,128.968	58,55,888
HDFC Equity Fund- Regular plan - Dividend		7,684.597	3,95,549	7,684.597	3,83,853
HDFC Credit Risk Debt Fund-Regular plan-Growth		11,544.606	1,76,114	4,809.399	1,65,606
ICICI Prudential Bluechip Fund (Growth)		33,693.743	14,21,539	33,693.743	13,01,926
ICICI Prudential Short Term Fund (Growth)		62,664.691	24,21,100	62,664.691	22,69,233
IDFC Dynamic Bond Fund -Growth- regular plan		1,93,203.861	43,16,020	1,93,203.861	39,86,723
IDFC Multicap Fund-Dividend-Regular plan		4,650.001	1,51,637	4,650.001	1,54,709
Kotak Bond - Short Term (Growth)		-	-	1,09,391.171	35,48,365
Reliance Banking & PSU Debt Fund (Growth)		8,932.400	1,20,309	8,932.400	1,11,987
Reliance Dynamic Bond Fund (Growth)		1,17,205.708	28,80,553	1,17,205.708	27,16,805
Reliance Short Term Fund (Growth plan growth option)		1,17,458.723	40,79,776	1,17,458.723	38,35,333
			2,22,79,549		2,43,30,428
<b>Total (i)</b>			<b>4,83,75,762</b>		<b>4,19,51,338</b>
				<b>As at</b>	<b>As at</b>
				<b>31 March, 2019</b>	<b>31 March, 2018</b>
<u>(iii) Loans</u>					
Capital Advances				1,32,83,290	88,55,524
Loans & Advances - related parties				45,00,000	45,00,000
Security Deposit				78,525	78,525
				<b>1,78,61,815</b>	<b>1,34,34,049</b>
<b>4 Inventories</b>					
Shares & Securities				37,01,162	39,46,222
				<b>37,01,162</b>	<b>39,46,222</b>
		<b>31 March 2019</b>		<b>31 March 2018</b>	
		Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>5 Current Financial Assets</b>					
<u>(i) Investments in Mutual Funds</u>					
ABSL Low Duration Fund -Growth		7,148.317	32,12,757	3,085.183	12,88,232
ABSL Liquid Fund -Growth		438.031	1,30,974	-	-
ICICI Prudential Savings Fund-Growth		722.470	2,59,171	722.470	2,40,812
Franklin India Liquid Fund-SIP		450.820	12,56,960	-	-
Franklin India Low Duration Fund		20,699.172	4,50,000	-	-
Franklin India Ultra Short Bond Fund-SIP		1,35,990.220	35,72,300	-	-
			<b>88,82,162</b>		<b>15,29,044</b>
				<b>As at</b>	<b>As at</b>
				<b>31 March, 2019</b>	<b>31 March, 2018</b>
<u>(ii) Trade Receivables</u>					
<u>Unsecured, considered good</u>					
Due for less than six months				20,38,833	4,14,819
				<b>20,38,833</b>	<b>4,14,819</b>
<u>(iii) Cash and Cash Equivalents</u>					
Balances with banks in Current Accounts				-	2,26,436
Cash on hand				52,214	33,213
				<b>52,214</b>	<b>2,59,649</b>
<u>(iv) Loans</u>					
Loans & Advances - other parties				62,09,342	29,62,217
Loans & Advances - related parties				12,53,852	13,08,000
				<b>74,63,194</b>	<b>42,70,217</b>
<b>6 Current Tax Assets (net)</b>					
Advance Taxes & TDS				18,11,606	6,56,774
				<b>18,11,606</b>	<b>6,56,774</b>
<b>7 Other Current Assets</b>					
Amount Receivable against Sale of Investment				32,67,715	32,67,715
Other Receivables				479	12,901
				<b>32,68,194</b>	<b>32,80,616</b>
<b>8 Equity Share Capital</b>					
<b>a) Capital Structure</b>					
<b>Authorised</b>					
40,00,000 Equity Shares of Rs. 10/- each				4,00,00,000	4,00,00,000
(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)				<b>4,00,00,000</b>	<b>4,00,00,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>					
36,75,000 Equity Shares of Rs. 10/- each				3,67,50,000	3,67,50,000
(Previous year - 36,75,000 Equity Shares of Rs. 10/- each)				<b>3,67,50,000</b>	<b>3,67,50,000</b>

**b) Share Capital Reconciliation****Equity Shares**

Opening balance  
Issued during the period  
**Closing Balance**

31 March 2019		31 March 2018	
Nos.	Amount	Nos.	Amount
36,75,000	3,67,50,000	36,75,000	3,67,50,000
-	-	-	-
<b>36,75,000</b>	<b>3,67,50,000</b>	<b>36,75,000</b>	<b>3,67,50,000</b>

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

	31 March 2019		31 March 2018	
	Nos.	% holding	Nos.	% holding
Avon Credit Private Limited	14,93,130	40.63%	14,93,130	40.63%
Winy Commercial & Fiscal Services Limited	3,15,000	8.57%	3,15,000	8.57%
Kshitiz Chhawchharia as the karta of Kshitiz Chhawchharia HUF	2,72,650	7.42%	1,36,650	3.72%

**d) Terms of issue of equity shares**

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

**e) No shares have been reserved for issue under options and contracts / commitments for the sale of shares/disinvestment as at the Balance Sheet date.****f) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.****g) No convertible securities have been issued by the Company during the year.****h) No calls are unpaid by any Director and Officer of the Company during the year.****i) The Company has not forfeited any shares.****9 Other Equity****(i) General Reserve**

Balance b/f 2,45,000 2,45,000

**(ii) General Reserve on Amalgamation**

Balance b/f 1,02,76,423 1,02,76,423

**(iii) Retained Earnings**

Balance at the beginning of the year 1,82,39,897 1,29,03,082

Add: Income Tax Adjustments - 11,086

Add: Profit for the year (2,44,782) 53,25,729

Add: Transfer from OCI 14,29,047 -

Balance at the end of the year 1,94,24,162 1,82,39,897

**(iv) Other Comprehensive Income**

Balance at the beginning of the year 86,68,944 83,20,904

Add: Investments carried at FVTOCI (40,40,137) 3,48,040

Less: Transfer to retained earnings 14,29,047 -

Equity instrument through other comprehensive income 31,99,760 86,68,944

**Total****3,31,45,345 3,74,30,264****10 CURRENT FINANCIAL LIABILITIES****(i) Borrowings**

Loans repayable on demand - from other parties (unsecured) 3,05,00,000 99,50,000

**3,05,00,000 99,50,000****(ii) Trade Payables****20,29,617 4,11,736****(iii) Other Financial Liabilities**

Interest accrued and due on borrowings 9,88,434 11,36,788

Temporary overdrawn balance with Banks 1,59,877 -

**11,48,311 11,36,788****11 OTHER CURRENT LIABILITIES****Security Deposit ( Rent )**

Other payables 27,400 13,400

Statutory Dues Payables 1,06,615 3,09,162

Others Payables (Year end accruals for expenses) 63,401 5,51,260

**1,97,416 8,73,822****12 CURRENT PROVISIONS**

Other Provisions - for Income Tax 14,74,700 12,18,800

**14,74,700 12,18,800****31 March, 2019 31 March, 2018****Rs Rs****13 REVENUE FROM OPERATIONS****Sale of Products**

Shares & Securities - 3,419

Raw Jute 51,14,506 1,10,29,813

**51,14,506 1,10,33,232****Other Operating Income**

Dividend Income 75,998 35,144

**75,998 35,144****Total 51,90,504 1,10,68,376**

	31 March, 2019	31 March, 2018
	Rs	Rs
<b>14 OTHER INCOME</b>		
Net gain/(loss) on sale of Current Investments	3,74,591	14,24,115
Net gain/(loss) on sale of Non-current Investments	3,096	36,11,434
Rental Income	1,44,870	80,400
Gain on Sale of Property	6,32,181	-
Unrealised Profit/(Loss) on fair valuation of Investments	15,69,610	22,73,280
Dividend Income from Current Investments	-	90,196
Dividend Income from Non-current investments	1,15,115	1,27,886
Interest income on Income Tax Refund	-	3,390
Interest income on deposits	7,69,263	3,72,466
	<b>36,08,726</b>	<b>79,83,168</b>
<b>15 PURCHASES OF STOCK-IN-TRADE</b>		
Shares & Securities	-	-
Raw Jute	50,89,141	1,08,69,132
	<b>50,89,141</b>	<b>1,08,69,132</b>
<b>16 CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
<u>Inventories at the beginning of the year</u>		
Shares & Securities	39,46,222	13,99,174
<u>Inventories at the end of the year</u>		
Shares & Securities	37,01,162	39,46,222
	<b>2,45,060</b>	<b>(25,47,048)</b>
<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus & Allowances	9,21,105	8,81,274
	<b>9,21,105</b>	<b>8,81,274</b>
<b>18 FINANCE COSTS</b>		
Interest expense	17,50,549	12,92,563
	<b>17,50,549</b>	<b>12,92,563</b>
<b>19 OTHER EXPENSES</b>		
Advertisement expenses	12,212	14,035
<u>Auditors' Remuneration</u>		
-Audit Fees	10,390	10,030
-Tax Audit Fees	-	4,130
Brokerage & Commission	2,56,274	10,57,576
Listing expenses	3,45,920	3,35,343
Maintenance Charges ( Net )	1,01,771	45,176
Miscellaneous expenses	51,039	40,154
Professional charges	-	5,00,000
Rates & Taxes	4,650	4,650
	<b>7,82,256</b>	<b>20,11,094</b>
<b>20 EARNING PER SHARE (EPS)</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Net Profit / (Loss) attributable to equity shareholders	11,84,265	53,25,729
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	0.32	1.45
	<b>As at</b>	<b>As at</b>
	<b>31 March, 2019</b>	<b>31 March, 2018</b>
<b>21 CONTINGENT LIABILITIES</b>		
Contingent Liability in respect of contested demand of AY 2007-08	6,686	6,686
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601
<b>22 SEGMENT REPORTING</b>		
The Company is predominantly engaged in the business of trading activities and is a 'Single Segment' Company.		
<b>23 RELATED PARTY DISCLOSURES</b>		
As required by IND AS 24 'Related Party Disclosures', the disclosure of transactions with related parties are given below:		
<b>(i) Names of the related parties and description of relationship</b>		
<b>List of related parties where control exists:</b>		
<b>1. Key Management Personnel (KMP) and their relatives</b>		
Mrs. Suchita Chhawchharia	- Director	
Mr. Shiv Shankar Sharma	- Chief Financial Officer	
Ms. Arpita Dey	- Company Secretary (resigned w.e.f. 01.06.2018)	
Ms. Ankita Banerjee	- Company Secretary (appointed w.e.f. 01.06.2018)	
<b>2. Enterprises where KMP/ relatives of KMP have significant influence or control</b>		
BCCO Commodities Private Limited		
BCCO Consultants Private Limited		
BCCO Holdings Private Limited		
Aster Dealcom Pvt. Ltd.		
Gallon Holdings Pvt. Ltd.		
<b>3. Associates</b>		
Avon Credit Private Limited		

(ii) Transactions with related parties during the period

Sl.	Name of the Related Party	31 March, 2019	31 March, 2018
1	<b>Avon Credit Private Limited</b> <u>Closing Balance:</u> Year end Investments	3,14,500	3,14,500
2	<b>BCCO Commodities Private Limited</b> <u>Closing Balance:</u> Year end receivables	45,00,000	45,00,000
3	<b>BCCO Holdings Private Limited</b> <u>Transactions</u> Interest received <u>Closing Balance:</u> Year end Investments Year end receivables	1,20,000 10,00,000 12,53,852	1,20,000 10,00,000 13,08,000
4	<b>Aster Dealcom Pvt. Ltd.</b> <u>Closing Balance:</u> Year end receivables	32,67,715	32,67,715
5	<b>Mr. Shiv Shankar Sharma</b> <u>Transactions</u> Salary Paid during the Year	4,89,105	4,49,274
6	<b>Mrs. Suchita Chhawchharia</b> <u>Transactions</u> Salary Paid during the Year	1,20,000	1,20,000
7	<b>Ms. Arpita Dey</b> <u>Transactions</u> Salary Paid during the Year	20,000	1,20,000
8	<b>Ms. Ankita Banerjee</b> <u>Transactions</u> Salary Paid during the Year	1,00,000	-

**24 ACCOUNTING FOR TAXES ON INCOME**

Provision for Tax is made for current and deferred taxes.

Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted.

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

The Company has significant amount of unused tax credits, since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 ' Income Taxes'.

**25 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER 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.

**26 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES**

In the opinion of the management, current assets, loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have made and are not in excess of the amount reasonably required.

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

As per our report of even date

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

**Sd/-**  
**Subrata Roy**  
Partner  
M. No. 051205

Kolkata  
May 24, 2019

**For and on behalf of the Board**

**Sd/-**  
Suchita Chhawchharia  
(DIN- 00044063)  
**Sd/-**  
Aritra Basu  
(DIN- 06779222)

Directors

**Sd/-**  
Shiv Shankar Sharma  
CFO

**Sd/-**  
Ankita Banerjee  
Company Secretary

## **Independent Auditor's Report**

### **To the Members of Adarsh Mercantile Limited**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

1. We have audited the accompanying consolidated financial statements of Adarsh Mercantile Limited ('the Holding Company') and its associate (the Holding Company and its associate together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

##### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matter**

4. Key audit matters are those matters that, in our professional judgment {and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate, were of most significance in our audit of the consolidated



financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined that there are no key audit matters to communicate in our report.

#### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

14. The consolidated financial statements includes the Group's share of net loss (including other comprehensive income) of Rs. 1,44,729 (profit of associate) for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate whose financial statements has not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

15. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report (s) of the other auditor (s) on separate financial statements and other financial information of the associate, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate company covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 14, on separate financial statements of the associate, we report that the Holding Company paid remuneration to its respective directors during the year in accordance with the provisions of and limits laid down under section 197

read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since that company is not a public company as defined under section 2(71) of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate:
  - i. There were no pending litigations as at 31 March 2019 which would impact the consolidated financial position of the Group;
  - ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company covered under the Act, during the year ended 31 March 2019.

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

Kolkata  
May 24, 2019

**Sd/-**  
**Subrata Roy**  
*Partner*  
Membership No. 051205

## **Annexure A to the Auditor's Report**

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

In conjunction with our audit of the Consolidated financial statements of Adarsh Mercantile Limited ("the Company") as of and for the year ended 31<sup>st</sup> March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the company and its associate company which are incorporated in India, as of that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company and its associate company incorporated in India has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**Other Matters**

We did not audit the IFCoFR insofar as it relates to one associate company, which is a company incorporated in India, in respect of which, the Group's share of net loss of Rs 1,44,729 (profit of the associate) for the year ended 31 March 2019 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Company, and its associate company, which is a company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid associate company, which is company incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

**For Ray & Co.**

**Firm Registration No.: 313124E**

*Chartered Accountants*

**Sd/-**

**Subrata Roy**

*Partner*

Membership No. 051205

Kolkata

May 24, 2019

**ADARSH MERCANTILE LIMITED**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

		(In Rs)	
Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Investment Property	2	1,17,79,833	1,79,26,983
(d) Other Intangible Assets		-	-
(e) Financial Assets:	3		
(i) Investments		5,12,81,195	4,47,12,043
(ii) Trade Receivables		-	-
(iii) Loans		1,78,61,815	1,34,34,049
(iv) Others		-	-
(f) Deferred Tax Assets (net)		-	-
(g) Other Non-Current Assets		-	-
<b>(2) Current assets</b>			
(a) Inventories	4	37,01,162	39,46,222
(b) Financial Assets:	5		
(i) Investments		88,82,162	15,29,044
(ii) Trade Receivables		20,38,833	4,14,819
(iii) Cash and cash equivalents		52,214	2,59,649
(iv) Bank Balances other than (iii) above		-	-
(v) Loans		74,63,194	42,70,217
(vi) Other Financial Assets		20,000	1,01,200
(c) Current Tax Assets (net)	6	18,11,606	6,56,774
(d) Other current assets	7	32,68,194	32,81,115
<b>TOTAL ASSETS</b>		<b>10,81,60,208</b>	<b>9,05,32,115</b>

**EQUITY AND LIABILITIES****Equity**

(a) Equity Share Capital	8	3,67,50,000	3,67,50,000
(b) Other Equity	9	3,60,50,778	4,01,90,969

**Liabilities****(1) Non-current liabilities**

(a) Financial Liabilities:			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		9,385	-
(d) Other non-current liabilities		-	-

**(2) Current liabilities**

(a) Financial Liabilities:	10		
(i) Borrowings		3,05,00,000	99,50,000
(ii) Trade Payables		20,29,617	4,11,736
(iii) Other financial liabilities		11,48,311	11,36,788
(b) Other current liabilities	11	1,97,416	8,73,822
(c) Provisions	12	14,74,700	12,18,800
(d) Current Tax Liabilities (net)		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,81,60,208</b>	<b>9,05,32,115</b>

**Significant accounting policies and notes to financial statements**

1

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

As per our report of even date

**For Ray & Co.****Firm Registration No. 313124E**

Chartered Accountants

**Sd/-****Subrata Roy**

Partner

M. No. 051205

Kolkata

May 24, 2019

**For and on behalf of the Board****Sd/-**Suchita Chhawchharia  
(DIN- 00044063)**Sd/-**Aritra Basu  
(DIN- 06779222)

Directors

**Sd/-**

Shiv Shankar Sharma

CFO

**Sd/-**

Ankita Banerjee

Company Secretary

**ADARSH MERCANTILE LIMITED**
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

		(In Rs)	
Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	13	51,90,504	1,10,68,376
II. Other income	14	36,08,726	79,83,168
III. Total Income (I+II)		<b>87,99,230</b>	<b>1,90,51,544</b>
IV. Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	15	50,89,141	1,08,69,132
Changes in inventories of stock-in-trade	16	2,45,060	(25,47,048)
Employee benefits expense	17	9,21,105	8,81,274
Finance costs	18	17,50,549	12,92,563
Depreciation and amortisation expense		-	-
Other expenses	19	7,82,257	20,11,094
Total Expenses (IV)		<b>87,88,112</b>	<b>1,25,07,015</b>
V. Profit before exceptional items and tax (III-IV)		<b>11,118</b>	<b>65,44,530</b>
VI. Exceptional Items		-	-
VII. Profit/ (loss) before tax (V-VI)		<b>11,118</b>	<b>65,44,530</b>
VIII. Tax expense:			
(1) Current tax		2,55,900	12,18,800
(2) Deferred tax		-	-
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		<b>(2,44,782)</b>	<b>53,25,730</b>
X. Profit/ (loss) for the period from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (X-XI)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		<b>(2,44,782)</b>	<b>53,25,730</b>
Share of Profit/(Loss) of Associates		1,44,729	9,97,272
XIV. Profit/(Loss) for the Period (after adjustment of share of profit of associate)		<b>(1,00,053)</b>	<b>63,23,002</b>
XV. Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or loss		(40,30,752)	3,48,040
(ii) Income tax relating to items that will not be reclassified to profit or loss		9,385	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVI. Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(41,40,191)</b>	<b>66,71,042</b>
XVII. Earning per equity share (for continuing operation):			
(1) Basic	20	0.36	1.72
(2) Diluted	20	0.36	1.72
XVIII. Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XIX. Earning per equity share (for discontinued and continuing operation):			
(1) Basic		0.36	1.72
(2) Diluted		0.36	1.72

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

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 24, 2019

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma

CFO

Sd/-

Ankita Banerjee

Company Secretary



**ADARSH MERCANTILE LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	31st March, 2019 Rs.	31st March, 2018 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax	11,118	65,44,529
Non-cash adjustment to reconcile profit before tax to net cash flows		
Gain/(loss) on sale of Investments	(10,09,868)	(50,35,550)
Rental Income	(1,44,870)	(80,400)
Unrealised Profit/(Loss) on fair valuation of Investments	(15,69,610)	(22,73,310)
Dividend Income from Investments	(1,15,115)	(2,18,083)
Interest Income on Deposits	(7,69,263)	(3,72,466)
Interest Expended	17,50,549	12,92,563
Operating profit before working capital changes	(18,47,059)	(1,42,717)
<b>Movements in working capital :</b>		
Decrease/(increase) in Inventories	2,45,060	(25,47,048)
Decrease/(increase) in Trade Receivables	(16,24,014)	(2,83,450)
Decrease/(increase) in Loans & Advances	(68,51,480)	(60,68,465)
Decrease/(increase) in Other Financial Assets	81,200	(1,01,200)
Decrease/(increase) in Other Current Assets	12,921	59,86,600
Increase/(decrease) in Trade Payables	16,17,881	4,11,736
Increase/(decrease) in Other Current Liabilities	(6,76,406)	6,77,046
Cash generated from / (used in) operations	(90,41,896)	(20,67,498)
Direct taxes paid (net of refunds)	(11,54,832)	(3,50,802)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>(1,01,96,728)</b>	<b>(24,18,300)</b>
<b>Cash flow from investing activities</b>		
Dividend Income	1,15,115	2,18,083
Gain/(loss) on sale of Investments	10,09,868	50,35,550
Rental Income	1,44,870	80,400
Unrealised Profit/(Loss) on fair valuation of Investments	15,69,610	22,90,520
Sale/(Purchase) of Investments	(1,78,08,294)	21,25,558
Sale/(Purchase) of Property	61,47,150	(26,97,041)
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>(88,21,681)</b>	<b>70,53,070</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of Short term Borrowings	2,04,01,646	(34,00,000)
Interest paid	(17,50,549)	(16,08,888)
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>1,86,51,097</b>	<b>(50,08,888)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,67,312)	(3,74,118)
Cash and cash equivalents at the beginning of the year	2,59,649	6,33,767
<b>Cash and cash equivalents at the end of the year</b>	<b>(1,07,663)</b>	<b>2,59,649</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks		
In Current Accounts	(1,59,877)	2,26,436
Cash on hand	52,214	33,213
<b>Total cash and cash equivalents</b>	<b>(1,07,663)</b>	<b>2,59,649</b>

As per our report of even date

**For Ray & Co.****Firm Registration No. 313124E**

Chartered Accountants

Sd/-

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 24, 2019

**For and on behalf of the Board**

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma CFO

Sd/-

Ankita Banerjee

Company Secretary

# Statement of changes in Equity for the year ended March, 31, 2019

## A. Equity Share Capital

(in Rs.)

Balance as at April 1, 2017	3,67,50,000
Changes during the year	-
Balance as at March 31, 2018	3,67,50,000
Changes during the year	-
Balance as at March 31, 2019	3,67,50,000

## B. Other Equity

Particulars	General Reserve	Retained earnings	Securities Premium
Balance as at April 01, 2017	1,05,21,423	2,29,87,419	-
Profit for the year	-	63,23,002	-
Other comprehensive income for the year, net of income tax	-	3,48,040	-
Total comprehensive income for the year	-	2,96,58,460	-
Income Tax Adjustments	-	11,086	-
Balance at March 31, 2018	1,05,21,423	2,96,69,546	-
Profit for the year	-	(1,00,053)	-
Other comprehensive income for the year, net of income tax	-	(40,40,137)	-
Total comprehensive income for the year	-	2,55,29,355	-
Income Tax Adjustments	-	-	-
Balance at March 31, 2019	1,05,21,423	2,55,29,355	-

As per our report of even date

For and on behalf of the Board

For Ray & Co.

Firm Registration No. 313124E

Chartered Accountants

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 24, 2019

Sd/-

Suchita Chhawchharia  
(DIN- 00044063)

Sd/-

Aritra Basu  
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma

CFO

Sd/-

Ankita Banerjee

Company Secretary

**1. Significant Accounting Policies****1.1 Group Information**

Adarsh Mercantile Limited ("the Company") is a public limited company incorporated and domiciled in India. It's shares are listed on Bombay Stock Exchange (BSE) of India. The Registered Office of the Company is located at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata 700027, West Bengal. The Company is engaged in the business of trading of goods, trading and investment in shares and securities.

The Consolidated Financial Statements relate to Adarsh Mercantile Limited (the Company) and its associate. The details are as given below:

Name of Companies	Company of Incorporation/ Formation	% of Voting Power/Profit sharing as on 31.03.19	% of Voting Power/Profit sharing as on 31.03.18
<b>Associates</b>			
1 Avon Credit Pvt. Ltd.	India	31.62%	31.62%

**1.2 Basis of Preparation**

These Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act").

The effect of amendments to the Ind AS 115 'Revenue from Contracts with Customers' and certain amendments to existing Ind AS as notified by Ministry of Corporate Affairs are applicable w.e.f. 1st April, 2018; wherever applicable have been given effect to, there being no effect of amendments to IND AS 115.

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

The Consolidated financial statements have been prepared on accrual basis under the historical cost convention.

**Principles of Consolidation**

The Consolidated financial statements comprise the financial statements of the Company and its associate. The Parent Company prepares and report its Consolidated financial statements in INR ('').

**Investments in Associate**

(i) Associates are those enterprises in which the group has significant influence, but does not have control. Investment in associates are accounted for using the equity method and are initially recognised at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

(ii) On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

(iii) Distributions received from an associate reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associate are eliminated to the extent of the group's interest in the associate. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

(iv) When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

**1.3 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty**

The preparation of the consolidated financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

**1.4 Property, Plant and Equipment**

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**1.5 Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

On transition to IND AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**1.6 Impairment of Assets**

At each balance sheet date, the Company reviews the carrying value of assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). Assessment is done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting period may no longer exist or may have decreased. An impairment loss is reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**1.7 Financial Assets and Financial Liabilities**

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss. The Financial Assets and Financial Liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**1.8 Inventories**

(i) Finished Goods are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads and excise duty.

(iii) Cost in respect of process stock represents, cost incurred upto the stage of completion.

**1.9 Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements
- (iii) Contingent Assets are also not recognized in the financial statement and if material, are disclosed by way of notes.

1.11 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments. Under IND AS, Investments are measured at fair value and accordingly, difference between the fair value and carrying value is recognised in the Statement of Profit and Loss.

1.12 Employee Benefits

- (i) Short term Employee benefits are accrued in the year services are rendered by the employees.
- (ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.
- (iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.13 Taxes on Income

- (i) Provision for Tax is made for current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
- (ii) Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.
- (iii) Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted. Since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 'Income Taxes'.

		As at		As at	
		31 March, 2019		31 March, 2018	
2	Investment Property				
Residential Flat		1,17,79,833		1,79,26,983	
		1,17,79,833		1,79,26,983	
		31 March 2019		31 March 2018	
		Qty.	Amount (Rs)	Qty.	Amount (Rs)
3	Non- Current Financial Assets				
(i) Investments					
a. Equity Shares (Quoted)					
Ashiana Housing Ltd.		33,782	38,88,308	33,782	51,99,050
Dhunseri Tea & Ind. Ltd.		599	1,28,366	862	2,37,136
Electrosteel Steels Ltd.		1,750	54,338	87,500	2,13,500
IFGL Refractories Ltd		252	60,745	252	63,189
Intrasoft Technologies Ltd.		5,947	7,61,216	8,945	61,72,945
ITC Ltd. (FV Rs 1)		5,550	16,46,685	5,550	14,20,245
JSW Energy Ltd		1,000	72,600	-	-
L & T Infotech Ltd		175	2,97,955	175	2,29,583
Mahindra CIE Auto Ltd		-	-	200	60,310
Manaksia Industries Ltd		-	-	3,015	1,50,599
Padmini Technologies Ltd.		13,000	1	13,000	80,600
Sancia Global Infraprojects Ltd.		500	1	500	245
Srikalahasthi Pipes Ltd		-	-	250	82,050
Solara Active Pharma Sciences Ltd		83	34,781	-	-
Talwarkars Better Val Ltd		2,000	1,07,900	-	-
Texmaco Infrastructure Ltd		1,500	84,750	1,500	92,100
Tulip Telecom Ltd. (FV Rs 2)		-	-	300	459
United Breweries Ltd. (FV Rs 1)		1,450	20,22,968	1,450	13,73,368
			94,18,754		1,59,43,910

**b. Equity Shares (Unquoted)**Associates

Avon Credit Pvt. Ltd.(#)

(i) Cost of Investment (excluding Rs 8,14,413 (PY Rs 8,14,413) of Capital Reserve on consolidation)	15,290	3,14,500	15,290	3,14,500
(ii)Share of Post Acquisition Profit (Net of Losses)		29,05,433		27,60,704
		32,19,933		30,75,204

Others

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
Tulip Telecom Ltd. (FV Rs 2)	300	459	-	-
		45,82,892		44,37,704

**c. Preference Shares (Unquoted)**

Ambicon Ventures Pvt Ltd	1,50,000	1,50,00,000	-	-
		1,50,00,000		-

**d. Mutual Funds (Unquoted)**

ABSL Corporate Bond Fund -Growth	88,128.968	63,16,952	88,128.968	58,55,888
HDFC Equity Fund- Regular plan - Dividend	7,684.597	3,95,549	7,684.597	3,83,853
HDFC Credit Risk Debt Fund-Regular plan-Growth	11,544.606	1,76,114	4,809.399	1,65,606
ICICI Prudential Bluechip Fund (Growth)	33,693.743	14,21,539	33,693.743	13,01,926
ICICI Prudential Short Term Fund (Growth)	62,664.691	24,21,100	62,664.691	22,69,233
IDFC Dynamic Bond Fund -Growth- regular plan	1,93,203.861	43,16,020	1,93,203.861	39,86,723
IDFC Multicap Fund-Dividend-Regular plan	4,650.001	1,51,637	4,650.001	1,54,709
Kotak Bond - Short Term (Growth)	-	-	1,09,391.171	35,48,365
Reliance Banking & PSU Debt Fund (Growth)	8,932.400	1,20,309	8,932.400	1,11,987
Reliance Dynamic Bond Fund (Growth)	1,17,205.708	28,80,553	1,17,205.708	27,16,805
Reliance Short Term Fund (Growth plan growth option)	1,17,458.723	40,79,776	1,17,458.723	38,35,333
		2,22,79,549		2,43,30,428
<b>Total (i)</b>		<b>5,12,81,195</b>		<b>4,47,12,043</b>

(#) The associate company, Avon Credit Pvt Ltd, has prepared its financials on basis of Indian Accounting Standards (Ind AS) only for the purpose of consolidation but it has not followed Fair Value Measurements for its Equity Invesmtents. Hence the profit considered in consolidation is as provided by the associate company.

	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
<u>(ii) Loans</u>		
Capital Advances	1,32,83,290	88,55,524
Loans & Advances - related parties	45,00,000	45,00,000
Security Deposit	78,525	78,525
	<b>1,78,61,815</b>	<b>1,34,34,049</b>

**4 Inventories**

Shares & Securities	37,01,162	39,46,222
	<b>37,01,162</b>	<b>39,46,222</b>

**5 Current Financial Assets**(i) Investments in Mutual Funds

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Qty.</b>	<b>Amount (Rs)</b>	<b>Qty.</b>	<b>Amount (Rs)</b>
ABSL Low Duration Fund -Growth	7,148.317	32,12,757	3,085.183	12,88,232
ABSL Liquid Fund -Growth	438.031	1,30,974	-	-
ICICI Prudential Savings Fund-Growth	722.470	2,59,171	722.470	2,40,812
Franklin India Liquid Fund-SIP	450.820	12,56,960	-	-
Franklin India Low Duration Fund	20,699.172	4,50,000	-	-
Franklin India Ultra Short Bond Fund-SIP	1,35,990.220	35,72,300	-	-
		<b>88,82,162</b>		<b>15,29,044</b>

	<b>As at 31 March, 2019</b>	<b>As at 31 March, 2018</b>
<u>(ii) Trade Receivables</u>		
<u>Unsecured, considered good</u>		
Due for less than six months	20,38,833	4,14,819
	<b>20,38,833</b>	<b>4,14,819</b>

(iii) Cash and Cash Equivalents

Balances with banks in Current Accounts	-	2,26,436
Cash on hand	52,214	33,213
	<b>52,214</b>	<b>2,59,649</b>

(iv) Loans

Loans & Advances - other parties	62,09,342	29,62,217
Loans & Advances - related parties	12,53,852	13,08,000
	<b>74,63,194</b>	<b>42,70,217</b>

**6 Current Tax Assets (net)**

Advance Taxes & TDS	18,11,606	6,56,774
	<b>18,11,606</b>	<b>6,56,774</b>

**7 Other Current Assets**

Amount Receivable against Sale of Investment	32,67,715	32,67,715
Other Receivables	479	13,400
	<b>32,68,194</b>	<b>32,81,115</b>

		As at 31 March, 2019	As at 31 March, 2018
<b>8</b>	<b>Equity Share Capital</b>		
<b>a)</b>	<b>Capital Structure</b>		
	<b>Authorised</b>		
	40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000	4,00,00,000
	(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)		
		<b>4,00,00,000</b>	<b>4,00,00,000</b>
	<b>Issued, Subscribed and Fully Paid Up</b>		
	36,75,000 Equity Shares of Rs. 10/- each	3,67,50,000	3,67,50,000
	(Previous year - 36,75,000 Equity Shares of Rs. 10/- each)		
		<b>3,67,50,000</b>	<b>3,67,50,000</b>
<b>b)</b>	<b>Share Capital Reconciliation</b>		
	<b>Equity Shares</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
		<b>Nos.</b>	<b>Amount</b>
	Opening balance	36,75,000	3,67,50,000
	Issued during the period	-	-
	<b>Closing Balance</b>	<b>36,75,000</b>	<b>3,67,50,000</b>
<b>c)</b>	<b>Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
		<b>Nos.</b>	<b>% holding</b>
	Avon Credit Private Limited	14,93,130	40.63%
	Winy Commercial & Fiscal Services Limited	3,15,000	8.57%
	Kshitiz Chhawchharia as the karta of Kshitiz Chhawchharia HUF	2,72,650	7.42%
<b>d)</b>	<b>Terms of issue of equity shares</b>		
	The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholding.		
<b>e)</b>	No shares have been reserved for issue under options and contracts / commitments for the sale of shares/disinvestment as at the Balance Sheet date.		
<b>f)</b>	The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceeding the date at which the Balance Sheet is prepared.		
<b>g)</b>	No convertible securities have been issued by the Company during the year.		
<b>h)</b>	No calls are unpaid by any Director and Officer of the Company during the year.		
<b>i)</b>	The Company has not forfeited any shares.		
<b>9</b>	<b>Other Equity</b>	As at 31 March, 2019	As at 31 March, 2018
	(i) General Reserve		
	Balance b/f	2,45,000	2,45,000
	(ii) General Reserve on Amalgamation		
	Balance b/f	1,02,76,423	1,02,76,423
	(iii) Retained Earnings		
	Balance at the beginning of the year	2,10,00,602	1,46,66,515
	Add: Income Tax Adjustments	-	11,086
	Add: Profit for the year	(1,00,053)	63,23,002
	Add: Transfer from OCI	14,29,047	-
	Balance at the end of the year	<b>2,23,29,595</b>	<b>2,10,00,602</b>
	(iv) Other Comprehensive Income		
	Balance at the beginning of the year	86,68,944	83,20,904
	Add: Investments carried at FVTOCI	(40,40,137)	3,48,040
	Less: Transfer to retained earnings	14,29,047	-
	Equity instrument through other comprehensive income	<b>31,99,760</b>	<b>86,68,944</b>
	<b>Total</b>	<b>3,60,50,778</b>	<b>4,01,90,969</b>
<b>10</b>	<b>CURRENT FINANCIAL LIABILITIES</b>		
	<b>(i) Borrowings</b>		
	Loans repayable on demand - from other parties (unsecured)	3,05,00,000	99,50,000
		<b>3,05,00,000</b>	<b>99,50,000</b>
	<b>(ii) Trade Payables</b>	<b>20,29,617</b>	<b>4,11,736</b>
	<b>(iii) Other Financial Liabilities</b>		
	Interest accrued and due on borrowings	9,88,434	11,36,788
	Temporary overdrawn balance with Banks	1,59,877	-
		<b>11,48,311</b>	<b>11,36,788</b>
<b>11</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Security Deposit ( Rent )	27,400	13,400
	<b>Other payables</b>		
	Statutory Dues Payables	1,06,615	3,09,162
	Others Payables (Year end accruals for expenses)	63,401	5,51,260
		<b>1,97,416</b>	<b>8,73,822</b>
<b>12</b>	<b>CURRENT PROVISIONS</b>		
	Other Provisions - for Income Tax	14,74,700	12,18,800
		<b>14,74,700</b>	<b>12,18,800</b>

	31 March, 2019	31 March, 2018
	Rs	Rs
<b>13 REVENUE FROM OPERATIONS</b>		
<u>Sale of Products</u>		
Shares & Securities	-	3,419
Raw Jute	51,14,506	1,10,29,813
	<b>51,14,506</b>	<b>1,10,33,232</b>
<u>Other Operating Income</u>		
Dividend Income	75,998	35,144
	<b>75,998</b>	<b>35,144</b>
<b>Total</b>	<b>51,90,504</b>	<b>1,10,68,376</b>
<b>14 OTHER INCOME</b>		
Net gain/(loss) on sale of Current Investments	3,74,591	14,24,115
Net gain/(loss) on sale of Non-current Investments	3,096	36,11,434
Rental Income	1,44,870	80,400
Gain on Sale of Property	6,32,181	-
Unrealised Profit/(Loss) on fair valuation of Investments	15,69,610	22,73,280
Dividend Income from Current Investments	-	90,196
Dividend Income from Non-current investments	1,15,115	1,27,886
Interest income on Income Tax Refund	-	3,390
Interest income on deposits	7,69,263	3,72,466
	<b>36,08,726</b>	<b>79,83,168</b>
<b>15 PURCHASES OF STOCK-IN-TRADE</b>		
Shares & Securities	-	-
Raw Jute	50,89,141	1,08,69,132
	<b>50,89,141</b>	<b>1,08,69,132</b>
<b>16 CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
<u>Inventories at the beginning of the year</u>		
Shares & Securities	39,46,222	13,99,174
<u>Inventories at the end of the year</u>		
Shares & Securities	37,01,162	39,46,222
	<b>2,45,060</b>	<b>(25,47,048)</b>
<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus & Allowances	9,21,105	8,81,274
	<b>9,21,105</b>	<b>8,81,274</b>
<b>18 FINANCE COSTS</b>		
Interest expense	17,50,549	12,92,563
	<b>17,50,549</b>	<b>12,92,563</b>
<b>19 OTHER EXPENSES</b>		
Advertisement expenses	12,212	14,035
<u>Auditors' Remuneration</u>		
-Audit Fees	10,390	10,030
-Tax Audit Fees	-	4,130
Brokerage & Commission	2,56,274	10,57,576
Listing expenses	3,45,920	3,35,343
Maintenance Charges ( Net )	1,01,771	45,176
Miscellaneous expenses	51,039	40,154
Professional charges	-	5,00,000
Rates & Taxes	4,650	4,650
	<b>7,82,256</b>	<b>20,11,094</b>

## 20 EARNING PER SHARE (EPS)

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

	31 March, 2019	31 March, 2018
Net Profit / (Loss) attributable to equity shareholders	13,28,993	63,23,002
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	0.36	1.72
	<b>As at</b>	<b>As at</b>
	<b>31 March, 2019</b>	<b>31 March, 2018</b>

## 21 CONTINGENT LIABILITIES

Contingent Liability in respect of contested demand of AY 2007-08	6,686	6,686
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601

## 22 SEGMENT REPORTING

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

## 23 RELATED PARTY DISCLOSURES

As required by IND AS 24 'Related Party Disclosures', 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. Shiv Shankar Sharma	- Chief Financial Officer
Ms. Arpita Dey	- Company Secretary (resigned w.e.f. 01.06.2018)
Ms. Ankita Banerjee	- Company Secretary (appointed w.e.f. 01.06.2018)
- Enterprises where KMP/ relatives of KMP have significant influence or control**

BCCO Commodities Private Limited  
BCCO Consultants Private Limited  
BCCO Holdings Private Limited  
Aster Dealcom Pvt. Ltd.  
Gallon Holdings Pvt. Ltd.

3. **Associates**  
Avon Credit Private Limited

(ii) Transactions with related parties during the period

Sl.	Name of the Related Party	31 March, 2019	31 March, 2018
1	<b>Avon Credit Private Limited</b> <u>Closing Balance:</u> Year end Investments	3,14,500	3,14,500
2	<b>BCCO Commodities Private Limited</b> <u>Closing Balance:</u> Year end receivables	45,00,000	45,00,000
3	<b>BCCO Holdings Private Limited</b> <u>Transactions</u> Interest received <u>Closing Balance:</u> Year end Investments Year end receivables	1,20,000 10,00,000 12,53,852	1,20,000 10,00,000 13,08,000
4	<b>Aster Dealcom Pvt. Ltd.</b> <u>Closing Balance:</u> Year end receivables	32,67,715	32,67,715
5	<b>Mr. Shiv Shankar Sharma</b> <u>Transactions</u> Salary Paid during the Year	4,89,105	4,49,274
6	<b>Mrs. Suchita Chhawchharia</b> <u>Transactions</u> Salary Paid during the Year	1,20,000	1,20,000
7	<b>Ms. Arpita Dey</b> <u>Transactions</u> Salary Paid during the Year	20,000	1,20,000
8	<b>Ms. Ankita Banerjee</b> <u>Transactions</u> Salary Paid during the Year	1,00,000	-

**24 ACCOUNTING FOR TAXES ON INCOME**

Provision for Tax is made for current and deferred taxes.

Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted. Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

The Company has significant amount of unused tax credits, since availability of future taxable income is not certain, no provision for deferred tax assets has been made

**25 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER 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.

**26 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES**

In the opinion of the management, current assets, loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated, and adequate provisions for all known liabilities have made and are not in excess of the amount reasonably required.

**27 Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Associate.**

Name of Entity	Net Assets, i.e. Total Assets minus total liabilities		Share of Profit/(Loss)	
	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Profit & Loss	Amount (Rs)
<u>Associates</u>				
Avon Credit Private Limited	2.98%	32,19,933	-144.65%	1,44,729

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

As per our report of even date

For and on behalf of the Board

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

Sd/-  
Subrata Roy  
Partner  
M. No. 051205

Kolkata  
May 24, 2019

Sd/- Suchita Chhawchharia (DIN- 00044063)	}	Directors
Sd/- Aritra Basu (DIN- 06779222)		
Sd/- Shiv Shankar Sharma		CFO
Sd/- Ankita Banerjee		Company Secretary



## **E – MAIL ID REGISTRATION FORM**

**To**

**Adarsh Mercantile Limited**

8A & 8B, Satyam Towers,

3, Alipore Road,

**Kolkata – 700 027.**

Dear Sir(s),

I hereby give my consent to receive all future communication from Adarsh Mercantile Limited at my below email id and/or at my e-mail registered with my/our depository:-

**DP ID** \_\_\_\_\_ **CLIENT ID** \_\_\_\_\_ **FOLIO NO.** \_\_\_\_\_

**E – mail Id** \_\_\_\_\_ **Alternative Id** \_\_\_\_\_

Thanking You,

Yours faithfully,

-----  
Signature of Sole / 1<sup>st</sup> Holder

-----  
Name

-----  
Date

**Note:** You are requested to register your email address with your depositories or by signing and returning this slip to the Company or to the Registrar & Transfer Agent M/s. Niche Technologies Pvt. Ltd. or by way of an email to [adarshmercantile@gmail.com](mailto:adarshmercantile@gmail.com) at the earliest.

**ATTENDANCE SLIP**

<b>Name &amp; Address of the Shareholder</b>	
<b>Joint-holder(s) ( if any)</b>	
<b>Regd. Folio/DP ID &amp; Client ID</b>	
<b>No. of Shares Held</b>	

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on Saturday, the 14<sup>th</sup> day of September, 2019 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 at 12: 30 P.M.
2. Signature of the Shareholder/Proxy Present.

--

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.
5. Please read the instructions carefully before exercising your vote.

**FORM NO: MGT – 11****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L51109WB1992PLC055082

Name of the Company: Adarsh Mercantile Limited

Registered office : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata - 700027.

Name of the member (s):

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of \_\_\_\_\_ shares of Adarsh Mercantile Limited, hereby appoint;

1. Name :  
Address :  
E-mail Id :  
Signature: \_\_\_\_\_, or failing him

2. Name :  
Address :  
E-mail Id :  
Signature: \_\_\_\_\_, or failing him

3. Name :  
Address :  
E-mail Id :  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, the 14th day of September, 2019 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road Kolkata – 700027 at 12: 30 P.M and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
1.	Adoption of Audited Standalone and Consolidated Financial Statements which comprises of Audited Balance Sheet as at 31st March, 2019, Audited Profit & Loss Account and the Cash Flow Statement for the year ended on that date, together with the Report of Board of Directors' and Auditors' thereon.
2.	Approval for the re-appointment of Mr. Aritra Basu (DIN: 06779222), Director retiring by rotation.
3.	Approval for Re-Appointment of Mr. Sundar Lal Mohta (Din: 05122250) as an Independent Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of shareholder :

Signature of Proxy holder(s) :

Affix a  
Revenue  
Stamp of  
Re.1/-

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the full text of the aforesaid resolutions, statements and notes, please refer to the Notice including the explanatory statement, convening this Annual General Meeting of the Company.

## ECS FORM

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

**Re: Payments of Dividend Through NECS**

# I wish to participate in the National Electronics Clearing Service (NECS) introduced by the Reserve Bank of India.

# I do not wish to Participate in the NECS. However, kindly print the bank particulars given below on the Dividend Warrant being issued to me.

1. Name of the Shareholder(s) : \_\_\_\_\_
2. Reg. Folio No. : \_\_\_\_\_
3. Particulars of Bank Accounts
  - a. Name of the Bank : \_\_\_\_\_
  - b. Name of the Branch : \_\_\_\_\_  
Address : \_\_\_\_\_  
Telephone No. : \_\_\_\_\_
  - c. 9 digit code Number of the Bank and Branch as appearing on the MICR Cheque issued by the bank :  

--	--	--	--	--	--	--	--	--
  - d. Type of the account (Please tick) :  
Savings : (    )  
Current : (    )  
Cash credit: (    )
  - e. Ledger and Ledger folio Number (if any) of your bank account : \_\_\_\_\_
  - f. Account number (as appearing on the Cheque Book) : \_\_\_\_\_

*(In lieu of the bank certificate to be obtain as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your saving/current bank passbook issued by your bank for verification of the above particulars).*

I hereby declared that the Particulars given above are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). if the payment is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the first holder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp )

Date & Signature of the )

authorized official of the Bank )

*# Delete whichever is not applicable.*

*\* The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.*

*\* In case the amount of Dividend is failed to be transmitted in the aforesaid process and on confirmation by our Bankers, the Company shall issue Dividend warrant in physical mode to the respective shareholders.*

**Form SH-13**  
**NOMINATION FORM**

**[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

**To**

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

I/We ..... (name of the shareholder) and ..... (name of the joint shareholder, if any) the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**1. PARTICULARS OF THE SECURITIES** (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No. From To
Equity Shares				

**2. PARTICULARS OF NOMINEE/S —**

- a. Name :
- b. Date of Birth :
- c. Father's/Mother's/Spouse's name:
- d. Occupation :
- e. Nationality :
- f. Address :
- g. E-mail id :
- h. Relationship with the security holder:

**3. IN CASE NOMINEE IS A MINOR--**

- a. Date of birth :
- b. Date of attaining majority :
- c. Name of guardian :
- d. Address of guardian :

**Signature of Shareholder(s)**

**1. Signature (1<sup>st</sup> holder):**

Name :  
Address :  
Date :

**2. Signature (2<sup>nd</sup> holder):**

Name :  
Address :  
Date :

**Signature of two witnesses**

Name, Address and Signature with date

1.

2.

**Instructions:**

1. To be filled in by physical shareholders holding shares of the Company, either singly or jointly. If held jointly by more than two, then to be filled only by 1<sup>st</sup> and 2<sup>nd</sup> joint holders.