

# **ANNUAL REPORT**

**2016-2017**

**ADARSH MERCANTILE LIMITED**

# ADARSH MERCANTILE LIMITED

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## **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  
(w.e.f. 01.07.2016)

### **COMPANY SECRETARY**

MS. ARPITA DEY  
(w.e.f. 16.01.2017)

### **COMPANY IDENTIFICATION NUMBER**

L51109WB1992PLC055082

### **REGISTRAR**

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

### **STATUTORY AUDITORS**

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

### **SECRETARIAL AUDITOR**

SANTOSH KUMAR TIBREWALLA  
5A, N. C. DUTTA SARANI,  
KOLKATA – 700001

### **REGISTERED OFFICE**

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

# ADARSH MERCANTILE LIMITED

## 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 Friday, the 22<sup>nd</sup> day of September, 2017 at 2.00 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, 2017, 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 (holding DIN : 06779222), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company until the conclusion of 3 (three) Annual General Meeting to hold Office from the conclusion of this Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration and in this respect, to pass, with or without modification(s) the following resolution as an Ordinary Resolution :

“ **RESOLVED THAT** pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Company, M/s. Ray & Co., Chartered Accountants (Registration No. 313124E), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of AGM to be held for the F.Y. 2019-20 (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and is hereby authorized to fix their remuneration.”

### **SPECIAL BUSINESS :**

4. **RE-APPOINTMENT OF MRS. SUCHITA CHHAWCHHARIA AS AN EXECUTIVE DIRECTOR**

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

“ **RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mrs. Suchita Chhawchharia (holding DIN : 00044063), as an Executive Director of the Company and also designated as Key Managerial Personnel (KMP), for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2018 on the terms and conditions including remuneration as set out in the Statement annexed

# ADARSH MERCANTILE LIMITED

to the Notice convening this Meeting and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board), with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. Suchita Chhawchharia, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013.

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

*By Order of the Board of Directors*

***For Adarsh Mercantile Limited***

*Sd/-*

***Arpita Dey***

***Company Secretary***

**Place:** Kolkata

**Date:** 19.08.2017

## **NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
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.

# ADARSH MERCANTILE LIMITED

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 18.08.2017.
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. 15.09.2017 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. 15.09.2017. 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. 15.09.2017. 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 Saturday, the 16<sup>th</sup> day of September, 2017 to Friday, the 22<sup>nd</sup> day of September, 2017 (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'2017 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)

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20. 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.

## 21. 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 e-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 Tuesday, the 19<sup>th</sup> day of September, 2017 at 10.00. a.m. (IST) and will end on Thursday, the 21<sup>st</sup> day of September 2017 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 15.09.2017 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"><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</li></ul>

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	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.
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	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio.</p> <ul style="list-style-type: none"> <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 as mentioned in above instruction (v).</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.



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- 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.
22. 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 21.09.2017 upto 5.00 p.m. without which the vote shall not be treated as valid.
  23. 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.
  24. 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.
  25. 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.
  26. 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.
  27. 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.
  28. Shareholders are requested to give their valuable suggestions for improvement of our investor services.
  29. Route-map to the venue of the AGM is annexed for the convenience of the members.

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

### Annexure as referred to in the notes of the notice

#### Item No. 4

The present term of appointment of Mrs. Suchita Chhawchharia as an Executive Director would expire on 31<sup>st</sup> March, 2018. Due to extensive involvement in the business affairs of the Company, the Board of Directors at its meeting held on 19<sup>th</sup> August, 2017 has re-appointed Mrs. Suchita Chhawchharia as an Executive Director, subject to the approval of members by a special resolution in the ensuing Annual General Meeting of the Company, for a further period of 3 (three) years commencing from 1<sup>st</sup> April, 2018 on such terms and conditions as recommended by the Nomination and Remuneration Committee in its meeting held on 19<sup>th</sup> August, 2017 and as approved by the Board are as follows -

**A. Salary:** Rs. 10,000/- per month.

**B. Other Terms :**

(i) The Executive Director, as long as she functions as such, shall not be paid any sitting fee for attending meeting of the Board of Directors of any Committee thereof.

(ii) Either party may terminate the agreement by giving 3 (Three) months notice to other party in writing or remuneration in lieu thereof without showing any reason.

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

Mrs. Suchita Chhawchharia is Promoter- Executive Director of the Company and aged about 38 years, has completed her MBA in marketing from Pune and has vast experience in the financial sector. Presently she is associated with the Company as an Executive Director and looking after all the overall business operation of the Company. The Board felt that her association with the Company for managing whole of the affairs of the Company would further contribute in the performance of the Company and accordingly proposed for her appointment.

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

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

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

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

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

The letter of appointment issued to Mrs. Suchita Chhawchharia setting out the terms of her appointment is open for inspection by the members at the Registered office of the Company during business hours on all working days except Saturday and also at the venue of the Annual General Meeting in physical mode.

*By Order of the Board of Directors*

***For Adarsh Mercantile Limited***

***Sd/-***

*Arpita Dey*

***Company Secretary***

**Place: Kolkata**

**Date: 19.08.2017**

## **ANNEXURE TO NOTICE OF AGM**

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

#### **I. General Information:**

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

	31.3.2017	31.3.2016	(Rs. in Lakhs) 31.3.2015
Turnover (Gross):	57.06	35.01	128.99
Net Profit/(Loss) :	6.57	0.31	0.93

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

# ADARSH MERCANTILE LIMITED

## II. Information about the appointee:

<b>Name of the appointee:</b>	<b>Mrs. Suchita Chhawchharia</b>
<b>Background details:</b>	Mrs. Suchita Chhawchharia aged about 38 years, has completed her MBA in marketing from Pune and has vast experience in the financial sector. She has rich and varied experience in the field of Accounts, Finance, Investment and Fund Management. She is an independent thinker and a measured risk taker.
<b>Past remuneration</b>	Rs. 1.20 Lakhs p.a.
<b>Recognition or awards</b>	NIL
<b>Job profile and his suitability</b>	She is responsible for operation and other functions of the Company.
<b>Remuneration proposed</b>	Rs. 1.20 lakhs p.a. as per the proposed resolution.
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	The Board is of the opinion that the proposed remuneration is commensurate with her role and responsibility as an Executive Director of the Company.
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	No pecuniary relationship with the Company except managerial remuneration.

## III. Other information:

- i) **Reasons of loss or inadequate profits:** During the financial year 2016-17 the Company earned lower profits due to reduced trading margins in the prevailing market conditions. However, the Company made significant capital gains and received dividend income during the year.
- ii) **Steps taken or proposed to be taken for improvement:** Various cost effective measures and proper research is being taken to improve trading margins.
- iii) **Expected increase in productivity and profitability in measurable terms:** The Company expects substantial increase in profitability after implementation of its necessary steps for improvement.

## IV. Disclosures:

The requisite disclosures have been set out in Corporate Governance Report which forms part of the Annual Report for the F.Y. 2016-17 of the Company.

# ADARSH MERCANTILE LIMITED

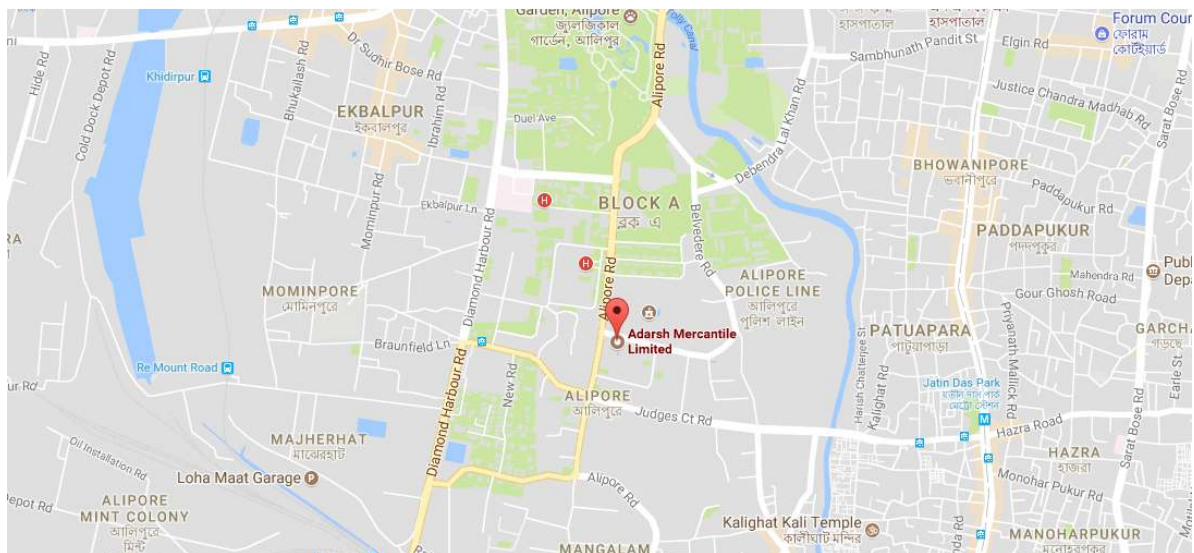
## B. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting

[ 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 ]

Sl. No.	Name of the Director	Mr. Aritra Basu	Mrs. Suchita Chhawchharia
1.	DIN	06779222	00044063
2.	Date of Birth and Age	30.05.1986, 31 years	19/01/1979, 38 years
3.	Nationality	Indian	Indian
4.	Date of appointment on Board	31.03.2016	06.03.2006
5.	Terms & Condition of appointment/ re-appointment	N.A.	As provided in the notice.
6.	Remuneration proposed	N.A.	Rs. 1.20 Lakhs p.a.
7.	Remuneration last drawn	N.A.	Rs. 1.20 Lakhs p.a.
8.	No. of shares held in the Company	100 Equity Shares	-
9.	Qualification & Expertise in specific functional area	B.Com. Expertise in Accounts & Finance	MBA Vast experience in the financial sector
10.	No. of Board Meetings Attended during the F.Y. 2016-17	7	7
11.	List of other listed Companies in which Directorships held as on 31st March, 2017	NIL	NIL
12.	List of other Companies in which Directorships held as on 31 <sup>st</sup> March, 2017	1. Downhill Distributors Pvt. Ltd. 2. Edition Sales Pvt. Ltd. 3. Mapps IT Services Pvt. Ltd.	1. Avon Credit Pvt. Ltd.
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, 2017	NIL	NIL
14.	Disclosure of relationship between Directors, Managers and Key Managerial Personnel inter se	NIL	NIL

# ADARSH MERCANTILE LIMITED

## ROUTE MAP FOR AGM ON 22.09.2017 AT THE REGISTERED OFFICE OF THE COMPANY



# ADARSH MERCANTILE LIMITED

## BOARDS' 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, 2017.

(Amount in Rs.)		
Financial Results	FY 2016-17	FY 2015-16
Particulars	Amount	Amount
i. Total Revenue	86,56,221	49,86,305
ii. Earnings Before Interest, Depreciation, Taxation and Amortization (EBIDTA)	24,07,653	7,82,068
iii. Finance Cost	16,25,552	6,95,869
iv. Profit before Taxation (PBT)	7,82,101	86,199
v. Tax	1,25,000	55,000
vi. Profit after Taxation (PAT)	6,57,102	31,199
vii. Profit brought forward from previous year	86,35,027	86,03,828
viii. Surplus/ (Deficit) in the Statement of Profit & Loss Account	6,57,102	31,199
ix. Transfer to General Reserve	Nil	Nil
x. Other Adjustments – Income Tax for earlier years	3,242	Nil
xi. Balance Carried to Balance Sheet	92,95,371	86,35,027

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

The Company is engaged in the business of Commodity Trading & Distribution and investments in Mutual Funds, Shares & Securities, etc. and has earned revenue of Rs. 57.06 Lakhs compared to Rs. 35.01 Lakhs, which is higher by 62.98% than last year.

Your Company has earned a net profit of Rs. 6.57 Lakhs during the year compared to Rs. 0.31 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 2016-17.

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

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

The Company has reported total revenue of Rs. 19.48 lakhs during the year as compared to Rs. 16.94 lakhs in the previous year and has earned a Net Profit of Rs. 4.42 lakhs as compared to a loss of Rs. 0.79 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.

# **ADARSH MERCANTILE LIMITED**

## **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 recommended any dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2017.

## **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.



# **ADARSH MERCANTILE LIMITED**

## **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

# ADARSH MERCANTILE LIMITED

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 Executive Director**

The present term of appointment of Mrs. Suchita Chhawchharia (DIN : 00044063) as an Executive Director would expire on 31<sup>st</sup> March, 2018. The Board of Directors at its meeting held on 19<sup>th</sup> August, 2017 has re-appointed Mrs. Suchita Chhawchharia as an Executive Director, pursuant to the provisions of sections 196, 197, 198, 203 read with Schedule V and/or any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to the approval of members by a special resolution in the ensuing Annual General Meeting of the Company, for a further period of 3 (Three) years commencing from 1<sup>st</sup> April, 2018 on such terms and conditions as recommended by the Nomination and Remuneration Committee.

### **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, 2017 are as follows :-

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

# ADARSH MERCANTILE LIMITED

- i) Mr. Shiv Shankar Sharma has been appointed as the Chief Financial Officer (designated as the Whole-time Key Managerial Personnel) of the Company by the Board in its meeting held on June 30, 2016 with effect from July 1, 2017, as recommended by the Audit Committee and Nomination & Remuneration Committee of the Company, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).
- ii) Ms. Arpita Dey has 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 January 16, 2017 with immediate effect, 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) Mr. Sourabh Rungta, Company Secretary and Compliance Officer of the Company had resigned with effect from June 30, 2016.

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.

# ADARSH MERCANTILE LIMITED

## **AUDITORS AND THEIR REPORTS**

### **(i) Statutory Auditors:**

The present Statutory Auditors of the Company M/s. Ray & Co., Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2016-17.

As per the provisions of Section 139(2) of the Companies Act, 2013 and rules made thereunder an Auditor firm shall hold office of Statutory Auditors for a maximum term of two terms of five consecutive years.

Accordingly, based on the recommendation of Audit Committee, the Board of Directors has re-appointed of M/s. Ray & Co. Chartered Accountants, (Registration No. 313124E) as Statutory Auditors of the Company to holds office of the Auditors from the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-17 till the Annual General Meeting of the Company to be held for the financial year 2019-20, subject to the approval of the Shareholders in the Annual General Meeting and ratification in each of the subsequent AGMs. Requisite letter and certificate pursuant to Section 139 and 141 of the Companies Act, 2013 from M/s. Ray & Co., Chartered Accountants about their consent and eligibility for appointment as the Statutory Auditors of the Company has been received by the Company.

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

### **(ii) Secretarial Auditor:**

The Board has re-appointed Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2016-17 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 F.Y. 2016-17 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 transactions 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.

# ADARSH MERCANTILE LIMITED

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 7 (seven) times in the year 2016-17. 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 :

As on March 31, 2017 the Board had four Committees: 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, 2017 :-

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

The Audit Committee was re-constituted w.e.f. 1<sup>st</sup> April, 2016 by the Board of Directors in its meeting held on 31<sup>st</sup> March, 2016 and Mr. Manish Khaitan was appointed as the Chairman of the Audit Committee and Mr. Aritra Basu as member of the Committee due to the resignation of Mr. Narayan Pothera and Mr. Gautam Agarwala. The complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

## 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'**.

## 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.

# ADARSH MERCANTILE LIMITED

## **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 reportable 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 of the amount 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 2016-17.

### **Indian Accounting Standards**

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. The Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Thus Ind AS is applicable to your Company w.e.f. 1<sup>st</sup> April, 2017.

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

As on 31<sup>st</sup> March, 2017 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 Accounting Standards as laid down by the Institute of Chartered Accountants of India. In accordance with Section 136 of the Companies Act, 2013, 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

# ADARSH MERCANTILE LIMITED

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.

# ADARSH MERCANTILE LIMITED

## **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.

## **INDUSTRIAL RELATIONS**

The industrial relation during the year 2016-17 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 : 19.08.2017**

***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)***



# ADARSH MERCANTILE LIMITED

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

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

### **A) Conservation of Energy -**

#### **(i) Steps taken or impact on conservation of energy**

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

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

Not Applicable.

#### **(iii) Capital investment on energy conservation equipments**

Not Applicable.

### **B) Technology Absorption -**

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

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

(iii) In case of imported technology (imported during the last three }  
years reckoned from the beginning of the financial year)- }  
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: 19.08.2017**

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

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

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

# ADARSH MERCANTILE LIMITED

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

### **REPORT ON CORPORATE GOVERNANCE:**

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:

Sl. No.	Name of the Directors	Category and their designation
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.

# ADARSH MERCANTILE LIMITED

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)

# ADARSH MERCANTILE LIMITED

## **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	7	Present	NIL	1	NIL
Mr. Sundar Lal Mohta	7	Present	NIL	1	NIL
Mr. Manish Khaitan	7	Present	NIL	2	1
Mr. Aritra Basu	7	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 2016-17, 7 (Seven) Board meetings were held on 30.05.2016, 30.06.2016, 12.08.2016, 14.11.2016, 16.01.2017, 14.02.2017 and 20.03.2017. 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 2016-17 on 20<sup>th</sup> March, 2017 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 ;

# ADARSH MERCANTILE LIMITED

- ii. the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors ; and
- iii. assessed the quality, quantity and timeliness of flow of information between the Company'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	100

**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;

# ADARSH MERCANTILE LIMITED

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;

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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 -
  - o Management discussion and analysis of financial condition and results of operations;
  - o Statement of significant related party transactions, submitted by management;
  - o Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
  - o Internal audit reports relating to internal control weaknesses, etc.
  - o The appointment, removal and terms of remuneration of the Chief Internal Auditor.
  - o Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

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

**The Audit Committee was reconstituted w.e.f. 01.04.2016 by the Board of Directors in its meeting held on 31<sup>st</sup> March, 2016** due to resignation of Mr. Narayanan Pothera and Mr. Gautam Agarwala. Mr. Manish Khaitan, Non-Executive Independent Director and Mr. Aritra Basu, Non-Executive Director were inducted as members of the Committee. The Audit Committee Meetings are usually held at Company's Registered Office and attended by members of the Committee and Accounts Heads.

During the period 5 (Five) meetings of the Audit Committee were held during the year ended 30.05.2016, 30.06.2016, 12.08.2016, 14.11.2016 and 14.02.2017.

The Audit Committee comprised of following three members–

Name of Directors	Category	No. of Meetings Held	Attended
Mr. Manish Khaitan*	Non-Executive – Independent Director-Chairman	5	5
Mr. Aritra Basu*	Non-Executive Director-Member	5	5

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Mr. Sundar Lal Mohta	Non-Executive – Independent Director- Member	5	5
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*\*Inducted in the Committee w.e.f. 01.04.2016*

Mr. Sourabh Rungta, the Company Secretary of the Company, was acting as the Secretary of the Committee till 30.06.2016.

Ms. Arpita Dey, is acting as the Secretary of the Committee w.e.f. 16.01.2017.

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

The Nomination & Remuneration Committee was reconstituted w.e.f. 01.04.2016 in the meeting of the Board of Directors of the Company held on 31.03.2016 due to resignation of Mr. Narayanan Pothera and Mr. Gautam Agarwala from the Directorship of the Company w.e.f. 31.03.2016.

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 3 (Three) meeting of the Nomination & Remuneration Committee was held on 30.06.2016, 16.01.2017 and 14.02.2017.



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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	3	3
Mr. Aritra Basu*	Non-Executive Director-Member	3	3
Mr. Manish Khaitan*	Non-Executive – Independent Director-Member	3	3

*\*Inducted in the Committee w.e.f. 01.04.2016*

Mr. Sourabh Rungta, the Company Secretary of the Company, was acting as the Secretary of the Committee till 30.06.2016.

Ms. Arpita Dey, is acting as the Secretary of the Committee w.e.f. 16.01.2017.

## 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

# ADARSH MERCANTILE LIMITED

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.

## (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. 2016-17				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees (Rs.)	Pay per month (Rs.)	Period	Effective from
<b>Mrs. Suchita Chhawchharia</b>	<b>1.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 years</b>	<b>01.04.2015</b>

## 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. 2016-17.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was reconstituted w.e.f. 01.04.2016 in the meeting of the Board of Directors of the Company held on 31.03.2016 due to resignation of Mr. Narayanan Pothera and Mr. Gautam Agarwala from the Directorship of the Company w.e.f. 31.03.2016 and Mr. Manish Khaitan and Mr. Aritra Basu were inducted in their place. The Nomination & Remuneration Committee presently comprises of three members – Mr. Manish Khaitan, Mr. Aritra Basu and Mrs. Suchita Chhawchharia.

During the period 4 (Four) meeting of the Nomination & Remuneration Committee was held on 30.05.2016, 12.08.2016 and 14.11.2016 and 14.02.2017.

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Name of Directors	Category	No. of Meetings Held	Attended
Mr. Aritra Basu*	Non-Executive Director - Chairman	4	4
Mrs. Suchita Chhawehharia	Executive Director – Member	4	4
Mr. Manish Khaitan*	Non-Executive – Independent Director - Member	4	4

*\*Inducted in the Committee w.e.f. 01.04.2016*

Mr. Sourabh Rungta, the Company Secretary of the Company, was acting as the Secretary of the Committee till 30.06.2016.

Ms. Arpita Dey is acting as the Secretary of the Committee w.e.f. 16.01.2017.

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, 2017.

## Shareholders' Complaints

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

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

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## 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.

The Share Transfer Committee was reconstituted w.e.f. 01.04.2016 in the meeting of the Board of Directors of the Company held on 31.03.2016 due to resignation of Mr. Narayanan Pothera and Mr. Gautam Agarwala from the Directorship of the Company w.e.f. 31.03.2016.

Mr. Sourabh Rungta, the Company Secretary of the Company, was acting as the Secretary of the Committee till 30.06.2016.

Ms. Arpita Dey is acting as the Secretary of the Committee w.e.f. 16.01.2017.

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.

During the period under review 1 (One) Share Transfer Committee meeting was held on 31.03.2017

## 8. GENERAL BODY MEETINGS

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

Year	Date & Time	Venue	If Special Resolution(s) Passed
2015-16	23 <sup>rd</sup> September, 2016 11.00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No
2014-15	29 <sup>th</sup> September, 2015, 11:00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes
2013-14	27 <sup>th</sup> September, 2014, 11:00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No

(b) One Special Resolution was passed in the last Annual General Meeting held on 29<sup>th</sup> September, 2015 for the year 2014-15.

(c) No Special Resolution was passed through Postal Ballot Meeting during the financial year 2015-16.

(d) No Business 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.

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## 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 "Political Business" 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, Time & Venue) : **Date** : 22<sup>nd</sup> day of September, 2017.  
**Time** : 2.00 P.M  
**Venue** : 8A & 8B, Satyam Towers,  
3, Alipore Road, Kolkata-700027.
- b. Financial year : April to March
- c. Dividend payment : The Board have not recommended any Dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2017.
- d. Date of Book closure : 16.9.2017 to 22.09.2017 (both days inclusive)
- e. Listing Details : Equity Shares of the Company are listed on **BSE Ltd.**  
25, Phiroze Jeejeebhoy  
Towers, Dalal Street, Mumbai – 400 001.  
The Scrip code of the shares of the Company at BSE is 538563.  
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, 2016	NT	NT	NA
May, 2016	NT	NT	NA
June, 2016	NT	NT	NA
July, 2016	NT	NT	NA
August, 2016	NT	NT	NA

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September, 2016	NT	NT	NA
October, 2016	NT	NT	NA
November, 2016	NT	NT	NA
December, 2016	NT	NT	NA
January, 2017	NT	NT	NA
February, 2017	NT	NT	NA
March, 2017	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 2016-17.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April, 2016	25,606.62	NT
May, 2016	26,667.96	NT
June, 2016	26,999.72	NT
July, 2016	28,051.86	NT
August, 2016	28,452.17	NT
September, 2016	27,865.96	NT
October, 2016	27,930.21	NT
November, 2016	26,652.81	NT
December, 2016	26,626.46	NT
January, 2017	27,655.96	NT
February, 2017	28,743.32	NT
March, 2017	29,620.50	NT

No comparison to broad based indices such as BSE Sensex/ CRISIL Index, etc. could be drawn since there is no trading in the BSE during the financial year.

h. Registrar and Share Transfer Agent : M/s. Niche Technologies Pvt. Ltd.  
(SEBI Registration No : INR000003290)  
D-511, Bagree Market, 71, B.R.B. Basu Road,  
Kolkata - 700 001  
Phone No. - 033 2235 7270  
Fax – 033 – 2215 6823  
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.

# ADARSH MERCANTILE LIMITED

j. Distribution of Shareholding as on 31<sup>st</sup> March, 2017:

No. of Ordinary Shares held	No. of Shares	% Of Shares	No. of Share-Holders /folios	% Of Shareholders
Up to 500	41,020	1.1162	492	94.6154
501 to 1,000	0	0.0000	0	0.0000
1,001 to 5,000	0	0.0000	0	0.0000
5,001 to 10,000	0	0.0000	0	0.0000
10,001 to 50,000	3,89,725	10.6048	14	2.6923
50,001 to 1,00,000	5,70,400	15.5211	7	1.3462
1,00,001 and above	26,73,855	72.7580	7	1.3462
Total	36,75,000	100.0000	520	100.0000

k. Shareholding Pattern as on 31<sup>st</sup> March, 2017:

Category of Shareholders	No. of Shares	%
<b>Promoters</b>	<b>1729855</b>	<b>47.07</b>
<b>Mutual Fund/UTI</b>	-	-
<b>Banks/Financial Institutions /Insurance Companies/Govt. Company</b>	-	-
<b>Indian Companies</b>	<b>860100</b>	<b>23.40</b>
<b>NRI/Foreign Shareholders (including bodies corporate)</b>	-	-
<b>Public/Others</b>	<b>1085045</b>	<b>29.53</b>
<b>Total</b>	<b>3675000</b>	<b>100.00</b>

- l. Dematerialisation of Shares : **ISIN : INE 673E01018**  
26,43,205 shares of the Company are held in Dematerialized form representing 71.92% of the paid-up share Capital of the Company as on 31<sup>st</sup> March, 2017.
- 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

# ADARSH MERCANTILE LIMITED

Phone No. - 033-2479-1951

Fax – 033-2479-1952

Email id: adarshmercantile@gmail.com

p. Contact Person

: Ms. Arpita Dey, 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 behavior, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

- 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.



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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. 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.

**k. 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.

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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, 2017, 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, 2017. Duties of the Independent Directors have suitably been incorporated in the code. The Code is displayed on the Company's website: [www.adarshmercantile.in](http://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.

# **ADARSH MERCANTILE LIMITED**

## **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 2016-17, 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: 19.08.2017**

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

# **ADARSH MERCANTILE LIMITED**

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

### **Certification by 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 2016-17 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 2016-17 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;

# ADARSH MERCANTILE LIMITED

- 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: 19.08.2017**

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

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

# **ADARSH MERCANTILE LIMITED**

## **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, 2017 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: 19.08.2017**

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

# ADARSH MERCANTILE LIMITED

## **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) Industry structure and development:**

The Company is in the business of trading of goods, shares and securities. The overall commodity market has not grown as expected due to various factors like lower spending by the government and demonetization. Further with the introduction of GST the industry will take some time to revive in its momentum of growth in the current financial year.

**b) Opportunities and threats/Risk and concerns:**

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

**c) Segment wise or product wise performance:**

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

**d) Outlook:**

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

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

**e) Internal control systems and their adequacy:**

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

# ADARSH MERCANTILE LIMITED

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

During the year under review the Company received dividend of Rs. 2,04,360 as compared to Rs. 2,17,479 in the previous year. The interest income during the year was Rs.10,30,059 as against Rs. 10,70,658 in the corresponding previous year. The Company earned capital gains of Rs.17,95,184 compared to Rs. 2,71,493 in the previous year. The trading activities of the Company resulted in a gain of Rs.4,92,146 during the year as compared to a gain of Rs. 2,19,691 during the previous year.

**g) 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 4 permanent employees on the rolls of Company as on March 31, 2017.

**h) Cautionary statement:**

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



# ADARSH MERCANTILE LIMITED

## **ANNEXURE - 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**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under :

(Amount in Lakhs)

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2016-17 (Rs. in lakhs)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mrs. Suchita Chhawchharia Executive Director	1.20	NIL	1.11
2.	Mr. Shiv Shankar Sharma Chief Financial Officer (*)	2.65	NIL	N.A.
3.	Mr. Sourabh Rungta Company Secretary & Compliance Officer (**)	0.24	NIL	N.A.
4.	Ms. Arpita Dey Company Secretary & Compliance Officer (***)	0.25	NIL	N.A.

\* Appointed w.e.f. 1<sup>st</sup> July, 2016

\*\* Resigned w.e.f. 30<sup>th</sup> June, 2016

\*\*\*Appointed w.e.f. 16<sup>th</sup> January, 2017

#### **Note:**

1. No other Director other than the Executive Director received any remuneration during the financial year 2016-17.
2. The median remuneration of employees of the Company during the financial year was Rs. 0.09 Lakhs compared to the previous year was Rs. 0.06 Lakhs;
3. In the financial year, there was an increase of 50% in the median remuneration of employees;
4. There were 4 permanent employees on the rolls of Company as on March 31, 2017;

# ADARSH MERCANTILE LIMITED

5. Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2016-17 was NIL whereas the increase in the managerial remuneration for the same financial year was NIL;
6. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2017 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 . No.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2016-17 (Rs. in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Mr. Sourabh Rungta	Company Secretary	0.24	Permanent	B.Com, ACS 10 years	31.03.16	30	B.Chhawchharia & Co.	-	-
2	Shiv Shankar Sharma	CFO	2.65	Permanent	Graduate 37 years	01.07.16	53	B.Chhawchharia & Co.	1.22 %	N.A

# ADARSH MERCANTILE LIMITED

3	Arpita Dey	Comp any Secret ary	0.25	Perman ent	M.com, ACS 1 year and 7 months	16.01.17	26	Santosh Kumar Tibrewal la, PCS	Nil	N.A
4	Anirban Das	Jr.Exe cutive	1.06	Perman ent	H.S	01.04.16	35	N.A	Nil	N.A
5	Ramesh Barik	Jr.Exe cutive	1.06	Perman ent	H.S	01.04.16	28	N.A	Nil	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.

# ADARSH MERCANTILE LIMITED

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

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017**

*[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, 2017, 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, 2017, **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;

# ADARSH MERCANTILE LIMITED

- (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 as given in **Annexure 1**.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**I further report that** during the audit period the Company 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 :** 01.08.2017

<b>Signature</b>	:	<b>Sd/-</b>
<b>Name of Company</b>	:	Santosh Kumar Tibrewalla
<b>Secretary in practice :</b>		
<b>FCS No.</b>	:	3811
<b>C P No.</b>	:	3982

# **ADARSH MERCANTILE LIMITED**

## **ANNEXURE – 1 TO SECRETARIAL AUDIT REPORT**

### **List of applicable laws to the Company**

1. Income Tax ;
2. Professional Tax ;
3. Payment of Wages Act, 1936 ;
4. Minimum Wages Act, 1940 ;
5. W.B. Profession Tax Act, 1979 ;
6. West Bengal Shop & Establishment Act, 1964 ;
7. Kolkata Municipal Corporation Act, 1980 ;
8. Negotiable Instruments Act, 1881 ;
9. Information Technology Act, 2000, etc

# ADARSH MERCANTILE LIMITED

## ANNEXURE - I TO THE DIRECTORS' REPORT

**MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2017**  
**[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: D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 E-mail id - nichetechpl@ nichetechpl.com Phone No. – (033) 2235 7270 Fax – (033) – 2215 6823

### **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.	12.52
2	Raw Jute	46695	86.08

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

<b>Sl. No.</b>	<b>Name and Address Of the Company</b>	<b>CIN/<del>GLN</del></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)

# ADARSH MERCANTILE LIMITED

## 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, 2016)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2017)				% 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	60075	-	60075	1.635	105075	131650	236725	6.441	4.807
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>	1553205	-	1553205	42.264	1598205	131650	1729855	47.071	4.807
<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>	1553205	-	1553205	42.264	1598205	131650	1729855	47.071	4.807



# ADARSH MERCANTILE LIMITED

<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	825000	72600	897600	24.424	825000	35100	860100	23.404	-1.020
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	-	44870	44870	1.221	-	40720	40720	1.108	-0.113
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	265000	914125	1179125	32.085	220000	824125	1044125	28.412	-3.673
c) Others (Trusts)	-	200	200	0.005	-	200	200	0.005	-
<b>Sub-total (B)(2):-</b>	1090000	1031795	2121795	57.736	1045000	900145	1945145	52.929	-4.807
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1090000	1031795	2121795	57.736	1045000	900145	1945145	52.929	-4.807

# ADARSH MERCANTILE LIMITED

<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>	2643205	1031795	3675000	100.00	2643205	1031795	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, 2016)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2017)			
		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	30075	0.818	-	30075	0.818	-	-
2	ASHISH CHHAWCHHARIA (KARTA OF HUF)	-	-	-	90000	2.449	-	2.449
3	AVON CREDIT PVT. LTD.	1493130	40.629	-	1493130	40.629	-	-
4	KSHITIZ CHHAWCHHARIA	30000	0.816	-	30000	0.816	-	-
5	KSHITIZ CHHAWCHHARIA (HUF)	-	-	-	86650	2.358	-	2.358
	<b>Total</b>	<b>1553205</b>	<b>42.264</b>	<b>-</b>	<b>1729855</b>	<b>47.071</b>	<b>-</b>	<b>4.807</b>

## 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.	ASHISH CHHAWCHHARIA (KARTA OF HUF) a) At the Beginning of the Year (01.04.2016) b) Changes during the year – Transfer 31/03/2017 c) At the End of the Year (31.03.2017)	-	-	+90000 90000	+2.449 2.449
2.	KSHITIZ CHHAWCHHARIA (KARTA OF HUF) a) At the Beginning of the Year (01.04.2016) b) Changes during the year– Transfer 31/03/2017 c) At the End of the Year (31.03.2017)	-	-	+86650 86650	+2.358 2.358

# ADARSH MERCANTILE LIMITED

## 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.	HEMANGI VINIMOY PRIVATE LTD. At the Beginning of the year At the end of the year	170000	4.626	170000	4.626
2.	KRISHNENDU MAITY At the Beginning of the year At the end of the year	180725	4.918	180725	4.918
3.	MADHU VERMA At the Beginning of the year At the end of the year	90000	2.449	90000	2.449
4.	NIRMALA SINGH At the Beginning of the year At the end of the year	75000	2.041	75000	2.041
5.	RAJ KUMAR SHAH (HUF) At the Beginning of the year At the end of the year	96000	2.612	96000	2.612
6.	RATAN KUMAR SEAL At the Beginning of the year At the end of the year	175000	4.762	175000	4.762
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 At the end of the year	82500	2.245	82500	2.245
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	160000	4.354	160000	4.354
	<b>TOTAL</b>	<b>1524225</b>	<b>41.476</b>	<b>1524225</b>	<b>41.476</b>

# ADARSH MERCANTILE LIMITED

## 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	100	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.

#Appointed w.e.f. 1<sup>st</sup> July, 2016

## 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, 2016)</b>				
i) Principal Amount		1,38,00,000		1,38,00,000
ii) Interest due but not paid	NIL	6,26,282	NIL	6,26,282
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>1,44,26,282</b>	<b>NIL</b>	<b>1,44,26,282</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	63,62,173	NIL	63,62,173
• Reduction		(53,98,896)		(53,98,896)
Interest paid during the Financial Year		(5,86,446)		(5,86,446)
<b>Net Change</b>	<b>NIL</b>	<b>3,76,831</b>	<b>NIL</b>	<b>3,76,831</b>

# ADARSH MERCANTILE LIMITED

<b>Indebtedness at the end of the financial year ( 31<sup>st</sup> April, 2017)</b>				
i) Principal Amount	NIL	1,33,50,000	NIL	1,33,50,000
ii) Interest due but not paid		14,53,113		14,53,113
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>1,48,03,113</b>	<b>NIL</b>	<b>1,48,03,113</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.	

# ADARSH MERCANTILE LIMITED

## B. Remuneration to other directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	<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>	-	-	-	-
2	<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>1.20</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			
		Sourabh Rungta (Company Secretary)*	Arpita Dey (Company Secretary) **	Shiv Shankar Sharma (CFO)#	Total
1	<b>Gross salary (a) Salary as per provisions contained in</b>	0.24	0.25	2.65	3.14

# ADARSH MERCANTILE LIMITED

	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	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify.....	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	0.24	0.25	2.65	3.14

\*Mr. Sourabh Rungta resigned w.e.f. 30.06.2016

\*\* Ms. Arpita Dey appointed w.e.f. 16.01.2017

# Mr. Shiv Shankar Sharma appointed w.e.f. 01.07.2016

## 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 : 19.08.2017

*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)

# ADARSH MERCANTILE LIMITED

## ANNEXURE – J TO THE DIRECTORS’ REPORT

### **Form AOC-1**

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

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

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

The Company has no subsidiary as on 31.03.2017.

#### **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>	30.05.2017
<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 – 15290 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. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	Rs. 19,45,229.34



# ADARSH MERCANTILE LIMITED

<b>7. Profit for the year</b>	Rs. 4,42,523
i. Considered in Consolidation	Yes – Rs. 2,57,445
ii. Not Considered in Consolidation	N.A. – Rs. 1,85,078 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/-  
Arpita Dey  
Company Secretary*

**Place : Kolkata  
Date : 19.08.2017**

# **ADARSH MERCANTILE LIMITED**

## **Independent Auditor's Report**

### **To the Members of ADARSH MERCANTILE LIMITED**

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

1. We have audited the accompanying standalone financial statements of **ADARSH MERCANTILE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made

# ADARSH MERCANTILE LIMITED

by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

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

9. As required by the Companies (Auditor's Report) Order, 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.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls refer to our separate report in Annexure 'B'.
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

# ADARSH MERCANTILE LIMITED

- iv. the company, as detailed in Note 29 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

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

Kolkata  
May 30, 2017

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

# ADARSH MERCANTILE LIMITED

## Annexure A to the Auditor's Report

**The Annexure referred to in Independent Auditor's Report of even date to the members of Adarsh Mercantile Limited, on the financial statements for the year ended 31<sup>st</sup> March, 2017**

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

- (i) (a) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP 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, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records pursuant to Section 148 of the Companies Act, 2013 and Rules made for any of the products of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding on the year-end for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, the following dues outstanding in respect of arrears of statutory dues outstanding for more than six months 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

# ADARSH MERCANTILE LIMITED

Income Tax Act, 1961	Fringe Benefit Tax	672	A.Y 2007-08	Assessing Officer, Income tax department
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- (viii) The Company has not defaulted in loans or borrowings payable to a financial institution and there are no loans or borrowings payable to 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) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid managerial remuneration in compliance with section 196 and 197 the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non –cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kolkata  
May 30, 2017

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

# ADARSH MERCANTILE LIMITED

## **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 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of 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 Act.

### **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 Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, 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 were 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 evidence we have obtained is 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# ADARSH MERCANTILE LIMITED

## **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 March 2017, 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.**

**Firm Registration No.: 313124E**

*Chartered Accountants*

*sd/-*

**Subrata Roy**

*Partner*

Membership No. 051205

Kolkata  
May 30, 2017



**ADARSH MERCANTILE LIMITED**Balance Sheet as at 31<sup>st</sup> March, 2017

	Note	As at 31st March, 2017		As at 31st March, 2016	
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	2	36,750,000		36,750,000	
(b) Reserves & Surplus	3	19,816,794	56,566,794	19,156,450	55,906,450
<b>Current Liabilities</b>					
(a) Short-term Borrowings	4	13,350,000		13,800,000	
(b) Other Current Liabilities	5	1,649,889		732,509	
(c) Short-term Provisions	6	187,000	15,186,889	92,000	14,624,509
<b>TOTAL</b>			<b>71,753,683</b>		<b>70,530,959</b>
<b><u>ASSETS</u></b>					
<b>Non-Current Assets</b>					
(a) Non-Current Investments	7	33,829,679		18,555,065	
(b) Long-Term Loans and Advances	8	7,239,704	41,069,383	19,776,736	38,331,801
<b>Current Assets</b>					
(a) Current Investments	9	15,025,732		13,498,474	
(b) Inventories	10	1,120,228		1,316,187	
(c) Trade Receivables	11	131,369		578	
(d) Cash and Cash equivalents	12	633,767		246,525	
(e) Short-term Loans and Advances	8	4,505,489		10,110,166	
(f) Other Current Asset	13	9,267,715	30,684,300	7,027,228	32,199,158
<b>TOTAL</b>			<b>71,753,683</b>		<b>70,530,959</b>
Significant Accounting Policies	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 30, 2017

For and on behalf of the Board

For Adarsh Mercantile Limited

sd/-

Suchita Chhawchharia  
Executive Director  
(DIN- 00044063)

sd/-

Shiv Shankar Sharma  
Chief Financial Officer

sd/-

Aritra Basu  
Director  
(DIN- 06779222)

sd/-

Arpita Dey  
Company Secretary

**ADARSH MERCANTILE LIMITED****Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017**

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>I. Revenue from operations</b>	14		
Sale of Products		5,626,617	3,426,675
Other Operating Income		79,620	74,577
		<u>5,706,238</u>	<u>3,501,252</u>
<b>II. Other Income</b>	15	2,949,984	1,485,053
<b>III. Total Revenue (I + II)</b>		<u><b>8,656,221</b></u>	<u><b>4,986,305</b></u>
<b>IV. Expenses:</b>			
(a) Purchases of stock-in-trade	16	4,938,512	3,029,500
(b) Changes in Inventories of Stock-in-trade	17	195,959	177,484
(c) Employee Benefits Expense	18	646,582	596,790
(d) Finance costs	19	1,625,552	695,869
(e) Other expenses	20	467,515	400,463
<b>Total expenses</b>		<u><b>7,874,120</b></u>	<u><b>4,900,106</b></u>
<b>V. Profit before Tax (V - VI)</b>		<b>782,102</b>	<b>86,199</b>
<b>VI. Tax Expenses</b>			
(a) Current Tax		125,000	55,000
<b>VII. Profit/(Loss) for the Period (V - VI)</b>		<u><b>657,102</b></u>	<u><b>31,199</b></u>
<b>VIII. Earning per Equity Share ( nominal value of share Rs.10)</b>			
(a) Basic	25	0.18	0.01
(b) Diluted	25	0.18	0.01

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 30, 2017

For and on behalf of the Board  
For Adarsh Mercantile Limited

*sd/-*  
Suchita Chhawchharia  
Executive Director  
(DIN- 00044063)

*sd/-*  
Shiv Shankar Sharma  
Chief Financial Officer

*sd/-*  
Aritra Basu  
Director  
(DIN- 06779222)

*sd/-*  
Arpita Dey  
Company Secretary

**ADARSH MERCANTILE LIMITED**
**Cash Flow Statement for the year ended 31<sup>st</sup> March 2017**

	2016-17	2015-16
<b>Cash flow from operating activities</b>		
Profit before tax	<b>782,102</b>	<b>86,199</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	-	-
Sundry Balance Written Off	-	-
Loss/(profit) on sale of Investments	(1,795,184)	(271,493)
Interest & Dividend Income	(1,154,799)	(1,213,560)
Interest expense	1,625,552	695,869
Operating profit before working capital changes	<b>(542,330)</b>	<b>(702,985)</b>
<u>Movements in working capital :</u>		
Increase/(decrease) in other current liabilities	917,380	(607,140)
Decrease/(increase) in trade receivables	(130,791)	(578)
Decrease/(increase) in inventories	195,959	177,484
Decrease/(increase) in long-term loans and advances	12,537,032	506,401
Decrease/(increase) in other current assets	(2,240,487)	(3,759,512)
Decrease/(increase) in short-term loans and advances	5,725,347	172,437
Cash generated from / (used in) operations	16,462,110	(4,213,894)
Direct taxes paid/Adjusted (net of refunds)	(147,428)	(160,327)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>16,314,683</b>	<b>(4,374,223)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale/ (purchase) of Non-current investments (Net)	(15,274,614)	250,197
Proceeds from sale/ (purchase) of current investments (Net)	(1,527,258)	(5,749,746)
(Loss)/Profit on sale of Investments	1,795,184	271,493
Interest & Dividend Income	1,154,799	1,213,560
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>(13,851,888)</b>	<b>(4,014,496)</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	(450,000)	8,800,000
Interest paid	(1,625,552)	(695,869)
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>(2,075,552)</b>	<b>8,104,131</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	387,243	(284,587)
Cash and cash equivalents at the beginning of the year	246,524	531,111
<b>Cash and cash equivalents at the end of the year</b>	<b>633,767</b>	<b>246,524</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	485,115	173,704
Cash on hand	148,652	72,820
<b>Total cash and cash equivalents</b>	<b>633,767</b>	<b>246,524</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 30, 2017

For and on behalf of the Board

For Adarsh Mercantile Limited

sd/-

Suchita Chhawchharia

Executive Director

(DIN- 00044063)

sd/-

Shiv Shankar Sharma

Chief Financial Officer

sd/-

Aritra Basu

Director

(DIN- 06779222)

sd/-

Arpita Dey

Company Secretary

**1. Significant Accounting Policies****1.1 Basis of Preparation of Financial Statements**

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

**1.2 Use of Estimates**

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

**1.3 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition and subsequent improvements thereto; less accumulated depreciation, and impairment loss, if any.

Depreciation on tangible assets is provided on the written down value method on basis of useful life of the assets and in the manner as prescribed in Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**1.4 Impairment of Assets**

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

**1.5 Investments**

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. Long-term Investments are carried at acquisition cost. Current Investments are carried at lower of cost and fair value determined on individual wise investment basis. Provision for diminution in value is made if the decline in value is other than temporary in nature in the opinion of the management.

**1.6 Inventories**

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

**1.7 Employee Retirement Benefits**

- (i) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- (ii) Liability on account of leave entitlement of employees is provided for in accordance with the rules of the Company at current encashable salary rates as at the balance sheet date.
- (iii) Gratuity is accounted for on the basis of current encashable salary rates for every completed year of service in respect of all employees.

**1.8 Taxes on Income**

- (i) Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.
- (ii) Deferred tax assets are recognised when the Company carries forward unused tax losses/expenses and unabsorbed depreciation. Deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.  
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilised.
- (iii) Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability, and is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

**1.9 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable and in respect of which a reliable estimate can be made.
- (ii) Contingent liabilities are shown by way of Notes to the Financial Statements in respect of obligations, where, based on the evidence available, their existence at the Balance Sheet date is considered not probable or a reliable estimate of the same cannot be made.
- (iii) Contingent Assets are neither recognised nor disclosed in the Financial Statements.

## ADARSH MERCANTILE LIMITED

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017

### 1.10 Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on an accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### 1.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. Such assets are amortised on written down value method over the useful economic life of the respective assets and in the manner prescribed in Schedule II to the Companies Act, 2013.

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>2. Share Capital</b>		
<b>a) Capital Structure</b>		
Authorised		
4,000,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
(Previous year - 4,000,000 Equity Shares of Rs. 10/- each)		
	<b>40,000,000</b>	<b>40,000,000</b>
	<b>31 March, 2017</b>	<b>31 March, 2016</b>
	Rs	Rs
Issued, Subscribed and Fully Paid Up		
3,675,000 Equity Shares of Rs. 10/- each	36,750,000	36,750,000
(Previous year - 3,675,000 Equity Shares of Rs. 10/- each)		
	<b>36,750,000</b>	<b>36,750,000</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 Shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive in proportion to their shareholding the remaining assets of the Company, after distribution of the preferential amount.

### b) Share Capital Reconciliation Equity Shares

	31 March 2017		31 March 2016	
	Nos.	Amount	Nos.	Amount
Opening balance	3,675,000	36,750,000	3,675,000	36,750,000
Issued during the period	-	-	-	-
<b>Closing Balance</b>	<b>3,675,000</b>	<b>36,750,000</b>	<b>3,675,000</b>	<b>36,750,000</b>

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

	31 March 2017		31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Avon Credit Private Limited	1,493,130	40.63%	1,493,130	40.63%
Winy Commercial & Fiscal Services Limited	315,000	8.57%	315,000	8.57%
			<b>31 March, 2017</b>	<b>31 March, 2016</b>
			Rs	Rs

## 3. Reserves & Surplus

### General Reserve

Balance b/f	245,000	245,000
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### General Reserve on Amalgamation

Balance b/f	10,276,423	10,276,423
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### Surplus/(Deficit) in the Statement of Profit & Loss

Opening balance	8,635,027	8,603,828
Profit/(Loss) for the year	657,102	31,199
Add: Income tax for earlier years	3,242	-
<b>Net Surplus/(Deficit) at the end of the year</b>	<b>9,295,371</b>	<b>8,635,027</b>

### Total Reserves & Surplus

<b>19,816,794</b>	<b>19,156,450</b>
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## 4. Short-term Borrowings

Loans repayable on demand - from other parties (unsecured)	13,350,000	13,800,000
	<b>13,350,000</b>	<b>13,800,000</b>

**ADARSH MERCANTILE LIMITED**

 Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>5. Other Current Liabilities</b>		
Interest accrued and due on borrowings	1,453,113	626,282
Security Deposit ( Rent )	13,400	-
Other payables		
Statutory Dues Payable	162,663	69,587
Others (year end accrual for expenses)	20,713	36,640
	<b>1,649,889</b>	<b>732,509</b>

**6. Short-term Provisions**

Other Provisions - for Income Tax	187,000	92,000
	<b>187,000</b>	<b>92,000</b>

31 March 2017		31 March 2016	
Qty.	Amount (Rs)	Qty.	Amount (Rs)

**7. Non-Current Investments**

(fully paid-up; FV Rs 10 each, unless otherwise stated)

**Other Investments**

 (a) **Investments in Equity Instruments**
Quoted

Ashiana Housing Ltd. (FV Rs 2)	16,282	491,676	16,282	491,676
Den Networks Ltd	500	41,196	-	-
Dhunseri Tea & Ind. Ltd.	862	0.01	862	0
Electrosteel Steels Ltd.	200,000	1,298,296	200,000	1,834,240
IFGL Refractories Ltd	750	151,634	-	-
India Bulls Real Estate Ltd	500	41,247	-	-
Intrasoft Technologies Ltd.	15,108	1,374,006	15,108	1,374,006
ITC Ltd. (FV Rs 1)	5,550	821,870	3,700	821,870
Jindal Poly Films Ltd	400	165,287	-	-
Jindal Steel & Power Ltd	500	60,891	-	-
Kolte Patil Dev Ltd	1,500	160,670	-	-
Manaksia Industries Ltd	3,015	83,724	-	-
Motherson Sumi System Ltd	200	62,622	-	-
M T Educare Ltd	500	68,730	-	-
NIIT Technologies Ltd	150	62,766	-	-
Jet Airways India Ltd	-	-	250	124,191
Padmini Technologies Ltd.	13,000	80,600	13,000	80,600
Sancia Global Infraprojects Ltd.	500	112,473	500	112,473
S Kumars.Com Ltd.	40,100	52,130	40,100	52,130
Sun Pharmaceuticals Ltd	50	32,114	-	-
Suzlon Energy Ltd	1,000	17,362	-	-
Texmaco Infrastructure Ltd	1,500	45,158	1,500	45,158
Tulip Telecom Ltd. (FV Rs 2)	300	18,573	300	18,573
United Breweries Ltd. (FV Rs 1)	1,450	791,430	1,450	791,430
	<b>6,034,456</b>		<b>5,746,347</b>	

Unquoted
Associates

Avon Credit Pvt. Ltd.	15,290	314,500	15,290	314,500
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Others

BCCO Holdings Pvt. Ltd.	20,000	1,000,000	20,000	1,000,000
Bliss Tie-up Pvt. Ltd.	7,250	362,500	7,250	362,500
	<b>1,677,000</b>		<b>1,677,000</b>	

 (b) **Investments in Mutual Funds (Unquoted)**

Birla Sunlife Dynamic Bond Fund (Growth)	-	-	167,993.01	3,000,000
HDFC Equity Fund - Dividend	7,684.60	326,876	7,684.60	326,876
ICICI Prudential Focussed Blue Chip Fund (Growth)	33,693.74	665,000	33,693.74	665,000
IDFC Dynamic Bond Fund Plan A (Growth)	114,270.57	2,500,000	114,270.57	2,500,000
IDFC Premier Equity Fund Plan A - (Dividend)	4,650.00	120,000	4,650.00	120,000
Kotak Bond - Short Term (Growth)	109,391.17	2,098,147	109,391.17	2,098,147
Reliance Dynamic Bond Fund (Growth)	117,205.71	1,713,583	117,205.71	1,713,583
ICICI Prudential Flexible Income Plan (Growth)	722.47	158,113	772.47	158,113
Reliance Short Term Fund (Growth)	117,458.72	3,306,562	21,498.09	550,000
	<b>10,888,281</b>		<b>11,131,718</b>	

**Aggregate Amount of**

Quoted Investments	Rs	Rs
	6,034,456	5,746,347
Unquoted Investments	12,565,281	12,808,718
	<b>18,599,737</b>	<b>18,555,065</b>

**Market Value of Quoted Investments**

	13,738,528	11,492,357
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**Repurchase price of Units of Mutual Fund**

	15,320,257	15,480,419
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Note: In the case of infrequently traded/ suspended for trading scrips, the last quoted price available has been considered.

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>(c) Investments in Immovable Property</b>		
Residential Flat	15,229,942	-
	<b>15,229,942</b>	<b>-</b>

**ADARSH MERCANTILE LIMITED**

 Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017

	Long-Term		Short-Term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>8. Loans and Advances</b>				
(Unsecured, considered good, unless otherwise stated)				
Capital Advances	2,661,179	15,247,611	-	-
Loans & Advances given to other parties	-	-	2,715,631	8,433,060
Loans & Advances given to related parties	4,500,000	4,500,000	1,308,000	1,315,918
Security Deposit	78,525	29,125	-	-
Other loans and advances				
Advance Taxes & TDS	-	-	481,858	361,188
	<b>7,239,704</b>	<b>19,776,736</b>	<b>4,505,489</b>	<b>10,110,166</b>

	31 March 2017		31 March 2016	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>9. Current Investments</b>				
(fully paid-up; FV Rs 10 each, unless otherwise stated)				
<b>(a) Investments in Mutual Funds (Unquoted)</b>				
Birla Sunlife Cash Manager Fund (Growth)	17,099.09	6,271,270	24,272.780	8,486,401
Birla Sunlife Short Term Fund - Reg - (Growth)	88,128.97	5,117,490	-	-
HDFC Regular Savings Fund - Reg - (Growth)	4,809.40	145,000	-	-
ICICI Short Term Fund - Reg - (Growth)	62,664.69	2,000,000	-	-
IDFC Arbitrage Fund - Dividend Reinvest	94,672.35	1,191,972	89,425.500	1,125,716
Reliance Arbitrage Advantage Fund-Div Reinvest	-	-	115,863.34	1,217,215
Reliance Arbitrage Advantage Fund-Reg GR	-	-	96,075.99	1,495,000
Reliance Medium Term Fund- GR	-	-	38,310.93	1,175,000
Reliance Banking & PSU Debt Fund - Gr	8,932.400	100,000	-	-
Reliance Money Manager Fund-GR	92.860	200,000	-	-
		15,025,732		13,499,332
Less: Adjustment for carrying amount of Current Investments		-		858
<b>Sub-total</b>		<b>15,025,732</b>		<b>13,498,474</b>
<b>Aggregate Amount of</b>		15,025,732		13,498,474
Unquoted Investments		<b>15,025,732</b>		<b>13,498,474</b>

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>10. Inventories</b>		
Stock-in-trade		
Shares & Securities	1,120,228	1,316,187
	<b>1,120,228</b>	<b>1,316,187</b>

<b>11. Trade Receivables</b>		
Unsecured, considered good		
Due for less than six months	131,369	578
	<b>131,369</b>	<b>578</b>

<b>12. Cash and Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	485,115	173,704
Cash in hand	148,652	72,820
	<b>633,767</b>	<b>246,525</b>

<b>13. Other Current Asset</b>		
Amount Receivable against Sale of Investment	3,267,715	7,027,228
Mutual Fund Application Money	6,000,000	-
	<b>9,267,715</b>	<b>7,027,228</b>

**ADARSH MERCANTILE LIMITED**

 Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>14. Revenue from Operations</b>		
<u>Sale of Products</u>		
Shares & Securities	714,681	304,950
Raw Jute	4,911,936	3,121,725
Dividend Income	79,620	74,577
	<b>5,706,238</b>	<b>3,501,252</b>
<b>15. Other Income</b>		
Interest Income	1,030,059	1,070,658
Dividend Income from Non-current investments	124,740	142,902
Net gain/(loss) on sale of Non-current investments	(518,056)	100,467
Net gain/(loss) on sale of Current investments	2,313,240	171,026
	<b>2,949,984</b>	<b>1,485,053</b>
<b>16. Purchases of stock-in-trade</b>		
Shares & Securities	160,947	-
Raw Jute	4,777,565	3,029,500
	<b>4,938,512</b>	<b>3,029,500</b>
<b>17. Changes in Inventory of Stock-in-trade</b>		
<u>Inventories at the beginning of the year</u>		
Shares & Securities	1,316,187	1,493,671
<u>Inventories at the end of the year</u>		
Shares & Securities	1,120,228	1,316,187
	<b>195,959</b>	<b>177,484</b>
<b>18. Employee Benefits Expense</b>		
Salaries, Bonus & Allowances	646,582	596,790
	<b>646,582</b>	<b>596,790</b>
<b>19. Finance Costs</b>		
Interest expense	1,625,552	695,869
	<b>1,625,552</b>	<b>695,869</b>
<b>20. Other expenses</b>		
Advertisement expenses	14,220	19,460
<u>Auditors' Remuneration</u>		
Audit Fees	13,800	13,740
Listing expenses	280,613	269,414
Miscellaneous expenses	31,627	54,911
Maintenance Charges	104,371	-
Professional Charges	6,810	27,400
Adjustment for carrying amount of Current Investments	(858)	858
Rates & Taxes	16,932	14,680
	<b>467,515</b>	<b>400,463</b>
<b>21. Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	2,109,974
<b>22. 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>23. Segment Reporting</b>		

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



**ADARSH MERCANTILE LIMITED**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017**24. Related Party Disclosures**

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

**(i) Names of the related parties and description of relationship****List of related parties where control exists:****1. Key Management Personnel (KMP) and their relatives**

Mrs. Suchita Chhawchharia	- Director
Mr. Shiv Shankar Sharma	- Chief Financial Officer

**2. 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**

<b>Sl. Name of the Related Party</b>	<b>31 March, 2017</b>	<b>31 March, 2016</b>
<b>1. Avon Credit Private Limited</b>		
<u>Closing Balance:</u>		
Year end Investments	314,500	314,500
<b>2. BCCO Commodities Private Limited</b>		
<u>Closing Balance:</u>		
Year end receivables	4,500,000	4,500,000
<b>3. BCCO Holdings Private Limited</b>		
<u>Transactions</u>		
Interest received	108,000	128,798
Interest paid	115,918	223,880
<u>Closing Balance:</u>		
Year end Investments	1,000,000	1,000,000
Year end receivables	1,308,000	1,315,918
<b>4 Aster Dealcom Pvt. Ltd.</b>		
<u>Closing Balance:</u>		
Year end receivables	3,267,715	3,267,715
<b>5 Gallon Holdings Pvt. Ltd</b>		
<u>Transactions</u>		
Amount Receivable against Sale of Investment	-	3,759,513
<b>6 Mr. Shiv Shankar Sharma</b>		
<u>Transactions</u>		
Salary Paid during the Year	265,421	-
<b>7 Mrs. Suchita Chhawchharia</b>		
<u>Transactions</u>		
Salary Paid during the Year	120,000	-

**ADARSH MERCANTILE LIMITED**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017**25. Earning per share (EPS)**

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

	31 March, 2017	31 March, 2016
Net Profit / (Loss) attributable to equity shareholders	657,102	31,199
Weighted average number of equity shares in calculating EPS	3,675,000	3,675,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	0.18	0.01

**26. Accounting for Taxes on Income**

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

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

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

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

29. During the year, the Company had specified bank notes or other denomination note as defined in the "MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN)\* held and transacted during the period from November 8, 2016 to December, 30 2016", the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN (Rs)	Other	Total (Rs)
Closing Cash in hand as on 08.11.2016	-	34,819	34,819
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	16,092	16,092
(+) Amount withdrawn from Banks	-	200,000	200,000
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	218,727	218,727

\*For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

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

As per our report of even date

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

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

Kolkata  
May 30, 2017

For and on behalf of the Board  
For Adarsh Mercantile Limited

sd/-  
Suchita Chhawchharia  
Executive Director  
(DIN- 00044063)

sd/-  
Shiv Shankar Sharma  
Chief Financial Officer

sd/-  
Aritra Basu  
Director  
(DIN- 06779222)

sd/-  
Arpita Dey  
Company Secretary

# ADARSH MERCANTILE LIMITED

## Independent Auditor's Report

### To the Members of ADARSH MERCANTILE LIMITED

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of ADARSH MERCANTILE LIMITED, ("the Company") and its associate ("the Company" and its associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company's Board of Directors, and the respective Board of Directors/management of the associates included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Company and its associate companies, are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

# ADARSH MERCANTILE LIMITED

assessments, the auditor considers internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11(a) of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

8. 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 the financial statements of the associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **Other Matter(s)**

9. The consolidated financial statements includes the Group's share of net profit of Rs 2,57,445 for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this 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 report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is 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 and the financial statements / financial information certified by the management.

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

10. As required by Section 143(3) of the Act, and based on the auditor's report of the Company, and 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 report of the other auditor;
  - 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;

# ADARSH MERCANTILE LIMITED

- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- e) On the basis of the written representations received from the directors of the Company as on 31st March 2017 taken on record by the Board of Directors of the Company and the report of the other statutory auditor of its associate company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company, associate company, which are companies incorporated in India, as of 31 March 2017, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date and our report dated 30<sup>th</sup> May, 2017 as per annexure 'A' expressed the operating effectiveness of such controls.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 as also the other financial information of the associate:
  - (i) there were no pending litigations which would impact the consolidated financial position of the Group;
  - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its associate company covered under the Act during the year ended 31 March 2017;
  - (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Company, and its associate company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

Kolkata  
May 30, 2017

*sd/-*  
**Subrata Ray**  
*Partner*  
Membership No. 051205

# ADARSH MERCANTILE LIMITED

**Annexure A to the Independent Auditor's Report of even date to the members of ADARSH MERCANTILE LIMITED, on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2017**

## **Annexure A**

**Independent Auditor's 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 consolidated financial statements of the ADARSH MERCANTILE LIMITED ("the Company") and its associate, (the Company and its associate together referred to as "the Group"), as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company, its associate company, which are companies incorporated in India, as of that date.

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

2. The respective Board of Directors of the Company, its associate company, which are companies 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 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 company's business, including adherence to the company's policies, the safeguarding of the company's 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 Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Company, its associate company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, 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 were 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 evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Company, its associate company as aforesaid.

# ADARSH MERCANTILE LIMITED

## 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial 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 the 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, its associate company, which are companies incorporated in India, have, 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 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by ICAI.

## Other Matters

9. 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 profit of Rs 2,57,445 for the year ended 31 March 2017 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 companies, which are companies 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.

**Ray & Co**

**Firm Registration No.: 313124E**

*Chartered Accountants*

*sd/-*

Kolkata

May 30, 2017

**Subrata Ray**

*Partner*

Membership No. 051205

**ADARSH MERCANTILE LIMITED**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017

	Notes	As at 31st March, 2017		As at 31st March, 2016	
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	2	36,750,000		36,750,000	
(b) Reserves & Surplus	3	<u>21,048,438</u>	57,798,438	<u>20,130,650</u>	56,880,650
<b>Current Liabilities</b>					
(a) Short Term Borrowing	4	13,350,000		13,800,000	
(b) Other Current Liabilities	5	1,649,889		732,509	
(c) Short-term Provisions	6	<u>187,000</u>	15,186,889	<u>92,000</u>	14,624,509
<b>TOTAL</b>			<b><u>72,985,327</u></b>		<b><u>71,505,159</u></b>
<b><u>ASSETS</u></b>					
<b>Non-Current Assets</b>					
(b) Non-Current Investments	7	35,061,324		19,529,265	
(c) Long-term Loans and Advances	8	<u>7,239,704</u>	42,301,028	<u>19,776,736</u>	39,306,001
<b>Current Assets</b>					
(a) Current Investments	9	15,025,731		13,498,474	
(b) Inventories	10	1,120,228		1,316,187	
(c) Trade Receivables	11	131,369		578	
(d) Cash and Cash equivalents	12	633,767		246,525	
(e) Short-term Loans and Advances	8	4,505,489		10,110,166	
(f) Other Current Asset	13	<u>9,267,715</u>	30,684,299	<u>7,027,228</u>	32,199,158
<b>TOTAL</b>			<b><u>72,985,327</u></b>		<b><u>71,505,159</u></b>
Significant Accounting Policies	1				

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

As per our report of even date attached herewith

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

Chartered Accountants

sd/-

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 30, 2017

For and on behalf of the Board

For Adarsh Mercantile Limited

sd/-

Suchita Chhawchharia

Executive Director

(DIN- 00044063)

sd/-

Shiv Shankar Sharma

Chief Financial Officer

sd/-

Aritra Basu

Director

(DIN- 06779222)

sd/-

Arpita Dey

Company Secretary



**ADARSH MERCANTILE LIMITED****Statement of Consolidated Profit and Loss for the year ended 31<sup>st</sup> March 2017**

	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>I. Revenue from Operations</b>			
Sale of Products		5,626,617	3,426,675
Other Operating Income		79,620	74,577
<b>Revenue from operations (Net)</b>	14	5,706,238	3,501,252
<b>II. Other Income</b>	15	2,949,984	1,485,053
<b>III. Total Revenue (I + II)</b>		<b>8,656,221</b>	<b>4,986,305</b>
<b>IV. Expenses:</b>			
(a) Purchases of stock-in-trade	16	4,938,512	3,029,500
(b) Changes in Inventories of Stock-in-trade	17	195,959	177,484
(c) Employee Benefits Expense	18	646,582	596,790
(d) Finance costs	19	1,625,552	695,869
(e) Other expenses	20	467,515	400,463
<b>Total expenses</b>		<b>7,874,120</b>	<b>4,900,106</b>
<b>V. Profit before Tax (III - IV)</b>		<b>782,102</b>	<b>86,199</b>
<b>VI. Tax Expenses</b>			
(a) Current Tax		125,000	55,000
<b>VII. Profit/(Loss) for the Period (before adjustment of share of profit of associate) (V - VI)</b>		<b>657,102</b>	<b>31,199</b>
<b>VIII. Share of Profit/(Loss) of Associates</b>		257,445	(24,274)
<b>IX. Profit/(Loss) for the Period (after adjustment of share of profit of associate) (VII - VIII)</b>		<b>914,547</b>	<b>6,925</b>
<b>X. Earning per Equity Share (nominal value of share Rs.10)</b>			
(a) Basic		0.25	0.00
(b) Diluted		0.25	0.00

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

As per our report of even date attached herewith

**For Ray & Co.**

**Firm Registration No. 313124E**

Chartered Accountants

sd/-

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 30, 2017

sd/-

Suchita Chhawchharia

Executive Director

(DIN- 00044063)

sd/-

Shiv Shankar Sharma

Chief Financial Officer

sd/-

Aritra Basu

Director

(DIN- 06779222)

sd/-

Arpita Dey

Company Secretary

	2016-17	2015-16
<b>Cash flow from operating activities</b>		
Profit before tax	782,102	86,199
Non-cash adjustment to reconcile profit before tax to net cash flows		
Loss/(profit) on sale of Investments	(1,795,184)	(271,493)
Interest & Dividend Income	(1,154,799)	(1,213,560)
Interest expense	1,625,552	695,869
Operating profit before working capital changes	(542,330)	(702,985)
<u>Movements in working capital :</u>		
Increase/(decrease) in other current liabilities	917,380	(607,140)
Decrease/(increase) in trade receivables	(130,791)	(578)
Decrease/(increase) in inventories	195,960	177,484
Decrease/(increase) in other current assets	(2,240,487)	(3,759,512)
Decrease/(increase) in long-term loans and advances	12,537,032	506,401
Decrease/(increase) in short-term loans and advances	5,725,347	172,437
Cash generated from / (used in) operations	16,462,111	(4,213,894)
Direct taxes paid/Adjusted (net of refunds)	(147,429)	(160,329)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>16,314,682</b>	<b>(4,374,223)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale/ (purchase) of Non-current investments (Net)	(15,274,613)	250,197
Proceeds from sale/ (purchase) of current investments (Net)	(1,527,258)	(5,749,746)
(Loss)/Profit on sale of Investments	1,795,184	271,493
Interest & Dividend Income	1,154,799	1,213,560
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>(13,851,887)</b>	<b>(4,014,496)</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	(450,000)	8,800,000
Interest paid	(1,625,552)	(695,869)
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>(2,075,552)</b>	<b>8,104,131</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	387,243	(284,587)
Cash and cash equivalents at the beginning of the year	246,524	531,111
<b>Cash and cash equivalents at the end of the year</b>	<b>633,767</b>	<b>246,524</b>
<b>Components of cash and cash equivalents</b>		
Balances with Banks in Current Account	485,115	173,704
Cash on hand	148,652	72,820
<b>Total cash and cash equivalents</b>	<b>633,767</b>	<b>246,524</b>

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 30, 2017

For and on behalf of the Board

For Adarsh Mercantile Limited

sd/-

Suchita Chhawchharia

Executive Director

(DIN- 00044063)

sd/-

Shiv Shankar Sharma

Chief Financial Officer

sd/-

Aritra Basu

Director

(DIN- 06779222)

sd/-

Arpita Dey

Company Secretary

**1. Significant Accounting Policies****1.1 Basis of Preparation of Financial Statements****(a) Principles of Consolidation**

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS) – 23 on “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India (ICAI) and notified pursuant to the Companies (Accounting Standards) Rules, 2006.

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 31.03.17	% of Voting Power/Profit sharing as on 31.03.16
<b><u>Associates</u></b>			
1 Avon Credit Pvt. Ltd.	India	31.62%	31.62%

(i) Investments in Associates are accounted in accordance with AS-23 on “Accounting for Investments in Associates in Consolidated Financial Statements”, under “equity method”. Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

(ii) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

(iii) The difference between the costs of investment in the associates, over the net assets at the time of acquisition of shares in the subsidiaries is identified in the Consolidated Financial Statements as Goodwill or Capital Reserves as the case may be.

(iv) The disclosures relating to the Associates are by considering the impact of proportionate investment by the Company, as applicable.

(v) Investments other than in subsidiaries and associates have been accounted as per ‘AS – 13’ on “Accounting for Investments”.

**1.2 Use of Estimates**

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

**1.3 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition and subsequent improvements thereto; less accumulated depreciation, and impairment loss, if any.

Depreciation on tangible assets is provided on the written down value method on basis of useful life of the assets and in the manner as prescribed in Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**1.4 Impairment of Assets**

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

**1.5 Investments**

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. Long-term Investments are carried at acquisition cost. Current Investments are carried at lower of cost and fair value determined on individual wise investment basis. Provision for diminution in value is made if the decline in value is other than temporary in nature in the opinion of the management.

**1.6 Inventories**

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

**1.7 Employee Retirement Benefits**

- (i) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- (ii) Liability on account of leave entitlement of employees is provided for in accordance with the rules of the Company at current encashable salary rates as at the balance sheet date.
- (iii) Gratuity is accounted for on the basis of current encashable salary rates for every completed year of service in respect of all employees.

**1.8 Taxes on Income**

- (i) Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates. Tax expense comprises both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.
- (ii) Deferred tax assets are recognised when the Company carries forward unused tax losses/expenses and unabsorbed depreciation. Deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.  
The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or a part of aggregate deferred tax assets to be utilised.
- (iii) Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability, and is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

**1.9 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable and in respect of which a reliable estimate can be made.
- (ii) Contingent liabilities are shown by way of Notes to the Financial Statements in respect of obligations, where, based on the evidence available, their existence at the Balance Sheet date is considered not probable or a reliable estimate of the same cannot be made.
- (iii) Contingent Assets are neither recognised nor disclosed in the Financial Statements.

**1.10 Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>2. Share Capital</b>		
<b>a) Capital Structure</b>		
<u>Authorised</u>		
4,000,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
(Previous year - 4,000,000 Equity Shares of Rs. 10/- each)		
	<b>40,000,000</b>	<b>40,000,000</b>
<u>Issued, Subscribed and Fully Paid Up</u>		
3,675,000 Equity Shares of Rs. 10/- each	36,750,000	36,750,000
(Previous year - 3,675,000 Equity Shares of Rs. 10/- each)		
	<b>36,750,000</b>	<b>36,750,000</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 Shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive in proportion to their shareholding the remaining assets of the Company, after distribution of the preferential amount.

**b) Share Capital Reconciliation**

Equity Shares	31 March 2017		31 March 2016	
	Nos.	Amount	Nos.	Amount
Opening balance	3,675,000	36,750,000	3,675,000	36,750,000
Issued during the period	-	-	-	-
<b>Closing Balance</b>	<b>3,675,000</b>	<b>36,750,000</b>	<b>3,675,000</b>	<b>36,750,000</b>

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

	31 March 2017		31 March 2016	
	No. of shares	% holding	No. of shares	% holding
Avon Credit Private Limited	1,493,130	40.63%	1,493,130	40.63%
Winy Commercial & Fiscal Services Limited	315,000	8.57%	315,000	8.57%

	31 March, 2017	31 March, 2016
	Rs	Rs
<b>3. Reserves &amp; Surplus</b>		
<b>General Reserve</b>		
Balance b/f	245,000	245,000
<b>General Reserve on Amalgamation</b>		
Balance b/f	10,276,423	10,276,423
<b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>		
Opening balance	9,609,226	9,602,301
Add: Profit/(Loss) for the year	914,547	6,925
Add: Adjustment for transitional provisions for Associate consolidation	-	-
Less: Income Tax adjustments of prior years	3,242	-
Net Surplus/(Deficit) at the end of the year	<b>10,527,015</b>	<b>9,609,226</b>
<b>Total Reserves &amp; Surplus</b>	<b>21,048,438</b>	<b>20,130,649</b>
<b>4. Short-term Borrowings (Unsecured)</b>		
Loans repayable on demand - from other parties	13,350,000	13,800,000
	<b>13,350,000</b>	<b>13,800,000</b>
<b>5. Other Current Liabilities</b>		
Interest accrued and due on borrowings	1,453,113	626,282
Security Deposit (Rent)	13,400	-
<b>Other payables</b>		
Statutory dues payable	162,663	69,587
Others (year end accruals for expenses)	20,713	36,640
	<b>1,649,889</b>	<b>732,509</b>
<b>6. Short-term Provisions</b>		
Other Provisions - for Income Tax	187,000	92,000
	<b>187,000</b>	<b>92,000</b>

	31 March 2017		31 March 2016	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>7. Non-Current Investments</b>				
(fully paid-up; FV Rs 10 each, unless otherwise stated)				
<b>Other Investments</b>				
<b>(a) Investments in Equity Instruments</b>				
<u>Quoted</u>				
Ashiana Housing Ltd. (FV Rs 2)	16,282	491,676	16,282	491,676
Den Networks Ltd	500	41,196	-	-
Dhuneseri Tea & Ind. Ltd.	862	0.01	862	0.01
Electrosteel Steels Ltd.	200,000	1,298,296	200,000	1,834,240
IFGL Refractories Ltd	750	151,634	-	-
India Bulls Real Estate Ltd	500	41,247	-	-
Intrasoft Technologies Ltd.	15,108	1,374,006	15,108	1,374,006
ITC Ltd. (FV Rs 1)	5,550	821,870	3,700	821,870
Jindal Poly Films Ltd	400	165,287	-	-
Jindal Steel & Power Ltd	500	60,891	-	-
Kolte Patil Dev Ltd	1,500	160,670	-	-
Manaksia Industries Ltd	3,015	83,724	-	-
Motherson Sumi System Ltd	200	62,622	-	-
M T Educare Ltd	500	68,730	-	-
NIIT Technologies Ltd	150	62,766	-	-
Jet Airways India Ltd	-	-	250	124,191
Padmini Technologies Ltd.	13,000	80,600	13,000	80,600
Sancia Global Infraprojects Ltd.	500	112,473	500	112,473
S Kumars.Com Ltd.	40,100	52,130	40,100	52,130
Sun Pharmaseuticals Ltd	50	32,114	-	-
Suzlon Energy Ltd	1,000	17,362	-	-
Texmaco Infrastructure Ltd	1,500	45,158	1,500	45,158
Tulip Telecom Ltd. (FV Rs 2)	300	18,573	300	18,573
United Breweries Ltd. (FV Rs 1)	1,450	791,430	1,450	791,430
		<b>6,034,456</b>		<b>5,746,347</b>
<u>Unquoted</u>				
<u>Associates</u>				
Avon Credit Pvt. Ltd.				
Cost of Investment (excluding Rs 8,14,413 (PY Rs 8,14,413) of				
Capital Reserve on consolidation	15,290	1,288,700	15,290	1,312,974
Share of Post Acquisition Profit (Net of Losses)		257,445		(24,274)
		1,546,145		1,288,700
<u>Others</u>				
BCCO Holdings Pvt. Ltd.	20,000	1,000,000	20,000	1,000,000
Bliss Tie-up Pvt. Ltd.	7,250	362,500	7,250	362,500
		<b>2,908,645</b>		<b>2,651,200</b>
<b>(b) Investments in Mutual Funds (Unquoted)</b>				
Birla Sunlife Dynamic Bond Fund (Growth)	-	-	167,993.01	3,000,000
HDFC Equity Fund - Dividend	7,684.60	326,876	7,684.60	326,876
ICICI Prudential Focussed Blue Chip Fund (Growth)	33,693.74	665,000	33,693.74	665,000
IDFC Dynamic Bond Fund Plan A (Growth)	114,270.57	2,500,000	114,270.57	2,500,000
IDFC Premier Equity Fund Plan A - (Dividend)	4,650.00	120,000	4,650.00	120,000
Kotak Bond - Short Term (Growth)	109,391.17	2,098,147	109,391.17	2,098,147
Reliance Dynamic Bond Fund (Growth)	117,205.71	1,713,583	117,205.71	1,713,583
ICICI Prudential Flexible Income Plan (Growth)	772.47	158,113	772.47	158,113
Reliance Short Term Fund (Growth)	117,458.72	3,306,562	21,498.09	550,000
		<b>10,888,281</b>		<b>11,131,718</b>
<b>Aggregate Amount of</b>				
Quoted Investments		6,034,456		5,746,347
Unquoted Investments		13,796,926		13,782,919
		<b>19,831,382</b>		<b>19,529,266</b>
<b>Market Value of Quoted Investments</b>				
		<b>13,738,528</b>		<b>11,492,357</b>
<b>Repurchase price of Units of Mutual Fund</b>				
		<b>15,320,257</b>		<b>15,480,419</b>
<b>Note: In the case of infrequently traded/ suspended for trading scrips, the last quoted price available has been considered.</b>				
<b>(c) Investments in Immovable Property</b>				
Residential Flat		15,229,942		-
		<b>15,229,942</b>		<b>-</b>

	Long-Term		Short-Term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>8. Loans and Advances</b>				
(Unsecured, considered good, unless otherwise stated)				
Capital Advances	2,661,179	15,247,611	-	-
Loans & Advances given to other parties	-	-	2,715,631	8,433,060
Loans & Advances given to related parties	4,500,000	4,500,000	1,308,000	1,315,918
Security Deposit	78,525	29,125	-	-
<u>Other loans and advances</u>				
Advances recoverable in cash or kind	-	-	481,858	361,188
	<b>7,239,704</b>	<b>19,776,736</b>	<b>4,505,489</b>	<b>10,110,166</b>
	<b>31 March 2017</b>		<b>31 March 2016</b>	
	<b>Qty.</b>	<b>Amount (Rs)</b>	<b>Qty.</b>	<b>Amount (Rs)</b>
<b>9. Current Investments</b>				
(fully paid-up; FV Rs 10 each, unless otherwise stated)				
<b>(a) Investments in Mutual Funds (Unquoted)</b>				
Birla Sunlife Cash Manager Fund - Growth	17,099.09	6,271,270	24,272.78	8,486,401
Birla Sunlife Short Term Fund - Reg - (Growth)	88,128.97	5,117,490	-	-
HDFC Regular Savings Fund - Reg - (Growth)	4,809.40	145,000	-	-
ICICI Short Term Fund - Reg - (Growth)	62,664.69	2,000,000	-	-
IDFC Arbitrage Fund - Dividend Reinvestment	94,672.35	1,191,972	89,425.50	1,125,716
Reliance Arbitrage Advantage Fund-Div Reinvest	-	-	115,863.342	1,217,215
Reliance Arbitrage Advantage Fund-Reg GR	-	-	96,075.987	1,495,000
Reliance Medium Term Fund- GR	-	-	38,310.928	1,175,000
Reliance Banking & PSU Debt Fund - Gr	8,932.400	100,000	-	-
Reliance Money Manager Fund-GR	92.860	200,000	-	-
		15,025,732		13,499,332
Less: Adjustment for carrying amount of Current Investments		-		858
<b>Sub-total</b>		<b>15,025,732</b>		<b>13,498,474</b>
<b>Aggregate Amount of</b>		15,025,732		13,498,474
Unquoted Investments		<b>15,025,732</b>		<b>13,498,474</b>
			<b>31 March, 2017</b>	<b>31 March, 2016</b>
			Rs	Rs
<b>10. Inventories</b>				
Stock-in-trade				
Shares & Securities			1,120,228	1,316,187
			<b>1,120,228</b>	<b>1,316,187</b>
<b>11. Trade Receivables</b>				
(Unsecured, considered good)				
Due for less than six months			131,369	578
			<b>131,369</b>	<b>578</b>
			<b>31 March, 2017</b>	<b>31 March, 2016</b>
			Rs	Rs
<b>12. Cash and Cash Equivalents</b>				
Balances with Banks in Current Account			485,115	173,704
Cash on hand			148,652	72,820
			<b>633,767</b>	<b>246,524</b>

**13. Other Current Asset**

Amount Receivable against Sale of Investment  
Mutual Fund Applied

3,267,715	7,027,228
6,000,000	-
<b>9,267,715</b>	<b>7,027,228</b>

**31 March, 2017**

Rs

**31 March, 2016**

Rs

**14. Revenue from Operations**

Sale of Products

Shares &amp; Securities

Raw Jute

Dividend Income (trade)

714,681	304,950
4,911,936	3,121,725
79,620	74,577
<b>5,706,238</b>	<b>3,501,252</b>

**15. Other Income**

Interest Income

Dividend Income from long-term investments

Net gain/(loss) on sale of long-term investments

Net gain/(loss) on sale of current investments

1,030,059	1,070,658
124,740	142,902
(518,056)	100,467
2,313,240	171,026
<b>2,949,984</b>	<b>1,485,053</b>

**16. Purchases of stock-in-trade**

Purchases

Shares &amp; Securities

Raw Jute

160,947	-
4,777,565	3,029,500
<b>4,938,512</b>	<b>3,029,500</b>

**17. Changes in Inventory of Stock-in-trade**Inventories at the beginning of the year

Shares &amp; Securities

1,316,187	1,493,671
-----------	-----------

Inventories at the end of the year

Shares &amp; Securities

1,120,228	1,316,187
<b>195,959</b>	<b>177,484</b>

**18. Employee Benefits Expense**

Salaries, Bonus &amp; Allowances

646,582	596,790
<b>646,582</b>	<b>596,790</b>

**19. Finance Costs**

Interest expense

1,625,552	695,869
<b>1,625,552</b>	<b>695,869</b>

**20. Other Expenses**

Advertisement expenses

Auditors' Remuneration

- Statutory Audit Fees

Listing expenses

Maintenance Charges

Miscellaneous expenses

Professional Charges

Adjustment for carrying amount of Current Investments

Rates &amp; Taxes

14,220	19,460
13,800	13,740
280,613	269,414
104,371	-
31,627	54,911
6,810	27,400
(858)	858
16,932	14,680
<b>467,515</b>	<b>400,463</b>



	31 March, 2017	31 March, 2016
<b>21. Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	2,109,974
<b>22. 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

**23. Segment Reporting**

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

**24. Related Party Disclosures**

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

**(i) Names of the related parties and description of relationship****List of related parties where control exists:****1. Key Management Personnel (KMP) and their relatives**

Mrs. Suchita Chhawchharia	- Director
Mr. Kshitiz Chhawchharia	- Relative of Director

**2. Enterprises where KMP/ relatives of KMP have significant influence or control**

BCCO Commodities Private Limited  
 BCCO Consultants Private Limited  
 BCCO Holdings Private Limited  
 B Chhawchharia & Co.  
 Aster Dealcom Pvt. Ltd.  
 Gallon Holdings Pvt. Ltd.

**(ii) Transactions with related parties during the period**

Sl.	<u>Name of the Related Party</u>	31 March, 2017	31 March, 2016
<b>1</b>	<b>BCCO Commodities Private Limited</b>		
	<u>Closing Balance:</u>		
	Year end receivables	4,500,000	4,500,000
<b>2</b>	<b>BCCO Holdings Private Limited</b>		
	<u>Transactions</u>		
	Interest received	108,000	128,798
	Interest & Loan repaid	115,918	223,880
	<u>Closing Balance:</u>		
	Year end Investments	1,000,000	1,000,000
	Year end Receivables	1,308,000	1,315,918
<b>3</b>	<b>Aster Dealcom Pvt. Ltd.</b>		
	<u>Transactions</u>		
	Amount Receivable against Sale of Investment	3,267,715	3,267,715
<b>4</b>	<b>Gallon Holdings Pvt. Ltd</b>		
	<u>Transactions</u>		
	Amount Receivable against Sale of Investment	-	3,759,513
<b>5</b>	<b>Mr. Shiv Shankar Sharma</b>		
	<u>Transactions</u>		
	Salary Paid during the Year	265,421	-
<b>6</b>	<b>Mrs. Suchita Chhawchharia</b>		
	<u>Transactions</u>		
	Salary Paid during the Year	120,000	-

**25. Earning per share (EPS)**

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

Net Profit / (Loss) attributable to equity shareholders	914,547	6,925
Weighted average number of equity shares in calculating EPS	3,675,000	36,750,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	0.25	0.00

**26. Accounting for Taxes on Income**

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

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

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

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

29. 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)
<b>Associates</b>				
Avon Credit Private Limited	2.68%	1,546,145	28.15%	257,445

30. During the year, the Company had specified bank notes or other denomination note as defined in the "MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN)\* held and transacted during the period from November 8, 2016 to December, 30 2016", the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN (Rs)	Other Denomination	Total (Rs)
Closing Cash in hand as on 08.11.2016	-	34,819	34,819
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(+) Amount withdrawn from Banks	-	200,000	200,000
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	234,819	234,819

\*For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

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

**For Ray & Co.**

**Firm Registration No. 313124E**

Chartered Accountants

sd/-

**Subrata Roy**

Partner

M. No. 051205

Kolkata

May 30, 2017

For and on behalf of the Board

For Adarsh Mercantile Limited

sd/-

Suchita Chhawchharia

Executive Director

(DIN- 00044063)

sd/-

Shiv Shankar Sharma

Chief Financial Officer

sd/-

Aritra Basu

Director

(DIN- 06779222)

sd/-

Arpita Dey

Company Secretary

# ADARSH MERCANTILE LIMITED

## 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.

# ADARSH MERCANTILE LIMITED

## 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 Friday, the 22<sup>nd</sup> day of September, 2017 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 at 2: 00 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.

# ADARSH MERCANTILE LIMITED

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 Friday, the 22<sup>nd</sup> day of September, 2017 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road Kolkata – 700027 at 2: 00 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, 2017, 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.	Appointment of M/s. Ray & Co., Chartered Accountants as the Statutory Auditors of the Company and authorize the Board to fix their remuneration.
4.	Re-appointment of Mrs. Suchita Chhawchharia (DIN : 00044063), as an Executive Director of the Company, for a period of 3 (Three) years with effect from 1 <sup>st</sup> April, 2018.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

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.