
GAURAV MERCANTILES LIMITED

TWENTY NINTH ANNUAL REPORT 2013-2014

GAURAV MERCANTILES LIMITED [L74130MH1985PLC176592]

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BOARD OF DIRECTORS :-

Mr. Pratap Singh Bohra, Chairman
 Mr. Kamal Singh Baid, Independent Director
 Mr. Tarun Bohra, Director
 Mr. Jagdishchandra Ghumara, Director (w.e.f. 11/08/2014)
 Mrs. Rachana Tiwari, Director (w.e.f. 11/08/2014)

COMPANY SECRETARY

Mr. Subhash Jhavarilal Purohit (w.e.f. 29/07/2014)

STATUTORY AUDITOR :-

M/s. Majithia & Associates
 Chartered Accountants
 Mumbai

BANKERS :-

Allahabad Bank
 Oriental Bank of Commerce
 Kotak Mahindra Bank

REGISTRAR AND SHARE TRANSFER AGENTS :-**M/s. System Support Services**

Gala No. 209, Shivai industrial Estate, Andheri Kurla Road,
 Sakinaka, Andheri (East), Mumbai – 400 072,
 Tel. No. 28500835, Email : sysss72@yahoo.com

REGISTERED OFFICE :-**Gaurav Mercantiles Limited,**

310 Gokul Arcade-B, Subhash Road
 Vile Parle (East), Mumbai 400 057
 Phone No. 022 – 65726780
 Fax No. 6694 9916,
 Email : cs@gmlmumbai.com, Website : www.gmlmumbai.com

GAURAV MERCANTILES LIMITED

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of **GAURAV MERCANTILES LIMITED** will be held on Tuesday, the 30th day of September, 2014 at 10.00 AM at 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai - 400 057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including Audited Balance Sheet as at 31st March, 2014, the Statement of the Profit and Loss for the year ended on that date and Reports of the Board of Directors along with the Compliance Certificate and Auditors Report thereon.
2. To appoint a Director in place of Mr. Pratap Singh Bohra (DIN 00122472) who retires by rotation, and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. G. P. Agrawal & Company, Chartered Accountants (Firm Registration No. 302082E), be and is hereby Appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-fourth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152(6) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, approval of the members of the Company is hereby given for the change in the terms of appointment of Mr. Kamal Singh Baid - Independent Director of the Company (holding DIN No. 00052447) whose period of office shall not be subject to retirement by way of rotation.

RESOLVED FURTHER THAT the aforesaid appointment will be for a period of 5 years with effect from the date of the Annual General Meeting.”

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

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"RESOLVED THAT Mr. Jagdishchandra Ghumara (holding DIN No. 00519468)– who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th August, 2014 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the officer of Director, be and is hereby appointed as Independent Director of the Company whose period of office shall not be subject to retirement by way of rotation.

RESOLVED FURTHER THAT the aforesaid appointment will be for a period of 5 years with effect from the date of the Annual General Meeting."

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

"RESOLVED THAT Ms. Rachana Tiwari (holding DIN No. 03303530) -who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th August, 2014 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the officer of Director, be and is hereby appointed as Independent Director of the Company whose period of office shall not be subject to retirement by way of rotation.

RESOLVED FURTHER THAT the aforesaid appointment will be for a period of 5 years with effect from the date of the Annual General Meeting."

Regd. Office:

310, Gokul Arcade-B
Subhash Road, Vile Parle (E),
Mumbai – 400 057
Date: 11th August, 2014

By Order of the Board
For Gaurav Mercantiles Limited

Subhash Purohit
Company Secretary

Notes :

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Members are requested to bring their Attendance Slip while attending the Annual General Meeting.

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4. Members are requested to write their Folio Numbers on the attendance slip for attending the meeting.
5. The Company has appointed System Support Services Pvt Ltd as Registrars and Share transfer Agents for the Company. Members are requested to intimate the changes if any, in their address, e-mail address, bank mandate etc. to the Company's Registrars.
6. Government of India in Ministry of Corporate Affairs has announced "Green initiative in the Corporate Governance" by permitting the Companies to send the Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. to their members through email instead of mailing physical copies.

Members are requested to support the Green Initiative by the Government and get their email addresses registered with System Support Services Pvt. Ltd. (Registrars).

7. Annual Report copies will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. In case of joint holders attending the Meeting, joint holder ranked higher in the order of names will be entitled to vote at the meeting.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 23rd September 2014 to Tuesday, 30th September, 2014 (both days inclusive).
11. Facility of nomination is now available and members are requested to make use of the same by contacting the Registrars.
12. For any assistance or information about shares, members may contact the Company or the Registrars.
13. Members are requested to quote their Folio Number and contact details such as email address, contact number and complete address in all correspondences with the Company or its Registrars.
14. Members who hold shares in multiple folios and in identical names are requested to contact the Registrars for consolidating their holdings into a single folio.
15. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with

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whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

17. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is providing its members with the option of voting by electronic means the Board of Directors have appointed **CS. Ajit Sathe, Proprietor of M/s A.Y. Sathe & Co., Company Secretaries** who shall scrutinize the electronic voting process at the Twenty Ninth Annual General Meeting.

I. The instructions for e-voting are as under:

- (i) The e-voting period begins on the **“Wednesday” 24.09.2014 from 10.00 A.M. and ends on the “Friday” 26.09.2014 till 5.00 P.M.** During this period, shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on **Cut-Off Date (Record Date) of 23-September-2014** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the **“Gaurav Mercantiles Limited”** from the drop down menu and click on “SUBMIT”
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to enter default PAN No SYSSS1234G
DOB #	Enter the Date of Birth as recorded in your demat account maintained with the DP registered with CDSL. Physical shareholders and demat shareholders with NSDL DP will enter date of Birth as 01/01/1990
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or with the company, otherwise enter account no as SYSSUP123

- # Please enter any one of the details in order to login.
- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password

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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 relevant EVSN for "Gaurav Mercantiles 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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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 under help section or write an email to helpdesk.evoting@cdslindia.com.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-Off Date (Record Date) of 23-September-2014.

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Details of Directors seeking appointment in the Annual General Meeting scheduled on Tuesday, 30th September, 2014 (Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement)

Name of Director	Pratap Singh Bohra	Kamal Singh Baid
Date of Birth	08/07/1954	15/12/1950
Date of Appointment	28/08/1986	24/04/2003
Expertise in Specific Functional area	Ship Breaking Business	Finance
Qualification	Graduate	Graduate
Board Membership of other Companies.	<ol style="list-style-type: none"> 1. Bohra Exports Pvt. Ltd 2. Rezcom Realty Pvt Ltd 3. Nikko Properties And Developers Pvt Ltd 	<ol style="list-style-type: none"> 1. Citoc Ventures Private Limited 2. Maskara Capital Services Limited 3. Hipro Builders Private Limited
Chairman / Member of the Committee of the Board of Directors of the Company.	<ul style="list-style-type: none"> • Management Committee • Audit committee • Shareholders Committee (Chairman) 	<ul style="list-style-type: none"> • Audit Committee • Share Holders and Investor Grievance Committee • CSR Committee
Chairman / Member of the Committee of Directors of the other companies in which he/she is a Director.		
Audit Committee	NIL	NIL
Stakeholders Relationship Committee	NIL	NIL
Other Committees	NIL	NIL
Number of Shares held on 31st March 2014	566900	NIL

By Order of the Board

Place : Mumbai
Date : 11 August, 2014

Pratap Singh Bohra
CHAIRMAN

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Details of Directors seeking appointment in the Annual General Meeting scheduled on Tuesday, 30th September, 2014 (Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement)

Name of Director	Jagdishchandra Ghumara	Rachana Tiwari
Date of Birth	17/08/1948	14/12/1970
Date of Appointment	11/08/2014	11/08/2014
Expertise in Specific Functional area	Audit	Administration & H.R.
Qualification	B.com., FCA	M.A., PhD (English Literature)
Board Membership of other Companies.	<ol style="list-style-type: none"> 1. Crescent Finstock Limited 2. Unitech International Limited 3. ACI Infocom Limited 4. Pahargoomiah Tea Association Limited 5. Shri Mahalaxmi Agricultural Development Limited 	<ol style="list-style-type: none"> 1. Innovative Tech Solutions & Consultants Private Limited 2. Industrial Crate and Pack Private Limited
Chairman / Member of the Committee of the Board of Directors of the Company.	<ul style="list-style-type: none"> • Audit Committee • Share Holders and Investor Grievance Committee • CSR Committee 	<ul style="list-style-type: none"> • Audit Committee • Share Holders and Investor Grievance Committee • CSR Committee
Chairman / Member of the Committee of Directors of the other companies in which he/she is a Director.		
Audit Committee	<ol style="list-style-type: none"> 1. Crescent Finstock Ltd., Member 2. ACI Infocom Ltd., Member 3. Pahargoomiah Tea Association Ltd., Chairman 4. Unitech International Ltd., Member 	NIL
Stakeholders Relationship Committee	<ol style="list-style-type: none"> 1. Pahargoomiah Tea Association Ltd., Chairman 2. ACI Infocom Ltd., Member 	NIL
Other Committees	<ol style="list-style-type: none"> 1. Crescent Finstock Limited, Remuneration Committee, Member 2. ACI Infocom Ltd, Remuneration Committee, Member 	NIL
Number of Shares held on 31st March 2014	NIL	NIL

Place : Mumbai
Date : 11 August, 2014

By Order of the Board
Pratap Singh Bohra
CHAIRMAN

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Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No 3

The existing statutory auditors M/s Majithia & Associates expressed their inability to be reappointed as Statutory Auditors of the Company for the financial year 2014-15. The Company has received a notice in writing of their unwillingness to be reappointed. Hence it is proposed to appoint M/s G. P. Agrawal & Co in place of the existing statutory auditors. The M/s G. P. Agrawal & Co had confirmed that their appointment, if approved by members, would be within the ceilings specified in the Companies Act, 2013.

As per the provisions of Section 139 of the Companies Act, 2013 the M/s G. P. Agrawal & Co shall be appointed as statutory auditor to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-fourth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

None of the Directors are concerned or interested in the above resolution.

Item No 4

Section 152(6) of the Companies Act, 2013 ("Act") provides that not less than two thirds of total number of directors of a public company shall be persons whose period of office is liable to determination by way of retirement by rotation. The Section also by way of explanation states that the total number of directors for the purpose of this sub-section shall not include independent directors. Hence as per the provisions of this section, the independent directors of the company are not to be considered to decide directors retiring by rotation.

Under the provisions of the erstwhile Companies Act 1956, Independent directors were subjected to retirement by rotation. Since under the Companies Act 2013, Independent directors are not to be considered for retirement by rotation, the composition of remaining directors is now not in accordance with the provisions of Sec.152 of the Act. Hence, to make the composition of the board in line with the provisions of this section, it is now proposed to modify/ alter the terms of appointment of Mr. Kamal Singh Baid Independent Director of the company from retiring director to non retiring director.

Accordingly, the resolution has been put up for your approval.

Item No 5 &6

The Board of Directors at their meeting held on 11th August, 2014 appointed Mr. Jagdishchandra Ghumara and Ms. Rachana Tiwari as an Additional Directors of the Company with effect from 11th August, 2014.

Mr. Jagdishchandra Ghumara, Additional Director

Ms. Rachana Tiwari, Additional Director

The Board considers that the appointment of Mr. Jagdishchandra Ghumara and Ms. Rachana Tiwari

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would be of immense benefit to the Company. Accordingly, the Board of Directors recommends their appointment for your approval as Independent Director of the Company whose period of office shall not be liable to retirement by rotation.

Under Section 161(1) of the Companies Act, 2013 Mr. Jagdishchandra Ghumara and Ms. Rachana Tiwari hold office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr. Jagdishchandra Ghumara and Ms. Rachana Tiwari candidates for the office of Director of the Company.

Mr. Jagdishchandra Ghumara and Ms. Rachana Tiwari do not hold by themselves or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Jagdishchandra Ghumara and Ms Rachana Tiwari being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at 5 & 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

For Item no. 5 and 6 the concerned directors are only interested in the resolution concerning them as directors of the company.

For Item No. 4, 5 & 6 pursuant to sub section (7) of Sec.149 of the Companies Act, 2013, the Company has received declarations from the Independent directors confirming that they meet the criteria of Independence. As required by the Proviso to sub section (5) of Sec. 152 the Companies Act, 2013, the board of directors of the company are also of the opinion that all the Independent Directors fulfills the conditions specified in this act for such an appointment.

By Order of the Board
For Gaurav Mercantiles Limited

Place : Mumbai
Date : 11th August, 2014

Subhash Purohit
Company Secretary

GAURAV MERCANTILES LIMITED

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have the pleasure in presenting their 29th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014 and on the state of affairs of the Company as on the date of this report.

FINANCIAL HIGHLIGHTS:

The financial results of the Company are summarized as under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
a) Sales & Other Income	29,78,378	96,42,502
b) Operating Profit / (Loss) Before Finance Cost, Depreciation and amortization expenses and Taxes	12,96,687	23,16,918
c) Less: Finance Cost	0	2,97,085
d) Profit / (Loss) before Depreciation and taxes	12,54,505	20,19,833
e) Less: Depreciation and amortization expenses	3,10,050	3,08,067
f) Profit / (Loss) before taxes	9,44,455	17,11,766
g) Less: Provision for taxes	1,90,375	5,12,428
h) Profit / (Loss) after tax	7,54,080	11,99,338
i) Prior period adjustments	0	0
j) Dividend (Proposed)	0	0
k) Dividend (Interim)	0	0
l) Dividend Tax	0	0
m) Transfer to General Reserve	0	0
n) Brought Forward Profit/(Loss)	93,17,056	81,17,719
o) Balance of Profit carried to Balance sheet	1,00,71,136	93,17,057

DIVIDEND:

The Directors have decided not to recommend any dividend for the year, so as to create sufficient reserves for future expansion of the Company.

OPERATIONS:

During the year under review, the Company earned other income of Rs.29.78 lacs on account of Interest, Dividend etc. After accounting for expenses, the Company earned a net profit of Rs.7.54 lacs during the year under review as against a profit of earlier year Rs.11.99 lacs. Your Directors hope to do better and start its operations in the current year.

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DIRECTORS:

Mr Pratap Singh Bohra holds office up to the date of the ensuing Annual General Meeting and retires by rotation and being eligible, offers himself for re-appointment. The Board of Directors recommends his appointment.

It has been proposed to make the composition of the Board in line with Section 152 of the Companies Act, 2013 on account of provisions of Section 152 (6) of the Companies Act, 2013. Accordingly Independent Directors are being reappointed for a period of 5 years from the date of AGM and they will not be liable to retire by rotation.

Your Directors have proposed to alter the terms of appointment of Kamal Singh Baid so as to make him Independent Director for a term of 5 years and he shall not retire by rotation.

The Company at its Board Meeting held on 11th August, 2014, appointed Mr. Jagdishchandra Ghumara and Ms Rachana Tiwari as Additional Directors of the Company. Both hold office upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Jagdishchandra Ghumara and Ms Rachana Tiwari for appointment as Independent Directors for a term of 5 years each.

PUBLIC DEPOSITS:

During the year under review; your Company has not accepted any deposits from the public.

AUDITORS:

The Statutory Auditors, M/s. Majithia & Associates, Chartered Accountants, Mumbai (Firm Registration No. 105871W), hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have expressed their inability to be reappointed as Statutory Auditors of the Company for the financial year 2014-15. The Company has received a notice in writing of their unwillingness to be reappointed. Hence it is proposed to appoint M/s G. P. Agrawal & Co in place of the existing statutory auditors.

The M/s G. P. Agrawal & Co., Chartered Accountants, (Firm Registration No. 302082E), had confirmed that their appointment, if approved by members, would be within the ceilings specified in the Companies Act, 2013. The Audit Committee of the Board has recommended their appointment for a period of 5 years from the conclusion of the forthcoming Annual General Meeting till the conclusion of the 6th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

The Board of Directors recommends appointment of M/s G. P. Agrawal & Co. as Statutory Auditors.

REPLY TO AUDITORS' COMMENTS:

Auditors Qualifications/Remarks:

No qualification / Remarks.

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Reply to Auditors Qualification:

Not Applicable.

PARTICULARS OF EMPLOYEES:

Details as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 is not provided since there is no employee drawing more than Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. as remuneration.

DISCLOSURE PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

Energy Conservation:

Your Company has not done any major operation during the year. Wherever possible; energy conservation measures required have already been implemented. Efforts to conserve and optimize the use of energy through improved operations methods and other measures will continue.

Technology Absorption:

Considering the basic activities of the Company, there was no technology absorption.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

CORPORATE GOVERNANCE:

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

The requisite Certificate from a Practising Company Secretary confirming compliance with the conditions of the Corporate Governance as stipulated under aforesaid Clause 49 is attached to this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Management Discussion and Analysis Report for the period under the review, as required under Clause 49 of the Listing Agreement, is presented in various sections forming part of the Annual Report.

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DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards had been followed;
- ii. We 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. We 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. We have prepared the annual accounts on a "going concern basis".

COMPLIANCE CERTIFICATE:

In accordance with the requirements of Section 383A of the Companies Act, 1956, a Certificate from a Company Secretary in Whole - Time Practice certifying compliance with legal requirements for the year ended 31st March, 2014 is enclosed.

LISTING OF EQUITY SHARES:

The Company's equity shares are listed on Delhi Stock Exchange. There is no arrear of Annual Listing Fee payable to the Stock Exchange.

ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company in ensuring the high levels of performance and growth that your Company has achieved during the year.

For Gaurav Mercantiles Limited

Pratap Singh Bohra
Chairman

Place: Mumbai
Date: 11th August, 2014

GAURAV MERCANTILES LIMITED

CIN: L74130MH1985PLC176592

Nominal Capital: Rs. 10,00,00,000/-

COMPLIANCE CERTIFICATE

To,
The Members of
GAURAV MERCANTILES LIMITED

We have examined the registers, records, books and papers of **GAURAV MERCANTILES LIMITED** ("The Company") as required to be maintained under the Companies Act, 1956 (not repealed) and the Companies Act, 2013 (to the extent notified) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 ("The Financial Year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 5(Five) times on 15/04/2013, 13/06/2013, 12/08/2013, 11/11/2013, and 8/01/2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 16th September, 2013 to 23rd September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31/03/2013 was held on 23/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra - Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to under Section 295 of the Companies Act, 1956 / Section 185 of the Companies Act, 2013.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Companies Act, 1956.

GAURAV MERCANTILES LIMITED

11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956 the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company delivered all the certificates on lodgement thereof for transfer/transmission in accordance with the provisions of the Act. There were no allotment made during the year
- (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) There is no unpaid dividend. No refund is due on application money. There are no matured deposits; matured debentures or interest accrued thereon. Hence the question of transferring unpaid or unclaimed amounts to Investor Education and Protection Fund does not arise.
- (v) The Company has duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole–Time Director /Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.

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23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made investments and given loans and advances to other bodies corporate. The Company has not given any guarantee or provided securities to other bodies corporate during the year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the companies Act, 1956 and the Companies Act, 2013.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Fund/Trust for its employees within the meaning of Section 418 of the Companies Act, 1956 and hence the question of deposit of Provident Fund does not arise.

For A. Y. Sathe & Co.
Company Secretaries

Date: 11 August , 2014
Place: Mumbai

CS Ajit Sathe
(Proprietor)
C. P. No. : 738

GAURAV MERCANTILES LIMITED

Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150
2. Registers and Returns u/s 163
3. Minutes Book of Meetings of Board of Directors and Shareholders
4. Books of Accounts u/s 209
5. Register of Contracts u/s 301
6. Register of Directors, Managing Director, Manager and Secretary u/s 303
7. Register of Director's Shareholdings u/s 307
8. Register of Transfers
9. Register of Investments under Section 372A
10. Register of Charges under Section 143.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Form No.	Section	Date of filing	SRN	REMARKS
Form 66	383A	04/10/2013	Q12260196	For filing of Compliance Certificate for the year ended 31/03/2013
Form 20B	159	14/10/2013	Q13545033	For Annual Return as at 23/09/2013
Form 23AC/ 23ACA XBRL	220	16/10/2013	Q13836929	For filing Annual Accounts for the year ended 31/03/2013

GAURAV MERCANTILES LIMITED

CORPORATE GOVERNANCE REPORT

Introduction

Your Company is committed to ensure good Corporate Governance practice as it builds confidence and trust, which eventually leads to a more stable and sustained resource flow and long term partnership with its investors and other stakeholders. Transparency, accountability and professionalism in all our activities, compliance with the laws and regulations and creating a motivated work force enables effective management of our Company.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock exchanges, is set out below.

I. Company's Philosophy on Corporate Governance:

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholder's value. The Company's philosophy on good corporate governance envisages a combination of business practices that results in enhancement of the value of the Company to the shareholders and simultaneously enables the Company to fulfill its obligations to other stakeholders such as customers, employees, financiers and to the society at large. The Company firmly believes that such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

II. Board of Directors:

(a) Composition and Category:

The Board of Directors of the Company consists of eminent persons with considerable expertise and experience in business and industry, finance, management etc.

The strength of Board of Directors as on 31st March, 2014 is three, the composition of which is as stated below:

1. One Non Executive and Promoter and Chairman
2. One Non Executive and Promoter
3. One Non Executive and Independent Directors

Board has appointed two more Independent Directors w.e.f. 11th August, 2014 to comply with the Companies Act 2013 & also to comply with the Listing Agreement of Stock Exchange. As on date the Board consist five directors. One is Woman Director. Three are independent Directors. All the members of the Board are Non - Executive Directors.

Independent Directors do not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board, may affect the independence of the judgment of the Director.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all Companies in which they are Directors.

GAURAV MERCANTILES LIMITED

The composition of the Board of Directors and also the number of other Directorships are as under:

Name of the Director	Category of Directorship	Number of Outside Directorships*	No. of Committees in which	
			Chairman / Member**	Chairman
Mr. Pratap Singh Bohra	Promoter, Non Executive Director	Nil	Nil	Nil
Mr. Kamal Singh Baid	Non Executive Independent Director	1 (One)	Nil	Nil
Mr. Tarun Pratap Bohra	Promoter, Non Executive Director	Nil	Nil	Nil

* Outside Directorships includes Directorships in Public Limited Companies, but does not include Private Limited Companies and Section 25 Companies.

** Only memberships of Audit Committee, Shareholders Grievance Committee are considered.

(b) Board Procedure:

The Board meets at least once in a quarter to review the quarterly performance and financial results. The information as specified in Annexure I to the existing Clause 41 of the Listing Agreement is regularly made available to the Board wherever applicable. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company.

(c) Attendance of each Director at the Board Meeting and the last Annual General Meeting:

The Company is normally convening at least one meeting in every three months and maximum time gap between any two meetings was not more than four months. During the financial year ended 31st March 2014, 5 (Five) Board Meetings were held on 15/04/2013, 13/06/2013, 12/08/2013, 11/11/2013, and 8/01/2014.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on 30th September 2013
Mr. Pratap Singh Bohra	5	Yes
Mr. Kamal Singh Baid	5	Yes
Mr. Tarun Pratap Bohra	1	No

MANAGEMENT COMMITTEE

The Management Committee of the Board consists of 2 Directors, including the Chairman. This committee has been delegated financial powers and approves loan proposals and expenditure proposal within the Board parameters of the delegated authority. During the Financial year ended 31st March 2014, **5 (Five) Management Committee meetings were held on 15/04/2013, 13/06/2013, 12/08/2013, 11/11/2013, and 8/01/2014.**

The attendance of Management Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Pratap Singh Bohra	5
Mr. Kamal Singh Baid	5

Chairman of the Management Committee was present at the last Annual General Meeting.

GAURAV MERCANTILES LIMITED

III. Audit Committee

(a) Broad Terms of Reference

The Audit Committee of the Board of Directors of the Company comprises of Mr. Kamal Singh Baid, Chairman and Mr. Pratap Singh Bohra, Member. The Audit Committee, inter alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures. The scope of activities of the Audit Committee is in accordance with paragraphs C and D of Clause 49(II) of the Listing Agreement. The broad terms of reference include:

- A) Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- B) Recommending re-appointment of Statutory Auditors and fixing of their fees;
- C) Reviewing with the Management, the annual financial statement with special emphasis on accounting policies, compliance with accounting standards and other legal requirements concerning financial statements;
- D) Reviewing the adequacy of the Audit and compliance functions including their policies, procedures, techniques and other requirements;
- E) In addition to aforesaid, the Audit Committee to have special focus on;
 - Unreconciled long outstanding entries
 - Arrears in balancing of books
 - All other areas of house keeping
- F) To review compliance with internal control systems;
- G) To review the quarterly, half-yearly, annual financial results of the Company before submission to the Board;

(b) Composition:

The Audit Committee comprises of two directors. The composition of the Audit Committee is as follows:

Names of Members	Category
Mr. Pratap Singh Bohra	Chairman, Non Executive, Promoter
Mr. Kamal Singh Baid	Independent, Non Executive

(c) Meetings and Attendance:

During the Financial year ended 31st March 2014, 4 (four) audit committee meetings were held on 15/04/2013, 12/08/2013, 11/11/2013, and 8/01/2014.

The attendance of Audit Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Pratap Singh Bohra	4
Mr. Kamal Singh Baid	4

Chairman of the Audit Committee was present at the last Annual General Meeting.

GAURAV MERCANTILES LIMITED

IV. Remuneration Committee:

The Company does not have a remuneration committee. No remuneration and sitting fees are paid to Directors for attending the Board Meeting.

V. Shareholders/ Investor Relation Committee:

The Company constituted the Share Transfer and Shareholders Grievance Committee. The Committee comprises of Mr. Pratap Singh Bohra and Mr. Kamal Singh Baid. Mr. Pratap Singh Bohra is the Chairman of the Share Transfer and Shareholders Grievance Committee. The Committee normally meets as and when required. The committee looks into redressal of shareholders complaints like transfer of shares, non receipt of Balance Sheet, non receipt of declared dividend, etc. The committee also deals with various matters like transfer of shares, issue of duplicate share certificates etc.

Details of Shareholders Complaints:

During the period under review, no grievance is received from any shareholder. There were no outstanding complaints as on 31st March 2014. Shareholders' complaint and other correspondence are normally attended within seven working days except where constrained by disputes or legal impediments.

Compliance Officer:

Mr. Pratap Singh Bohra, Chairman, is the Compliance Officer of the Company.

VI. Subsidiary Companies:

The Company does not have any subsidiary company.

VII. General Body Meetings:

a) The details of Annual General Meetings held in last three years are as under:

SR.NO.	DATE	TIME	VENUE
1	23.09.2013	10.00 A.M.	310 Gokul Arcade-B, Subhash Road, Vile Parle (East), Mumbai - 400 057
2	28.09.2012	10.00 A.M.	310 Gokul Arcade-B, Subhash Road, Vile Parle (East), Mumbai - 400 057
3	30.09.2011	10.00 A.M.	310 Gokul Arcade-B, Subhash Road, Vile Parle (East), Mumbai - 400 057

b) Details of Special resolution passed at any of the three Annual General Meetings:-

No special resolution passed in any of the previous three Annual General Meetings.

c) Postal Ballot / Special Resolutions:

No special resolutions were put through Postal Ballot in last year.

VIII. Disclosures:

There are no materially significant related party transactions other than inter corporate loans made by the company 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.

GAURAV MERCANTILES LIMITED

The Company has entered in to transactions with concerns in which some of the Directors are deemed to be concerned/ interested. However, these transactions were entered in the ordinary course of the Company's business.

Directors have regularly made full disclosures to the Board of Directors regarding the nature of their interest in such concerns.

Full particulars of the contract entered with such concerns in which Directors are directly or indirectly concerned or interested are recorded in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Meeting of Board of Directors, for the noting and approval.

Disclosures on transactions with related parties as required under Accounting Standard 18 have been incorporated in the Schedule to the Financial Statements.

The Company does not have a formal whistle blower policy. However, the Company follows as an open door policy wherein all the employees are free to express their feedback / suggestions / complaints.

There are no instances of non-compliance by the Company nor any penalties or strictures been imposed by the Stock Exchanges and SEBI on any matter related to capital markets during the last three years.

The Company has adopted Code of Conduct ('Code') for the Members of the Board as required under Clause 49 of the Listing Agreement and all the Board members have affirmed compliance of the Code of Conduct. The Annual Report of the Company contains a declaration to this effect signed by a Director of the Company.

Necessary Disclosures pertaining to Directors is reflected in the said report at some other place.

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in preparation of the financial statements.

The Company has laid down procedure to inform the Board about the risk assessment and minimization procedures.

IX. Means of Communication:

1. The Board of Directors of the Company approves and takes on record quarterly, yearly financial results in the proforma prescribed in Clause 41 of the Listing Agreement.
2. Management Discussion and Analysis (MDA) forms part of the Annual Report, which is posted to the shareholders of the Company.
3. Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report.

X. General Shareholder Information:

- a) Registered Office: 310, Gokul Arcade-B
Subhash Road,
Vile Parle (East),
Mumbai - 400 057

GAURAV MERCANTILES LIMITED

b) Annual General Meeting :

- Financial Year : 1st April, 2013 to 31st March 2014
- Day, Date & Time : Tuesday, 30th September, 2014 at 10.00 a.m.
- Venue : 310, Gokul Arcade-B, Subhash Road, Vile Parle (East), Mumbai - 400 057
- Date of Book Closure : 23rd September, 2014 to 30th September, 2014 (both days inclusive)

c) Reporting of Unaudited / Audited Financial Results

- i. First Quarter Results :- by 11th August, 2014
- ii. Second Quarter Results with Half Yearly Results :- by 15th November, 2014
- iii. Third Quarter Results :- by 15th February, 2015
- iv. Audited Results for the year ended 31st March 2015 :- by May, 2015

d) Dividend payment date: Not applicable

e) Listing on Stock Exchanges:

The equity shares of the Company are listed on the Delhi Stock Exchange. The annual listing fees as prescribed have been paid to the Stock Exchange for the year 2014-2015.

f) Stock Code:

Stock Exchange File No.: 4941 (DSE)

g) Stock Market Data:

During the last year, the equity shares of the Company were not traded at Delhi Stock Exchange.

h) Registrar and Share Transfer Agents:

The Company had done the share transfer job in house at its Registered Office. In order to compliance with clause 47 (C) of the Listing Agreement & make securities in depository mode, Company has appointed M/s System Support Services as Registrar & Transfer Agent (RTA).

i) Share Transfer System:

Presently the share transfers, which are received in physical form, are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. The Company has yet to offer the facility of transfer cum demats.

j) Shareholding Pattern as on 31st March, 2014:

Sr. No.	Category	No. Of Shares held	% of Share Capital
1.	Promoters	13,29,500	66.475
2	Public Financial Institutions, Banks & Insurance Companies	-----	-----
3	Corporate Bodies - Domestic	57,700	2.89
4	NRIs/FIIs/OCBs	-----	-----
5	Indian Public & Others	6,12,800	30.64
Total		20,00,000	100.00

GAURAV MERCANTILES LIMITED

k) Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per bye laws and business rules applicable to NSDL and CDSL.

l) Address For Correspondence:

Members holding shares in physical form are requested to lodge their application for share transfer, transmission and request for changes, if any, in their addresses, bank account and mandate etc. and for their query on Annual Report, all the members should write to the Company at 310, Gokul Arcade-B, Subhash Road, Vile Parle (East), Mumbai - 400 057, Phone No. 022 – 65726780.

XI. COMPLIANCE:

This section of the Report together with the information given under the Management Discussion and Analysis and brief Profile of Directors seeking re-appointment, constitute a detailed Compliance Report on Corporate Governance.

The Company has complied with the mandatory requirements of Corporate Governance.

XII. COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARY

A certificate from M/s. A.Y. Sathe & Co., Practising Company Secretaries, that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Directors' Report.

XIII. CERTIFICATE BY DIRECTOR

Mr. Pratap Singh Bohra, Director issued a certificate to the Board of Directors as prescribed under sub-Clause V of Clause 49 of the Listing Agreement. The said certificate was placed before the Board meeting were considered and approved.

**On Behalf of the Board
For Gaurav Mercantiles Ltd.**

**Pratap Singh Bohra
Chairman**

Place: Mumbai

Date: 11th August, 2014

ADDRESS FOR CORRESPONDENCE

Gaurav Mercantiles Ltd.,
310 Gokul Arcade-B, Subhash Road
Vile Parle (East), Mumbai 400 057
Phone No. 022 – 65726780

GAURAV MERCANTILES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW / NOTEWORTHY EVENTS:

The global economy in the financial year 2013-14 improved slowly and did not recover to the extent anticipated in the beginning of the year.

The Company ensures reliable financial record-keeping and transparent financial reporting.

During the year under review, the Company earned income of Rs.29.78 lacs on account of Interest, Dividend etc. After accounting for expenses, the Company earned a net profit of Rs.7.54 lacs after tax during the year under review as against a profit of earlier year Rs.11.99 lacs. Your Directors hope to do better during the financial year 2014-15.

DISCUSSION ON FINANCIAL PERFORMANCE:

The Company's financial performance is discussed under the head "Financial Highlights" in the Directors' Report to the members.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an adequate system of internal control commensurate with the size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conduct and corporate policies are duly complied with.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

We develop and maintain our talent pool by recruiting from diverse sectors. Our employees continue to be our most valuable assets. Our constructive and progressive management style enables us to attract and retain the best talent in the industry. Thus, we continuously maintain a strategic competitive advantage for sustaining long term business objectives.

GAURAV MERCANTILES LIMITED

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF THE CORPORATE GOVERNANCE PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members
Gaurav Mercantiles Limited
310 Gokul Arcade-B, Subhash Road,
Vile Parle (East), Mumbai - 400 057

We have examined the compliance of conditions of Corporate Governance by Gaurav Mercantiles Limited, for the year ended 31st March, 2014, as stipulated in the Listing Agreement of the said Company with Delhi Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information & according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and no material deviations have been observed; subject to the following:

1. The number of Independent Directors is less than half of the strength of Board of Directors during the year.
2. The Audit Committee comprises of two members as against minimum requirement of three members. It does not comprise of two thirds of the members being Independent Directors.
3. The Company is yet to submit the quarterly compliance report and publish quarterly results to the stock exchange for the financial year 2013-14.

However, the Company by appointing two Independent Directors has duly constituted its Board of Directors and Audit Committee as on the date of this certificate.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We 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.

For A.Y.Sathe & Co.,
Company Secretaries

CS Ajit Sathe
Proprietor

CP No.: 738
FCS No.: 2899

Date: 11th August, 2014
Place: Mumbai

GAURAV MERCANTILES LIMITED

INDEPENDENT AUDITOR'S REPORT To the Members of : M/S GAURAV MERCANTILES LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Gaurav Mercantiles Ltd., which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

GAURAV MERCANTILES LIMITED

- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Majithia & Associates**
Chartered Accountants
FRN:105871W

B. R. Majithia
Partner
Membership No. : 048194

Place: Mumbai
Date: 28/05/2014

GAURAV MERCANTILES LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Gaurav Mercantiles Ltd. on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, the company did not had any stock of inventory in the current financial year.
(b) As there are no stock of inventory during the current financial year, the procedures of physical verification and maintenance of records of inventories is not applicable to the company.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, in which directors are interested as contemplated under sub section (6) of section 299 of the said Act.
(b) The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the company.
(c) There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(d) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, in which directors are interested as contemplated under sub section (6) of section 299 of the said Act. The year end balance of such loan is NIL and the maximum amount outstanding during the year was Rs.18,00,000 /-.
(e) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
(f) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

GAURAV MERCANTILES LIMITED

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

GAURAV MERCANTILES LIMITED

18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Majithia & Associates**
Chartered Accountants
FRN: 105871W

B. R. Majithia
Partner
Mem. No. : 048194

Date: 28/05/2014

Place: Mumbai

GAURAV MERCANTILES LIMITED

Balance Sheet as at 31st March, 2014

CIN.No. L74130MH1985PLC176592

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	20,000,000	20,000,000
(b) Reserves and surplus	2	30,071,136	29,317,057
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities (Net)	3	389,032	407,742
(c) Other Long term liabilities	4	42,093	-
(d) Long Term Provisions		-	-
4 Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	5	145,663	192,960
(d) Short Term Provisions	6	3,897	4,681
TOTAL		50,651,821	49,922,440
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	7	1,990,120	2,287,409
(ii) Intangible assets		-	-
(b) Non-current investments	8	10,688,705	10,893,666
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	9	1,237,592	1,164,177
2 Current assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	10	2,187,500	6,187,500
(d) Cash and cash equivalents	11	9,877,713	509,797
(e) Short-term loans and advances	12	21,755,454	28,803,655
(f) Other current assets	13	2,914,736	76,235
TOTAL		50,651,821	49,922,440
Notes on Financial Statements	1 to 20		

As per our Report attached
For **MAJITHIA & ASSOCIATES**
Chartered Accountants

For & on behalf of the Board of Directors

B. R. Majithia

Partner

Membership No. 048194

Firm Reg. No. – 105871W

Place : Mumbai

Date :- 28/05/2014

Pratap Singh Bohra

Chairman

DIN no.00122472

Kamal Singh Baid

Director

DIN no.00052447

GAURAV MERCANTILES LIMITED

Statement of Profit and Loss for the year ended 31/03/2014

CIN.No. L74130MH1985PLC176592

Particulars		Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I.	Revenue from operations	14	-	5,500,000
II.	Other income	15	2,978,378	4,142,502
III.	Total Revenue (I + II)		2,978,378	9,642,502
IV.	Expenses:			
	Cost of materials consumed	16	-	5,400,000
	Changes in inventories of finished goods		-	-
	Employee benefits expense	17	661,421	785,402
	Finance costs	18	-	297,085
	Depreciation and amortization expense	7	310,050	308,067
	Operating & Other expenses	19	1,062,452	1,140,182
	Total expenses		2,033,923	7,930,736
V.	Profit before exceptional and extraordinary items and tax (III-IV)		944,455	1,711,766
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		944,455	1,711,766
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		944,455	1,711,766
X	Tax expense:			
	(1) Current tax		209,086	517,941
	(2) Deferred tax		(18,711)	(5,513)
XI	Profit (Loss) for the period from continuing operations (IX-X)		754,080	1,199,338
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		754,080	1,199,338
XVI	Earnings per equity share:			
	(1) Basic		0.38	0.60
	(2) Diluted		0.38	0.60
	Notes on Financial Statements	1 to 20		

As per our Report attached
For **MAJITHIA & ASSOCIATES**
Chartered Accountants

For & on behalf of the Board of Directors

B. R. Majithia

Partner

Membership No. 048194

Firm Reg. No. – 105871W

Place : Mumbai

Date :- 28/05/2014

Pratap Singh Bohra

Chairman

DIN no.00122472

Kamal Singh Baid

Director

DIN no.00052447

GAURAV MERCANTILES LIMITED

Cash Flow Statement for the year ended 31st March 2014

CIN.No. L74130MH1985PLC176592

Particulars	For the year ended March 2014 AMOUNT (Rs.)	For the year ended March 2013 AMOUNT (Rs.)
Cash Flow from operating activities		
Net profit before taxation	944,455	1,711,766
Adjustments for non cash Expenses and Item shown Separately:		
Depreciation	310,050	308,067
Interest Income	(1,270,603)	(4,079,368)
Interest Expense	-	297,085
Dividend income	(34,828)	(62,090)
Provision for Gratuity	42,182	-
Profit On sale Of investment	(340,200)	-
Operating Profit before working capital adjustments (A)	(348,944)	(1,824,540)
Working Capital Adjustments		
(Increase) / Decrease in Trade Receivables	4,000,000	(3,468,277)
(Increase) / Decrease in Short Term Loans & Advances	7,048,202	(3,708,765)
(Increase) / Decrease in other Non Current Assets	(73,415)	(410,472)
(Increase) / Decrease in other current assets	(2,787,992)	4,696,420
Increase / (Decrease) In Trade Payables & Other Liabilities	(47,387)	1,662
Increase / (Decrease) In Short term Provisions	(784)	(8,321)
Operating Loss After working capital adjustments (B)	8,138,623	(2,897,753)
Cash from operations (A+B) =(C)	7,789,680	(4,722,294)
Taxes Paid(D)	259,595	550,000
Deferred Tax		
Net Cash Flows from Operating Activities (C - D) = (E)	7,530,085	(5,272,294)
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(12,761)	-
Sale of Investments	545,161	-
Interest Received	1,270,603	4,079,368
Dividend Income	34,828	62,090
Other Non Operating Income	-	-
Sale of non current investments	-	100
Net Cash Flows from Investing Activities (F)	1,837,831	4,141,558
Cash from Financing Activities		
Repayment of Short term Borrowings	-	-
Interest Paid	-	(297,085)
Other Borrowing Cost	-	-
Net Cash from Financing activities(G)	-	(297,085)
Net Increase in cash & cash equivalents (E+F+G)	9,367,916	(1,427,821)
Cash & cash equivalents at beginning of the period	509,798	1,937,619
Cash & cash equivalents at end of the period	9,877,713	509,798

As per our Report attached
For **MAJITHIA & ASSOCIATES**
Chartered Accountants

For & on behalf of the Board of Directors

B. R. Majithia

Partner

Membership No. 048194

Firm Reg. No. – 105871W

Place : Mumbai

Date :- 28/05/2014

Pratap Singh Bohra

Chairman

DIN no.00122472

Kamal Singh Baid

Director

DIN no.00052447

GAURAV MERCANTILES LIMITED

Note 1 SHARE CAPITAL

Share Capital	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
Authorised 10,000,000 Equity Shares of Rs.10 each	100,000,000	100,000,000
Issued 2,000,000 Equity Shares of Rs.10 each	20,000,000	20,000,000
Subscribed & Paid up 2,000,000 Equity Shares of Rs.10 each	20,000,000	20,000,000
Total	20,000,000	20,000,000

Note 1 A Share holders holding more than 5 % of total share capital

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. PRATAP SINGH BOHRA	566,900	28.35	566,900	28.35
Mr. NIKHIL BOHRA	195,000	9.75	195,000	9.75
Mr. VIVEK BOHRA	345,000	17.25	345,000	17.25
Mr. TARUN BOHRA	195,000	9.75	195,000	9.75
TOTAL	1,301,900		1,301,900	

Note 2 RESERVE & SURPLUS

Reserve & Surplus	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
a. General Reserves		
Opening Balance	20,000,000	20,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	20,000,000	20,000,000
b. Surplus		
Opening balance	9,317,056	8,117,719
(+) Net Profit/(Net Loss) For the current year	754,080	1,199,338
Closing Balance	10,071,136	9,317,057
Total	30,071,136	29,317,057

GAURAV MERCANTILES LIMITED

Note - 3 Calculation of Deferred Tax Asset / Liability for Financial year 2013-14
Statement showing deferred tax Asset / (Liability)

Particulars	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
FOR FIXED ASSETS		
Depreciation As per Companies Act	310,050	308,067
Depreciation As per Income Tax Act	249,497	290,224
Difference	-60,553	-17,843
Tax @ 30%	-18,166	-5,353
Add : Surcharge 5%		
Add : Education Cess 3%	-545	-161
Total Tax	-18,711	-5,513
Add: Opening Balance	407,742	413,255
TOTAL	389,032	407,742

Note 4 OTHER LONG TERM NON-CURRENT LIABILITIES

Other Long Term Liabilities	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
Gratuity Provision	42,093	-
Total	42,093	-

Note 5 OTHER CURRENT LIABILITIES

Other Current Liabilities	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
(a) Other payables		
TDS Payable	1,124	7,457
VAT Payable	-	12,500
Professional Tax	550	925
Trade Payable-Others	143,900	141,091
Gratuity Provision	89	-
Advance from Customers	-	30,987
b) Other Loans & Advances	-	-
Total	145,663	192,960

Note: 6 SHORT TERM PROVISION

Particulars	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
Outstanding Expenses	3,897	4,681
TOTAL	3,897	4,681

GAURAV MERCANTILES LIMITED

Note 7 FIXED ASSETS

Fixed Assets	Gross Block		Accumulated Depreciation				Net Block	
	Balance as at 1 April 2013	Additions/ (Disposals)	Balance as at 31 March 2014	Balance as at 1 April 2013	Dep written back	Balance as at 31 March 2014	Balance as at 1 April 2013	Balance as at 31 March 2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a Tangible Assets								
Buildings	732,885	-	732,885	207,289	11,946	-	219,235	525,596
Plant and Machinery	253,836	-	253,836	196,563	12,057	-	208,620	57,273
Furniture and Fixtures	136,130	-	136,130	73,099	7,644	-	80,743	63,031
Vehicles	2,750,206	-	2,750,206	1,271,937	261,270	-	1,533,207	1,478,269
Office equipment	342,162	-	342,162	268,869	8,896	-	277,765	73,293
Electronic Equipment	71,833	-	71,833	4,950	3,412	-	8,362	66,883
Air Conditioners	19,000	-	19,000	4,515	903	-	5,418	14,485
Computers	12,829	12,761	25,590	4,250	3,922	-	8,172	8,579
Total	4,318,881	12,761	4,331,642	2,031,472	310,050	-	2,341,522	2,287,409
Previous Year	4,318,881	-	4,318,881	1,723,405	308,067	-	2,031,472	2,595,476

GAURAV MERCANTILES LIMITED

Note 8 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
A Other Investments (Refer B below)		
(a) Investment Properties		
(b) Investment in Equity instruments	10,688,705	10,695,666
(c) Investments in preference shares	-	-
(d) Investments in Government or Trust securities	-	-
(e) Investments in debentures or bonds	-	-
(f) Investments in Mutual Funds	-	198,000
(g) Investments in partnership firms	-	-
(h) Other non-current investments (specify nature)	-	-
Total	10,688,705	10,893,666
Less : Provision for dimunition in the value of Investments	-	-
Total	10,688,705	10,893,666

Particulars	2014	2013
	Rupees	Rupees
Aggregate amount of quoted investments (Market value of Rs.18,19,165 (Previous Year Rs.21,73,635)	568,405	773,366
Aggregate amount of unquoted investments	10,120,300	10,120,300

GAURAV MERCANTILES LIMITED

B	Details of Other Investments	No. of Shares		Amount	
		2014	2013	2014	2013
(1)	(2)	(3)	(4)	(5)	(6)
(a)	Investment in Equity Instruments				
	Quoted (Fully Paid)				
	Alstom India Ltd.	224	224	-	-
	Bharat Forge Ltd.	2,000	2,000	36,083	36,083
	BF Utilities Ltd.	157	157	-	-
	BF Investment Ltd.	157	157	-	-
	Essar Securities Ltd.	-	3	-	261
	Glodyne Technoserv Ltd.	1	1	56	56
	"Gujarat Sidhee Cement Ltd. (Quantity of Shares reduced due to reduction of capital by Company)"	15,075	53,300	327,796	327,796
	Kamanwala Housing Construction Ltd.	14,124	14,124	70,620	70,620
	Mahindra & Mahindra Ltd.	62	62	-	-
	Mahindra Lifespace Developers Ltd.	1	1	-	-
	Nagarjuna Oil Refinery Ltd	-	300	-	2,700
	Peninsula Land Ltd.	250	250	13,000	13,000
	Schablona India Ltd.	-	400	-	4,000
	Spice Mobility Ltd.	3,800	3,800	95,950	95,950
	Tata Iron & Steel Co. Ltd.	157	157	24,900	24,900
	Unquoted (Fully Paid)				
	Har Pratap Steel Ltd.	2,000	2,000	20,000	20,000
	Marnite Polycast Ltd.	1,500	1,500	15,000	15,000
	Nagarjuna Fertilizers & Chemicals Ltd.	330	330	3,300	3,300
	Prudential Moulisugar Ltd.	1,900	1,900	76,000	76,000
	Rezcom Realty Pvt.Ltd.	1,000,000	1,000,000	10,000,000	10,000,000
	Saptarishi Ass. NTC Soc. Ltd.	-	1	-	-
	Saurashtra Chemicals Ltd.	525	525	-	-
	Vadilal Dairy Int. Ltd.	200	200	6,000	6,000
(b)	Investments in Mutual Funds				
	UTI Master Share	-	19,800	-	198,000
	Total			10,688,705	10,893,666

GAURAV MERCANTILES LIMITED

Note 9 NON CURRENT ASSETS - OTHER

Non Current Assets	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
a. Others		
Secured, considered good	-	-
Unsecured, considered good	1,187,592	1,114,177
Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
b. Other Bank Balances		
Bank deposits with more than 12 months maturity	50,000	50,000
Total	1,237,592	1,164,177

Other	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
Non Current Deposits		
National Saving Certificate	2,000	2,000
Prakash Automobiles	15,000	5,000
Vat Deposit	25,000	25,000
Taxes Paid		
Service Tax Refund	3,720	3,720
Advance Tax	600,000	1,550,000
Income Tax Refund Receivable	258,606	47,056
TDS A.Y. 2008-09	455,531	455,531
TDS A.Y. 2009-10	381,499	381,499
TDS A.Y. 2012-13	-	319,800
TDS A.Y. 2013-14	406,752	406,752
TDS A.Y 2014-15	209,595	-
Less: Provision for Tax	-1,170,111	-2,095,949
Total	1,187,592	1,100,409

Note 10 TRADE RECEIVABLE

Trade Receivable	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,187,500	6,187,500
Less: Provision for doubtful debts	-	-
Total	2,187,500	6,187,500

GAURAV MERCANTILES LIMITED

Note 11 CASH & CASH EQUIVALENTS

Cash & Cash Equivalents	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
a. Balances with banks	797,086	326,388
b. Cash on hand	80,628	183,409
c. Deposits with Bank (Maturity With Less than 3 months)	9,000,000	-
	9,877,713	509,797

Note 12 SHORT TERM LOANS AND ADVANCES

Short-term loans and advances	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
a. Others		
Secured, considered good	-	-
Unsecured, considered good	21,755,454	28,803,655
considered doubtful	-	-
Total	21,755,454	28,803,655

Note 13 OTHER CURRENT ASSETS

Other Current Assets	As at 31 March 2014	As at 31 March 2013
	Rupees	Rupees
<u>Other Current Assets</u>		
Span Margin For Derivative	2,807,513	-
Kotak Securities Ltd	99	-33
Prepaid Exp	10,741	8,719
Prepaid Profession Tax	8,000	-
Interest Accrued but not due	19,468	7,716
Balance with Excise Department	68,916	59,214
Service Tax Refund	-	618
Total	2,914,736	76,234

Note 14 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
Sale of products	-	5,500,000
<u>Less:</u>		
Excise duty	-	-
Total	-	5,500,000

GAURAV MERCANTILES LIMITED

Note 15 OTHER INCOME

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
Interest Income	1,270,603	4,079,368
Dividend Income	34,828	62,090
Brokerage & Commission	850,000	-
Net gain/loss on sale of Shares - Long Term	340,200	-
Share derivatives A/c	482,747	-
Other non-operating income (net of expenses directly attributable to such income)	-	1,044
Total	2,978,378	4,142,502

Note 16 COST OF MATERIALS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
Opening Stock of Raw Material	-	-
<u>Add :</u> Purchases	-	5,400,000
<u>Less :</u> Closing Stock of Raw Material	-	-
Total	-	5,400,000

Note 17 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
(a) Salaries and incentives	661,421	785,402
Total	661,421	785,402

Note 18 FINANCE COSTS

	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
Interest expense	-	297,085
Total	-	297,085

GAURAV MERCANTILES LIMITED

Note 19 OPERATING & OTHER EXPENSES

	For the year ended 31 March 2014	For the year ended 31 March 2013
	Rupees	Rupees
OPERATING EXPENSES		
PORT CHARGES	-	41,661
Sub Total	-	41,661
ADMINISTRATIVE & OTHER EXPENSES		
AUDITORS REMUNERATION	28,090	28,090
ADVERTISEMENT CHARGES	3,923	2,090
BANK CHARGES	2,682	29,542
CONVEYANCE EXPENSES	22,392	7,889
CREDIT RATING CHARGES	-	75,000
DEMAT CHARGES	1,623	734
ELECTRICITY CHARGES	39,357	42,022
FILING FEES	2,035	29,500
GRATUITY	42,182	-
INSURANCE EXPENSES	28,875	100,131
INTEREST ON DELAYED TAXES	-	21,721
INTERNET CHARGES	19,797	17,382
LEGAL & PROFESSIONAL FEES	290,357	405,323
LISTING FEE	11,236	-
LOSS ON SALE OF INVESTMENT	-	100
MAINTENANCE CHARGES	106,478	56,304
MEMBERSHIP FEES	-	3,394
MISCELLANEOUS EXPENSES	2,270	23,370
MOTOR CAR EXPENSES	247,988	92,584
OFFICE EXPENSES	24,393	1,909
POSTAGE & COURIER	1,519	491
PRINTING & STATIONERY	37,563	27,661
PROFESSION TAX	4,500	2,000
RATES & TAXES	1,440	1,440
RENT PAID	71,484	50,526
REPAIR & MAINTENANCE	100	-
TELEPHONE EXPENSES	57,444	70,598
TENDER FEES	200	1,000
TRAVELLING EXPENSES	14,523	7,720
Sub Total	1,062,452	1,098,521
SELLING AND DISTRIBUTION EXPENSES	-	-
Sub Total	-	-
TOTAL	1,062,452	1,140,182

GAURAV MERCANTILES LIMITED

Note – 20

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a. The financial statements are prepared in accordance with the accounting principles generally accepted in India.
- b. The concern generally follows the mercantile system of accounting and recognizes income & expenditure on an accrual basis except those with significant uncertainties.
- c. The financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.
- d. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities into current and non-current.

2. USE OF ESTIMATE

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

3. REVENUE RECOGNITION

- a. The Company recognizes revenue on the sale of products, net of discounts, when the products are delivered, risks and rewards of ownership pass to the dealer / customer.
- b. Revenues are recognized when collect ability of the resulting receivables is reasonably assured.
- c. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collect ability exists.
- d. Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collect ability exists.

4. FIXED ASSETS & DEPRECIATION:

- a. Fixed Assets - Tangibles

Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

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b. Depreciation

Depreciation on tangible assets has been provided on straight line method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions / deductions of assets during the year is provided on pro-rata basis.

5. INVESTMENTS:

These are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

6. INVENTORIES

a. Raw Material

Inventories are valued at cost.

b. Work in Process

Inventories are valued at cost. The cost of work in process comprises of raw material and other direct cost.

7. RETIREMENT BENEFITS:

a. Gratuity

The liability for the gratuity to employee is determined on the basic of independent actuarial valuation and charged to the profit & loss account.

b. Provident Fund

Since Provident Fund is not applicable, no provision for provident fund liability is required.

c. Leave Encashment / Salary

The company is not required to make provision for leave encashment / salary to the employees as the company is making the leave salary payment during the year itself.

8. TAXES ON INCOME

a. Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

b. Deferred Tax

Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date

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Particulars	As at 31st March 2014	As at 31st March 2013
Deferred Tax Liability (Net)		
Deferred Tax Liabilities on account of timing difference		
- Depreciation	-60,553	-17,843
Add: Opening Balance	4,07,742	4,13,255
Total	389,032	407,742

9. EARNING PER SHARE (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic & diluted earning per equity shares are as stated below:

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I	Profit after Taxation as per statement of Profit & Loss	Rs. 7,54,080	Rs. 11,99,338
II	Weighted average no. of Equity Shares outstanding	20,00,000	20,00,000
III	Basic & Diluted earnings per share (Face Value Rs. 10)	0.38	0.60

10. RELATED PARTY DISCLOSURES

Related Party disclosure have been submitted where there were financial transactions during the year:

- a. Associates –
 - Bohra Ventures Pvt. Ltd.
- b. Key Management Personnel & their Relatives
 - i. Pratap Singh Bohra
 - ii. Tarun Bohra
 - iii. Kamal Singh Baid
 - iv. Nikhil Bohra

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RELATED PARTIES TRANSACTIONS:

(in Lacs)

	Enterprise having significant influence over the company		Subsidiaries		Associates		Key Managerial Personnel		Relative of key Personnel		Total	
	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013	31 st March 2014	31 st March 2013
Payments/ Expenses												
Loan Taken	-	-	-	-	-	-	-	57.00	18.00	-	18.00	57.00
Interest Paid	-	-	-	-	-	-	-	0.48	-	-	-	0.48
Repayment of Loans	-	-	-	-	-	-	-	-	18.00	-	18.00	-
Salary Paid	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid												
Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-

11. DETAIL OF MANAGERIAL REMUNERATION.

During the last financial year, No Remuneration/Sitting fee paid to any directors of company.

12. AUDITOR'S REMUNERATION

Included under office & administrative Expenditure
(Refer Note No. 18)

	Current Year	Previous Year
Audit Fees (Including S. T.)	Rs.28,090	Rs.28,090

13. SEGMENT INFORMATION

The company is involved in the business of ship breaking & old machinery dismantling, which is the only business segment of the company. However in the current year, due to lack of business opportunities no ship was purchased for dismantling and the company has earned only interest income. Based on guiding principles given in the AS-17 on segment reporting, as specified in the companies (Accounting standards) Rules, 2006, being only business segment, no segment information thereof is given.

14. In the opinion of the Management, the Current Assets, Loans & Advances approximately are of the value stated if realized in the ordinary course of business.

15. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

16. PROVISIONS & CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a

GAURAV MERCANTILES LIMITED

present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

17. Previous year's figures have been regrouped and/or rearranged wherever necessary.

For **MAJITHIA & ASSOCIATES**
Chartered Accountants

For & on behalf of the Board of Directors

B. R. Majithia
Partner
Membership No. 048194
Firm Reg. No. – 105871W

Pratap Singh Bohra
Chairman
DIN no.00122472

Kamal Singh Baid
Director
DIN no.00052447

Place : Mumbai
Date :- 28/05/2014

GAURAV MERCANTILES LIMITED

GAURAV MERCANTILES LIMITED

Regd. Office: 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai - 400 057

ATTENDANCE SLIP

(Admission restricted to members/ proxies only)

Ledger Folio No.	
No. of Shares held	

I hereby record my presence at the 29th Annual General Meeting of the Company held on 30th September, 2014 at 10.00 am at the Registered Office of the Company at 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai - 400 057.

Name of the Shareholder (In Block Letters) :

Signature of Shareholder :

Name of Proxy (in Block Letters) :

Signature of Proxy :

GAURAV MERCANTILES 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: L74130MH1985PLC176592

Name of the Company: GAURAV MERCANTILES LIMITED

Registered Office : 310, Gokul Arcade B, Subhash Road, Vile Parle (E), Mumbai – 400 057

Name of the member (s) :
Registered address :
E-mail Id :
Folio No / Client ID :
DP ID :

I/We, being the holder (s) of _____ Shares of the above named company, hereby appoint

- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
- 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 **GAURAV MERCANTILES LIMITED** Annual General Meeting of the Company, to be held on **Tuesday the 30th September, 2014 at 10.00 AM, at 310, Gokul Arcade B, Subhash Road, Vile Parle (E), Mumbai – 400 0571** and at any adjournment thereof in respect such resolutions as are indicated below :

Resolution No.

1 _____

Signed this _____ day of _____, 2014

Signature of Shareholder

Signature of Proxy holder(s)

**Affix
Revenue
Stamp**

Note : 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.

