

ADARSH MERCANTILE LIMITED

CIN: L51109WB1992PLC055082

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

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

Email: adarshmercantile@gmail.com, Website: www.adarshmercantile.in

20.09.2018

**The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001.**

Dear Sir,

Code No.- 538563

Reg : Submission of Annual Report for the financial year 2017-18.

As per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Annual Report of the Company for the financial year 2017-18 as approved and adopted by the shareholders in the Annual General Meeting of the Company held on **17th September, 2018**.

This may please be informed to the Members of your Stock Exchange.

Thanking You,

Yours faithfully,

For Adarsh Mercantile Limited

**Ankita Banerjee
Company Secretary**

Encl: As above

ANNUAL REPORT

2017-18

ADARSH MERCANTILE LIMITED

ADARSH MERCANTILE LIMITED

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ADARSH MERCANTILE LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

SUCHITA CHHAWCHHARIA, EXECUTIVE DIRECTOR

ARITRA BASU, NON-EXECUTIVE DIRECTOR

SUNDAR LAL MOHTA, INDEPENDENT DIRECTOR

MANISH KHAITAN, INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER

MR. SHIV SHANKAR SHARMA

COMPANY SECRETARY

MS. ANKITA BANERJEE (w.e.f 1st June, 2018)

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR

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

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NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of **M/s. ADARSH MERCANTILE LIMITED** will be held at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 on Monday, the 17th day of September, 2018 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company which comprises of Balance Sheet as at 31st March, 2018, Profit & Loss Account and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Suchita Chhawchharia (DIN: 00044063), who retires by rotation and being eligible offers herself for re-appointment.
3. To modify the terms of appointment of Statutory Auditors and to fix their remuneration and in this respect to pass with or without modification the following resolution as an Ordinary resolution :

“ **RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Amendment) Act, 2017 effective from 7th May, 2018 and all other applicable provisions of the Act (including any Statutory modifications or re-enactment thereof for the time being in force), the existing terms of appointment of M/s. Ray & Co., Chartered Accountants (Firm Registration No. 313124E), Statutory Auditors of the Company be and is hereby modified to the extent that their appointment shall not be subjected to ratification by the Shareholders in the Annual General meeting for remaining duration of their terms of appointment and the Board be and is hereby authorized to fix the remuneration, if any, to be paid to the Auditors in each of the financial years on the recommendation of the Audit Committee.”

*By Order of the Board of Directors
For Adarsh Mercantile Limited
Sd/-
Ankita Banerjee
Company Secretary*

Place: Kolkata

Date: 14.08.2018

NOTES:

1. The profile of the Directors seeking appointment/ re-appointment, as required in terms of applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
4. The instrument appointing proxy must be duly stamped, completed, dated, signed and deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The instrument of proxy is valid only for the Annual General Meeting and any adjournment thereof. A proxy form is enclosed.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. The proxy shall carry his / her / their Identity proof for attending the meeting to proof his/her/their credentials in terms of the Secretarial Standards.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business on 10.08.2018.
9. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e.10.09.2018 are requested to send the duly signed written / email communication to the Company at adarshmercantile@gmail.com and to the RTA at nichetechpl@nichetechpl.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 10.09.2018. A person who is not a member as on cut-off date should treat this notice for information purpose only.
11. The shareholders shall have one vote per equity share held by them as on the cut-off date i.e. 10.09.2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
12. Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to the Registrar and Share Transfer Agent. The nomination form may also be downloaded from the Company's website : www.adarshmercantile.in
13. **The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 11th day of September, 2018 to Monday, the 17th day of September, 2018 (both days inclusive) for the purpose of this AGM.**
14. There is no un-paid or un-claimed dividend for any of the dividend in the earlier years.
15. Relevant documents referred to in this Notice is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours and also at the AGM in physical mode.
16. Members whose shareholding is in the electronic mode are requested to update address & bank account details to their respective Depository Participant(s) and the Members whose shareholding is in the physical mode are requested to provide the same to R&TA.

17. **The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Quarterly Reports, Notices, Annual Reports including financial statements, Board Reports, etc. and any other communications via email. All the shareholders holding shares in physical mode who have not registered their e-mail addresses so far are requested to register their e-mail address to the RTA/ Company for receiving all aforesaid communication from the Company, electronically.**
18. The Notice of the AGM, along with the Annual Report, Attendance Slip and Proxy Form along with the process, instructions and the manner of conducting e-voting are being sent by electronic mode only to all those members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report'2018 are being sent in the permitted mode. The documents referred to above are also available on the Company's website: www.adarshmercantile.in
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company/ R&TA.

20. Voting Through Electronic Means

- I. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system ("remotee-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.
- II. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

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

- (i) The voting through electronic means will commence on Friday, the 14th day of September, 2018 at 10.00. a.m. (IST) and will end on Sunday, the 16th day of September 2018 at 5.00 p.m.(IST). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-Voting module shall be disabled by CDSL for voting thereafter. The Shareholders as on the cut-off date 10.09.2018 may cast their vote.
- (ii) Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website www.evotingindia.com during the voting period.
- (iv) Click on “Shareholders” tab.
- (v) After that enter your user ID;
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID; and
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company excluding the special characters.
- (vi) Next enter the image verification as displayed and click Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) The Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will then reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **<ADARSH MERCANTILE LIMITED>** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” as desired. The option “YES”

implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution.

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xvi) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
 - (xviii) If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) **Note for Institutional Shareholders and Custodians.**
 - Non-Individual shareholders(i.e. other than individuals, HUF, NRI, etc) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com 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 or contact them at 1800 200 5533.
 - (xxi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
1. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cdslindia.com and the same may also be send to the Scrutinizer in physical mode also on or before 16.09.2018 upto 5.00 p.m. without which the vote shall not be treated as valid.
 2. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
 3. However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
 4. Mr. Santosh Kumar Tibrewalla, Practising Company Secretary has been appointed as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3(three) days of conclusion of the meeting make a consolidated Scrutinizer’s Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith.
 5. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.
 6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adarshmercantile.in and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited, where the shares of the Company are listed.

7. Shareholders are requested to give their valuable suggestions for improvement of our investor services.
8. Route-map to the venue of the AGM is annexed for the convenience of the members.

*By Order of the Board of Directors
For AdarshMercantile Limited
Sd/-
Ankita Banerjee
Company Secretary*

Place: *Kolkata*
Date: *14.08.2018*

ANNEXURE TO NOTICE OF AGM

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

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

Sl. No.	Name of the Director	Mrs. Suchita Chhawchharia
1.	DIN	00044063
2.	Date of Birth and Age	19/01/1979, 39 years
3.	Nationality	Indian
4.	Date of appointment on Board	06.03.2006
5.	Terms & Condition of appointment/ re-appointment	N.A.
6.	Remuneration proposed	N.A.
7.	Remuneration last drawn	N.A.
8.	No. of shares held in the Company	-
9.	Qualification & Expertise in specific functional area	MBA Vast experience in the financial sector
10.	No. of Board Meetings Attended during the F.Y. 2017-18	4
11.	List of other listed Companies in which Directorships held as on 31st March, 2018	NIL
12.	List of other Companies in which Directorships held as on 31 st March, 2018	1. Avon Credit Pvt. Ltd.
13.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31 st March, 2018	NIL
14.	Disclosure of relationship between Directors, Managers and Key Managerial Personnel inter se	NIL

**ROUTE MAP FOR AGM ON 17.09.2018
AT THE REGISTERED OFFICE OF THE COMPANY**



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2018.

(Amount in Rs.)

Financial Results	FY 2017-18	FY 2016-17
Particulars	Amount	Amount
i. Total Revenue	1,90,51,544	75,56,019
ii. Earnings Before Interest, Depreciation, Taxation and Amortization(EBIDTA)	78,37,093	14,96,508
iii. Finance Cost	12,92,563	16,25,552
iv. Profit before Taxation (PBT)	65,44,530	(1,29,044)
v. Tax	12,18,800	1,25,000
vi. Profit after Taxation (PAT)	53,25,730	(2,54,044)
vii. Other Comprehensive Income (net of tax)	3,48,040	22,95,070
viii. Total Comprehensive Income	56,73,770	20,41,027
ix. Profit brought forward from previous year	1,29,03,082	1,31,53,884
x. Surplus/ (Deficit) in the Statement of Profit & Loss Account	53,25,730	(2,54,044)
xi. Transfer to General Reserve	Nil	Nil
xii. Other Adjustments – Income Tax for earlier years	11,086	3,242
xiii. Balance Carried to Balance Sheet	1,82,39,898	1,29,03,082

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company is engaged in the business of Commodity Trading & Distribution and investments in Mutual Funds, Shares & Securities, etc. and has earned revenue of Rs. 1,90,51,544/- compared to Rs. 75,56,019/- which is higher by 152.14% than last year.

Your Company has earned a net profit of Rs. 53,25,730/- during the year compared to net loss of Rs. 2,54,044/- in the previous year. A detailed review of the operations, performance of the Company and its business is given in the Management Discussion & Analysis, which forms part of the Annual Report.

There is no change in the business of the Company during the financial year 2017-18.

PERFORMANCE & FINANCIAL POSITION OF ASSOCIATE

ASSOCIATE - AVON CREDIT PVT. LTD.

The Company has reported total revenue of Rs. 73.86 lakhs during the year as compared to Rs. 61.69 lakhs in the previous year and has earned a Net Profit of Rs. 5.85 lakhs as compared to a loss of Rs. 4.43 lakhs in the previous year.

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

OUTLOOK

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

DIVIDEND

In order to conserve resources of the Company to meet working capital requirements, your Board did not recommend any dividend on equity shares of the Company for the financial year ended 31st March, 2018.

ISSUE OF SHARES

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

TRANSFER TO RESERVES

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

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

CORPORATE GOVERNANCE

Your Company has practiced sound Corporate Governance and taken necessary actions at appropriate times for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance. Your Company has complied with the requirements of applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as issued by Securities and Exchange Board of India and as amended from time to time. Your Company has given its deliberations to provide all the information in the Directors Report and the Corporate Governance Report as per the requirements of Companies Act, 2013 and the Listing Agreement entered by the Company with the Stock Exchange, as a matter of prudence and good governance.

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

CODE OF CONDUCT

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has already adopted the Code of Conduct for prevention of Insider Trading and the same is also placed on the Company's website: www.adarshmercantile.in Further, in accordance with the provisions of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have adopted the code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information and formulated the code of conduct of the Company.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

PERSONNEL

The ratio of the remuneration of each Executive Director and Key Managerial Personnel (KMP) to the median employee's remuneration's as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been set out as **Annexure – 'G'** to this Report, attached hereto.

COMPANY'S WEBSITE

The website of your Company, www.adarshmercantile.in has been designed to present the Company's businesses up-front on the home page. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director's & Corporate Profile, details of Board Committees, Corporate Policies and business activities of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been uploaded.

LISTING OF SECURITIES IN STOCK EXCHANGES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Retirement by Rotation

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

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

The present Whole-time Key Managerial Personnel of the Company as on 31st March, 2018 are as follows :-

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDITORS AND THEIR REPORTS

(i) Statutory Auditors:

The present Statutory Auditors, M/s. Ray & Co, Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the financial year 2019-20 subject to ratification in each of the Annual General meeting. With the amendment of Section 139 of the Companies Act, 2013 and Rule 3(7) of The Companies (Audit and Auditors) Rules,

2014 as amended by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the ratification of the Auditors in each of the Annual general meeting has been done away with and they would not be subject to ratification during continuation of in the office of the Auditors' of the Company. Accordingly, requisite modification has been proposed for consideration of the shareholders in the ensuing Annual General Meeting.

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

(ii) Internal Auditor:

The Company has received consent letter from M/s NST & Associates, Chartered Accountants, for their re- appointment as the Internal Auditors of the Company for the financial year 2018-19 and the Board has re-appointed them accordingly.

(iii) Secretarial Auditor:

The Board has appointed Mr. Subhajit Das, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2017-18 under the provisions of section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR 3 is enclosed as **Annexure - 'H'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

The Company has received consent letter from Mr. Subhajit Das, Practicing Company Secretary for his re-appointment as the Secretarial Auditors of the Company for the financial year 2018-19 and the Board has re-appointed him accordingly.

DISCLOSURES AS PER APPLICABLE ACT AND LISTING AGREEMENT

i) Related Party Transactions:

All transaction entered with related parties during the F.Y. 2017-18 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which may have potential conflict of interest with the Company at large.

The necessary disclosures regarding the related party transactions in accordance to the Ind AS required in Form-AOC-2 are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has not entered into any specific contract with related parties. Since the Company has entered into transaction with its Associates, firms/ Companies in which Directors are interested disclosure as per Para A of Schedule V is provided in Notes to the Accounts under 'Related Party Disclosures'.

ii) Number of Board Meetings:

The Board of Directors met 4 (four) times in the year 2017-18. The Details of the Board meeting and attendance of the Directors are provided in the Corporate Governance Report, attached as Annexure to this Board's Report.

iii) Committees of the Board :

4 (Four) Committees of Directors are in force as on March 31, 2018 viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and the Share Transfer Committee. A detail note on the Committee is provided in the Corporate Governance Report section of this Annual Report.

iv) Composition of Audit Committee:

The Audit Committee comprises of three Non-Executive Directors including two Independent Directors as on March 31, 2018:-

- Manish Khaitan – Non Executive Independent Director
- Sundar Lal Mohta – Non Executive Independent Director
- AritraBasu– Non Executive Director

v) Extracts of Annual Return:

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

vi) Risk Analysis:

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

vii) Internal Financial Control :

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

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

viii) Loans, Guarantees and Investments:

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

ix) Post Balance Sheet events:

There is no material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2017-18.

Ms. Arpita Dey has resigned from the post of Company Secretary with effect from 1st June, 2018 and Ms. Ankita Banerjee has been appointed as the Company Secretary with effect from 1st June, 2018.

x) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2018 Company has only one associate i.e. M/s. Avon Credit Pvt. Ltd. and there is no Company which has become or ceased to be the Company's subsidiary, joint venture or associate Company during the year under review.

As per the provision of Section 129(3) and rule 5 of the Companies (Accounts) Rules, 2014 the statement in **AOC-1** containing the salient features of the financial statement of the associate Company is given in **Annexure -'J'**.

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

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

xi) Evaluation of the Board's Performance:

The Board has in place a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board in compliance with the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgments, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their separate meeting. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

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

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

xii) Nomination, Remuneration and Evaluation Policy:

The Company on recommendation of its Nomination & Remuneration Committee has laid down a Nomination, Remuneration and Evaluation Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and SEBI (LODR) Regulations, 2015 (as amended from time to time). This Policy is formulated to provide a framework and set standards in relation to the followings and details on the same are given in the website of your Company, www.adarshmercantile.in:

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

xiii) Vigil Mechanism (Whistle Blower Policy):

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

The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of Directors and employees from reprisals or victimization, for whistle blowing in good faith.

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

xiv) Internal Complaint Committee:

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

xv) SECRETARIAL STANDARDS:

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are

covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

INDUSTRIAL RELATIONS

The industrial relation during the year 2017-18 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

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

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

APPRECIATION

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

Place : Kolkata
Date : 14.08.2018

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

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

Sd/-
Aritra Basu
Director
(DIN: 06779222)

ANNEXURE - A TO THE DIRECTORS' REPORT

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

A) Conservation of Energy -

(i) Steps taken or impact on conservation of energy

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

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

Not Applicable.

(iii) Capital investment on energy conservation equipments

Not Applicable.

B) Technology Absorption -

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

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

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

(iv) the expenditure incurred on Research and Development : N.A.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Registered Office:

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

Date: 14.08.2018

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

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

ANNEXURE B TO THE DIRECTOR'S REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

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

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

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

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

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

The Independent Directors have taken active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which

enhances the transparency and add value in the decision making process of the Board of Directors.

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

FAMILIARISATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS

The Company in accordance with applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI LODR') with the Stock Exchanges, has taken initiatives to familiarize its Independent Directors (IDs) with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

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

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

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

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

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

The familiarization programme of the Company for its Independent Directors has been disclosed on the Company's website: www.adarshmercantile.in

b) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING (AGM) AND ALSO NUMBER OF OTHER DIRECTORSHIPS/MEMBERSHIP OF COMMITTEE OF EACH DIRECTOR IN VARIOUS COMPANIES.

Name of the Directors	Attendance Particulars		No. of other Directorships and committee memberships/ chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Memberships	Committee Chairmanships
Mrs. Suchita Chhawchharia	4	Present	NIL	1	NIL

Mr. Sundar Lal Mohta	4	Present	NIL	1	NIL
Mr. Manish Khaitan	4	Present	NIL	2	1
Mr. Aritra Basu	4	Present	NIL	2	1

** Membership & Chairmanship of the Audit Committees & Stakeholders Relationship Committees are only considered.*

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

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

During the financial year 2017-18, 4 (Four) Board meetings were held on 30.05.2017, 19.08.2017, 14.11.2017 and 13.02.2018. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and the provision of Companies Act, 2013.

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

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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Company's Independent Directors of the Company met once during the financial year 2017-18 on 13th February, 2018 in compliance with Schedule IV, Code of Independent Directors under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was attended by all the Independent Directors. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and also reviewed:

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

d) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

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

e) DISCLOSURE OF RELATIONSHIP BETWEEN THE DIRECTORS INTER SE

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

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

Sl. No.	Name of the Directors	No. of Shares
1.	Mr. Sundar Lal Mohta	NIL
2.	Mr. Manish Khaitan	NIL
3.	Mr. Aritra Basu	100

3. AUDIT COMMITTEE

The Audit Committee was entrusted with review of quarterly and annual financial statements before submission to the Board, management discussion and analysis of financial condition and results of operations, review of observations of Auditors and to ensure compliance of internal control systems, authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. All the members of the Committee are financially literate.

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

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

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
4. Review of the adequacy of the internal control systems and finance of the internal audit team;
5. Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same ;
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
7. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for

purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
22. Examining the financial statement and the auditor's report thereon;
23. Monitoring the end use of funds raised through public offers and related matters;
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
25. To review -
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by management;
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses, etc.
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
 - Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

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

During the period 4 (Four) meetings of the Audit Committee were held during the year ended 30.05.2017, 19.08.2017, 14.11.2017 and 13.02.2018.

The Audit Committee comprised of following three members–

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

Ms. Arpita Dey, is acting as the Secretary of the Committee.

4. NOMINATION & REMUNERATION COMMITTEE

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

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

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulate a criteria for determining the qualification, positive attitudes, independence of a Director and evaluation of performance of Independent Directors and the Board;
- iii. To evaluate every Directors performance;
- iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
- v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- vii. To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- viii. To devise a policy on Board diversity.
- ix. To carry out any other function as is mandated by the Board of Directors of the Company or prescribed by the SEBI (LODR) Regulations, 2015, as amended, from time to time.
- x. To invite any employee or such document as it may deem fit for exercising of its functions.
- xi. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

During the period 2 (Two) meeting of the Nomination & Remuneration Committee was held on 19.08.2017 and 13.02.2018.

b. The attendance of its meeting are given below :

Name of Directors	Category	No. of Meeting Held	Attended
Mr. Sundar Lal Mohta	Non-Executive – Independent	2	2

	Director-Chairman		
Mr. Aritra Basu	Non-Executive Director-Member	2	2
Mr. Manish Khaitan	Non-Executive – Independent Director-Member	2	2

Ms. Arpita Dey, is acting as the Secretary of the Committee.

c. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

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

5. REMUNERATION OF DIRECTORS

(a) Remuneration Policy /Criteria

- i. Executive Directors: The Company follows the policy to fix remuneration of Executive Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.
- ii. Non-Executive Directors :Sitting fees for attending Board Meetings or Committees thereof.
- iii. KMPs & Senior Management Personnel: The motto of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contributes to the Company but makes their job satisfaction.

(b) Sitting Fees:

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

(c) Remuneration to Directors:

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

(Amount in Lakhs)

Name of the Directors	Remuneration paid / payable for F.Y. 2017-18				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees (Rs.)	Pay per month (Rs.)	Period	Effective from
Mrs. Suchita Chhawchharia	1.20	-	-	-	3 years	01.04.2015

*Mrs. Suchita Chhawchharia has been re-appointed from 01.04.2018 as a Wholetime Director for 3 years in the AGM held on 22.09.2017.

Notes:

1. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
2. The Notice period and severance fees are not applicable to the Executive Directors of the Company.
3. The Non- Executive Directors have waived their sitting fees for the F.Y. 2017-18.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the period 4 (Four) meeting of the Stakeholders Relationship Committee was held on 30.05.2017, 12.08.2017 and 14.11.2017 and 13.02.2018.

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

Ms. Arpita Dey is acting as the Secretary of the Committee.

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

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

Shareholders' Complaints

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

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

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

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

7. SHARE TRANSFER COMMITTEE

The Committee presently comprises of Mrs. Suchita Chhawchharia, Mr. Aritra Basu and Mr. Manish Khaitan. Mrs. Suchita Chhawchharia is the Chairman of the Committee.

Ms. Arpita Dey is acting as the Secretary of the Committee.

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

No Share Transfer Committee meeting was required to be held during the Financial Year 2017-18.

8. GENERAL BODY MEETINGS

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

Year	Date & Time	Venue	If Special Resolution(s) Passed
2016-17	22 nd September, 2017 02.00 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes
2015-16	23 rd September, 2016 11.00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No
2014-15	29 th September, 2015, 11:00 A.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes

- (b) One Special Resolution each was passed in the last Annual General Meeting held on 29th September, 2015 for the year 2014-15 & 22nd September, 2017 for the year 2016-17.
- (c) No Special Resolution was passed through Postal Ballot Meeting during the financial year 2016-17.
- (d) No special resolution proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made thereunder in view of the amendment made in Section 110 by Companies (Amendment) Act, 2017 which inter alia provides that ‘any item proposed to be transacted by Postal Ballot may be transacted at the general meeting by a Company provided that the Company is providing facility of e-voting to its members under section 108 of the Companies Act, 2013’.

9. MEANS OF COMMUNICATION

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

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

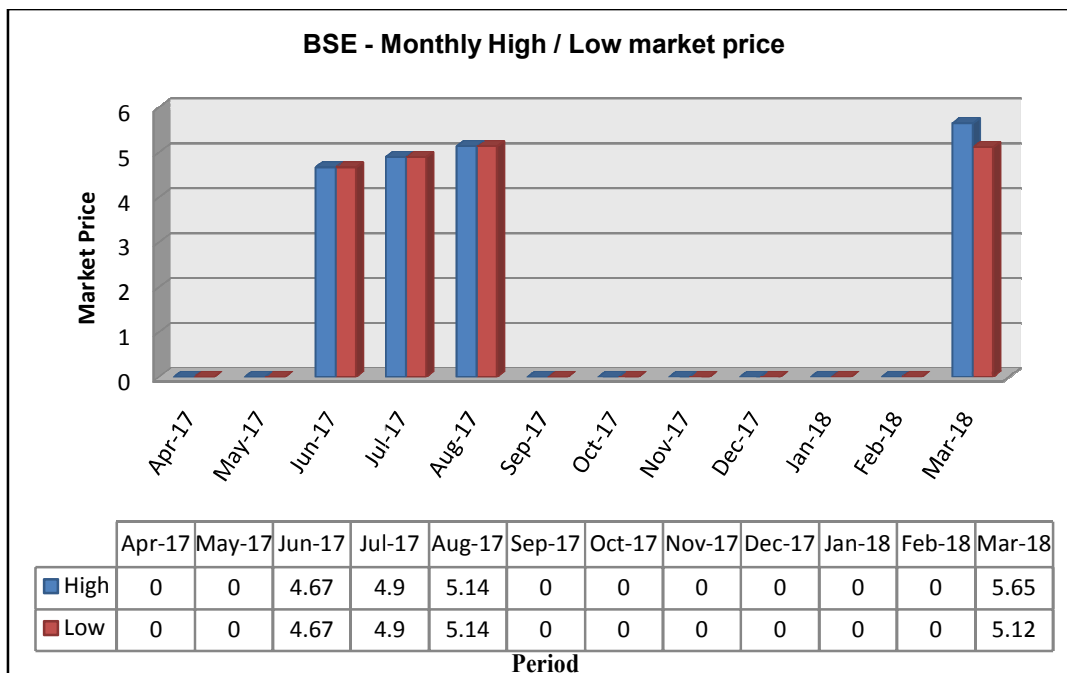
No presentation has been made to Institutional Investors or Analysts.

10. GENERAL INFORMATION FOR SHAREHOLDERS

- a. Annual General Meeting (Date, Time & Venue) : **Date** : 17th day of September, 2018.
Time : 2.00 P.M
Venue : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata-700027.
- b. Financial year : 1st April 2017 to 31st March 2018
- c. Dividend payment : The Board has not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2018.
- d. Date of Book closure : 11.09.2018 to 17.09.2018 (both days inclusive)
- e. Listing Details : Equity Shares of the Company are listed on **BSE Ltd.**
25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
The Scrip code of the shares of the Company at BSE is 538563.
No listing fees to BSE are due as on date.
- f. Stock Market Price Data : Monthly High/Low price during the last Financial Year at the BSE depicting liquidity of the Equity Shares is given hereunder:

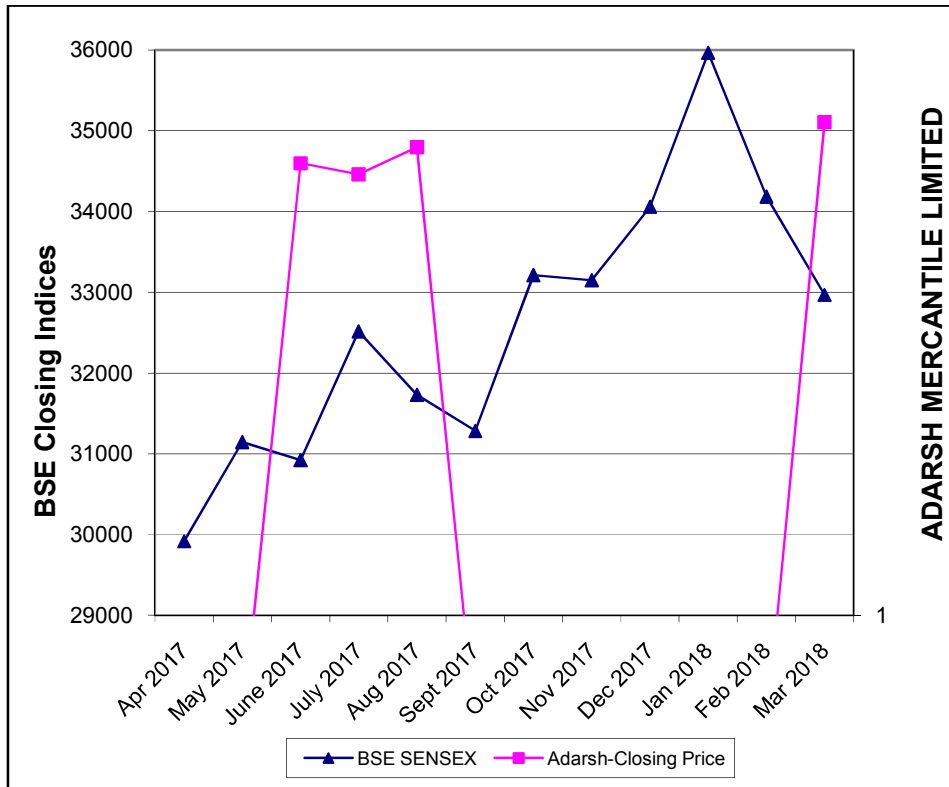
Month	BSE		
	Month's High Price	Month's Low Price	Volume
April, 2017	NT	NT	NA
May,2017	NT	NT	NA
June,2017	4.67	4.67	200
July,2017	4.90	4.90	1
August,2017	5.14	5.14	13,046
September,2017	NT	NT	NA
October,2017	NT	NT	NA
November,2017	NT	NT	NA
December,2017	NT	NT	NA
January, 2018	NT	NT	NA
February,2018	NT	NT	NA
March,2018	5.65	5.12	41,677

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



g. Share price performance in comparison to BSE Sensex for the Financial Year 2017-18.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April, 2017	29,918.40	NT
May, 2017	31,145.80	NT
June, 2017	30,921.61	4.67
July, 2017	32,514.94	4.90
August, 2017	31,730.49	5.14
September, 2017	31,283.72	NT
October, 2017	33,213.13	NT
November, 2017	33,149.35	NT
December, 2017	34,056.83	NT
January, 2018	35,965.02	NT
February, 2018	34,184.04	NT
March, 2018	32,968.68	5.36



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

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

- j. Distribution of Shareholding as on 31st March, 2018:

No. of Ordinary Shares held	No. of Shares	% Of Shares	No. of Share-Holders /folios	% Of Shareholders
Up to 500	41,670	1.1339	503	94.9057
501 to 1,000	0	0.0000	0	0.0000
1,001 to 5,000	0	0.0000	0	0.0000
5,001 to 10,000	0	0.0000	0	0.0000
10,001 to 50,000	3,29,750	8.9728	12	2.2642
50,001 to 1,00,000	5,33,825	14.5259	7	1.3208
1,00,001 and above	27,69,755	75.3675	8	1.5094
Total	36,75,000	100.0000	530	100.0000

- k. Shareholding Pattern as on 31st March, 2018:

Category of Shareholders	No. of Shares	%
Promoters	1909855	51.97
Mutual Fund/UTI	-	-
Banks/Financial Institutions /Insurance Companies/Govt. Company	-	-
Indian Companies	679268	18.48
NRI's/Foreign Shareholders (including bodies corporate)	-	-
Public/Others	1085877	29.55
Total	3675000	100.00

- l. Dematerialisation of Shares : **ISIN : INE 673E01018**
27,74,855 shares of the Company are held in Dematerialized form representing 75.51% of the paid-up share Capital of the Company as on 31st March, 2018.

- m. Outstanding Instruments : The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments. As such there is no impact on Equity Shares of the Company.
- n. Commodity Price Risk/
Foreign Exchange Risk and
Hedging activities : Not applicable to the Company as Company is not associated with hedging activities.

- o. Address for correspondence : **Adarsh Mercantile Limited**
8A & 8B, Satyam Towers
3, Alipore Road, Kolkata-700027
Phone No. - 033-2479-1951
Fax – 033-2479-1952
Email id: adarshmercantile@gmail.com
- p. Contact Person : Ms. Ankita Banerjee, Company Secretary

11. OTHER DISCLOSURES:

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

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

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

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

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

- c. Vigil Mechanism / Whistle Blower Policy :**

As per the requirements of the Companies Act, 2013 and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had established a mechanism for employees to report concerns for unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics. It also provides for adequate safeguards against the victimization of employees who avail the said mechanism. This policy also allows the direct access to the Chairperson of the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/ misconduct.

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

The Company has complied with all the applicable mandatory Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid clause :-

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

The Company has taken cognizance of other non-mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

- e. Accounting Treatment in preparation of financial statement :**
The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.
- f. Policy for determining ‘material’ subsidiaries :**
The Company does not have any material non-listed Indian subsidiary as defined in Regulation 16 and 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. Web link where policy on dealing with related party transactions :**
Policy on dealing with related party transaction is displayed at the website of the Company www.adarshmercantile.in.
- h. Disclosures of commodity price risks and commodity hedging activities :**
The Company is not associated with hedging activities.
- i. Risk Management :**
The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.
- j. CEO / CFO certification :**
The CEO/CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure D.
- k. Management Discussion and Analysis Report :**
The Management Discussion and Analysis Report as required under Regulation 34(2)(e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure F.
- (12) DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF**
There is no non-compliance of any requirement of Corporate Governance Report of above sub-para as detailed above, thus no explanations need to be given.
- (13) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**
- Office to Non-executive Chairperson: The Company has not appointed any permanent Chairman as such maintenance of separate office is not required.
 - Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
 - The financial statement of your Company is continued to be with unmodified audit opinion.
 - Separate posts of Chairperson & CEO. The Company has not appointed any Chairperson in the Company.
 - The Internal Auditors reports directly to the Audit Committee.
- (14) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**
As on 31st March, 2018, there are no outstanding shares of the Company lying in the demat suspense/ unclaimed suspense account.

(15) CODE OF CONDUCT :

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2018. Duties of the Independent Directors have suitably been incorporated in the code. The Code is displayed on the Company's website: **www.adarshmercantile.in** . A declaration signed by **the Executive Director & CEO** is annexed as **Annexure 'E'**.

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

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

The Company has complied with the requirements of aforesaid Regulations.

ANNEXURE - C TO THE DIRECTORS' REPORT

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

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

I have examined the Compliance of Corporate Governance by M/s. Adarsh Mercantile Limited for the Financial Year 2017-18, as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with Stock Exchange.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Kolkata

Date: 14.08.2018

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

ANNEXURE - D TO THE DIRECTORS' REPORT

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

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

Dear Sir(s),

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

1. We have reviewed financial statements and the cash flow statement for the financial year 2017-18 and to our best of knowledge, belief and information -
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To our best of knowledge and belief, no transactions entered into by the Company during the financial year 2017-18 are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken or propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee :
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Adarsh Mercantile Limited
Place: Kolkata**

Date: 14.08.2018

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

*Sd/-
Shiv Shankar Sharma
Chief Finance Officer*

ANNEXURE - E TO THE DIRECTORS' REPORT

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

I, Suchita Chhawchharia, Executive Director-CEO of M/s. **Adarsh Mercantile Limited** declare that as of 31st March, 2018 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For Adarsh Mercantile Limited

Place: Kolkata

Date: 14.08.2018

Sd/-
Suchita Chhawchharia
Executive Director
DIN: 00044063

ANNEXURE - F TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis report has been prepared in compliance with the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contains expectations and projections about the strategy for growth, product development, market position, expenditures and financial results. The Company's actual results, performance or achievements could differ from those projected in such forward looking statements on the basis of any subsequent development, information or events for which the Company do not bear any responsibility.

a) Industry structure and development:

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

b) Opportunities and threats/Risk and concerns:

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

c) Segment wise or product wise performance:

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

d) Outlook:

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

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

e) Internal control systems and their adequacy:

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

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

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017. These are the Company's first Ind AS Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

During the year under review the Company received dividend of Rs.2,53,227 as compared to Rs. 2,04,360 in the previous year. The interest income during the year was Rs.3,75,856 as against Rs. 10,30,059 in the corresponding previous year. The Company earned capital gains of Rs. 50,35,550 compared to Rs. 17,95,184 in the previous year. The trading activities of the Company resulted in a gain of Rs.27,11,149 during the year as compared to a gain of Rs. 6,82,062 during the previous year.

g) Developments in Human Resources:

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

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

There were 5 permanent employees on the rolls of Company as on March 31, 2018.

h) Cautionary statement:

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

ANNEXURE - G TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under :

(Amount in Lakhs)

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2017-18 (Rs. in lakhs)	% increase in Remuneration in the financial year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mrs. Suchita Chhawchharia Executive Director	1.20	NIL	1.11:1
2.	Mr. Shiv Shankar Sharma Chief Financial Officer	4.49	NIL	N.A.
3.	Ms. Arpita Dey Company Secretary & Compliance Officer	1.20	NIL	N.A.

Note:

1. No other Director other than the Executive Director received any remuneration during the financial year 2017-18.
2. The median remuneration of employees of the Company during the financial year was Rs. 1.08 lakhs compared to the previous year was Rs. 1.08 lakhs;
3. In the financial year, there was an increase of 0% in the median remuneration of employees;
4. There were 5 permanent employees on the rolls of Company as on March 31, 2018;
5. Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2017-18 was NIL whereas the increase in the managerial remuneration for the same financial year was NIL;
6. It is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 is as per the Remuneration Policy of the Company.

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

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

Sl. No.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2017-18 (Rs. in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Mrs. Suchita Chhawchharia	Executive Director	1.20	otherwise	MBA	01.04.15	40	Shaw Public School	N.A	N.A
2	Shiv Shankar Sharma	CFO	4.49	Permanent	Graduate 37 years	01.07.16	54	B.Chhawchharia & Co.	0.12 %	N.A
3	Arpita Dey	Company Secretary	1.20	Permanent	M.com, ACS 1 year and 7 months	16.01.17	27	Santosh Kumar Tibrewalla, PCS	N.A	N.A
4	Anirban Das	Jr. Executive	0.96	Permanent	H.S	01.04.16	36	N.A	N.A	N.A
5	Ramesh Barik	Jr. Executive	0.96	Permanent	H.S	01.04.16	29	N.A	N.A	N.A

- B. List of employees drawing a remuneration not less than Rs. 102.00 lakhs per annum or Rs. 8.50 lakhs per month, if employed for part of the year** : No employee in the Company has drawn remuneration falling under this category.
- C. There are no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Executive Director and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.
- D. There is no employee posted and working outside India not being directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.
- E. There were no employees who were in receipt of remuneration as required to be disclosed under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE - H TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Adarsh Mercantile Limited** (hereinafter called 'the Company') bearing **CIN : L51109WB1992PLC055082**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Adarsh Mercantile Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Adarsh Mercantile Limited ('the Company') for the financial year ended on 31st March, 2018, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **to the extent applicable**:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Listing Agreement entered into by the Company with the BSE Limited;

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

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place: Kolkata

Date: 04.08.2018

Signature	:	Sd/-
Name of Company		Subhajit Das
Secretary in practice :		
ACS No.	:	28815
C P No.	:	11049

ANNEXURE - I TO THE DIRECTORS' REPORT

MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L51109WB1992PLC055082
ii	Registration Date	01/04/1992
iii	Name of the Company	ADARSH MERCANTILE LIMITED
iv	Category / Sub-Category of the Company	Public Company limited by Shares
v	Address of the Registered office of and contact details	8A & 8B, SATYAM TOWERS, 3, ALIPORE ROAD KOLKATA – 700027 Phone No. – (033)24791951 Fax – (033) 24791952
vi	Whether listed company - Yes/No	Yes
vii	Name, Address and Contact details of Registrar and transfer Agent, if any	M/s. Niche Technologies Pvt. Ltd. Address: D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 E-mail id - nichetechpl@nichetechpl.com Phone No. – (033) 2235 7270 Fax –(033) – 2215 6823

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Share & Securities	N.A.	0.03
2	Raw Jute	46695	99.65

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2017)				No. of Shares held at the end of the year (As on 31 st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	105075	131650	236725	6.441	416725	-	416725	11.339	4.898
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	1493130	-	1493130	40.629	1493130	-	1493130	40.629	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1598205	131650	1729855	47.071	1909855	-	1909855	51.969	4.898
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1598205	131650	1729855	47.071	1909855	-	1909855	51.969	4.898

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	825000	35100	860100	23.404	644168	35100	679268	18.483	-4.921
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	-	40720	40720	1.108	514	40470	40984	1.115	0.007
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	220000	824125	1044125	28.412	220000	824375	1044375	28.418	0.006
c) Others (Trusts)	-	200	200	0.005	318	200	518	0.014	0.009
Sub-total (B)(2):-	1045000	900145	1945145	52.929	865000	900145	1765145	48.031	-4.898
Total Public Shareholding (B)=(B)(1)+(B)(2)	1045000	900145	1945145	52.929	865000	900145	1765145	48.031	-4.898
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	2643205	1031795	3675000	100.00	2774855	900145	3675000	100	Nil

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2017)			Shareholding at the end of the year (As on 31 st March, 2018)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	% change in share holding during the year
1	ASHISH CHHAWCHHARIA	30075	0.818	-	70075	1.907	-	1.089
2	ASHISH CHHAWCHHARIA (KARTA OF HUF)	90000	2.449	-	140000	3.810	-	1.361
3	AVON CREDIT PVT. LTD.	1493130	40.629	-	1493130	40.629	-	-
4	KSHITIZ CHHAWCHHARIA	30000	0.816	-	70000	1.905	-	1.089
5	KSHITIZ CHHAWCHHARIA (HUF)	86650	2.358	-	136650	3.719	-	1.361
	Total	1729855	47.071	-	1909855	51.969	-	4.898

iii) Change in Promoters' Shareholding :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ASHISH CHHAWCHHARIA				
	a) At the Beginning of the Year (01.04.2017)	30075	0.818	70075	1.907
	b) Changes during the year – Transfer 16/03/2018	40000	1.088	70075	1.907
2.	KSHITIZ CHHAWCHHARIA (KARTA OF HUF)				
	a) At the Beginning of the Year (01.04.2017)	86650	2.358	136650	3.719
	b) Changes during the year– Transfer 16/03/2018	50000	1.361	136650	3.719
3.	ASHISH CHHAWCHHARIA (KARTA OF HUF)				
	a) At the Beginning of the Year (01.04.2017)	90000	2.449	140000	3.810
	b) Changes during the year – Transfer 16/03/2018	50000	1.361	140000	3.810
4.	KSHITIZ CHHAWCHHARIA				
	a) At the Beginning of the Year (01.04.2017)	30000	0.816	70000	1.905
	b) Changes during the year– Transfer 16/03/2018	40000	1.089	70000	1.905

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

Sl. No	Names of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	HEMANGI VINIMOY PRIVATE LTD. At the Beginning of the year At the end of the year	170000	4.626	68	0.002
2.	KRISHNENDU MAITY At the Beginning of the year At the end of the year	180725	4.918	180725	4.918
3.	MADHU VERMA At the Beginning of the year At the end of the year	90000	2.449	90000	2.449
4.	NIRMALA SINGH At the Beginning of the year At the end of the year	75000	2.041	75000	2.041
5.	RAJ KUMAR SHAH (HUF) At the Beginning of the year At the end of the year	96000	2.612	96000	2.612
6.	RATAN KUMAR SEAL At the Beginning of the year At the end of the year	175000	4.762	175000	4.762
7.	SPECTRA VANIJYA PRIVATE LIMITED At the Beginning of the year At the end of the year	180000	4.898	180000	4.898
8.	SUJOY KUMAR MONDAL At the Beginning of the year At the end of the year	82500	2.245	82500	2.245
9.	WINY COMMERCIAL & FISCAL SERVICES LIMITED At the Beginning of the year At the end of the year	315000	8.571	315000	8.571
10.	YUKTHI SOLUTIONS PRIVATE LIMITED At the Beginning of the year At the end of the year	160000	4.354	149100	4.057
	TOTAL	1524225	41.476	1343393	36.555

v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Names of the Directors and KMP*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Aritra Basu – Non-Executive Director At the Beginning of the year At the end of the year	100	0.00	100	0.00

2.	Shiv Shankar Sharma – CFO & KMP At the Beginning of the year At the end of the year	45000	1.22	45000	1.22
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* Note: Other Directors on the Board and Key Managerial Personnel's are not holding any share of the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (1st April, 2017)				
i) Principal Amount		1,33,50,000		1,33,50,000
ii) Interest due but not paid	NIL	14,53,113	NIL	14,53,113
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	1,48,03,113	NIL	1,48,03,113
Change in Indebtedness during the financial year				
• Addition	NIL	58,13,305	NIL	58,13,305
• Reduction		(80,50,000)		(80,50,000)
Interest paid during the Financial Year		(14,79,630)		(14,79,630)
Net Change	NIL	(37,16,325)	NIL	(37,16,325)
Indebtedness at the end of the financial year (31st April, 2018)				
i) Principal Amount	NIL	99,50,000	NIL	99,50,000
ii) Interest due but not paid		11,36,788		11,36,788
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	1,10,86,788	NIL	1,10,86,788

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mrs. Suchita Chhawchharia (Executive Director)		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		1.20	1.20
			NIL	NIL
2	Stock Option		NIL	NIL
3	Sweat Equity		NIL	NIL
4	Commission - as % of profit - others, specify.....		NIL	NIL
5	Others, please specify		NIL	NIL
	Total (A)		1.20	1.20
	Ceiling as per the Act	Due to Inadequate profit ceiling applies as per Section II of Part II of Schedule V.		

B. Remuneration to other directors:

(Rs. in Lakhs)

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

	Directors				
	<ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				1.20
	Overall Ceiling as per the Act	1% of Net Profit during the financial year and Rs. 1,00,000 to each of the Director per meeting of Board or Committee thereof.			

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		ArpitaDey (Company Secretary)	Shiv Shankar Sharma (CFO)		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.20	4.49		5.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil		Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	Nil	Nil		Nil
3	Sweat Equity	Nil	Nil		Nil
4	Commission - as % of profit - others, specify.....	Nil	Nil		Nil
5	Others, please specify	Nil	Nil		Nil
	Total	1.20	4.49		5.69

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made,if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

Place : Kolkata
Date : 14.08.2018

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

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

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

ANNEXURE – J TO THE DIRECTORS’ REPORT

Form AOC-1

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

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

Part A : Subsidiaries

The Company has no subsidiary as on 31.03.2018.

Other information :

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

Part B : Associates and Joint Ventures:

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

Name of Associates or Joint Ventures	Associate Company : AVON CREDIT PVT. LTD.
1. Latest audited Balance Sheet Date	29.05.2018
2. Date on which the associate or joint venture was associated or acquired	08.05.2010
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.	Equity – 15,290 of Rs. 10/- each
Amount of Investment in Associates or Joint Venture	Rs. 3,14,500/-
Extend of Holding (in percentage)	31.62% - Equity
4. Description of how there is significant influence	Holding more than 20% of total share capital pursuant to Section 2(6) of Companies Act, 2013
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 21,32,487
7. Profit for the year	Rs. 5,84,892
i. Considered in Consolidation	Yes – Rs. 1,84,943
ii. Not Considered in Consolidation	N.A. –Rs. 3,99,949 as per Accounting Standards

Other information :

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

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

*Sd/-
SuchitaChhawchharia
Executive Director
DIN: 00044063*

*Sd/-
Aritra Basu
Director
DIN: 06779222*

*Sd/-
Shiv Shankar Sharma
Chief Financial Officer*

*Sd/-
Arpita Dey
Company Secretary*

Place : Kolkata

Date : 14.08.2018

Independent Auditor's Report

To the Members of ADARSH MERCANTILE LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of ADARSH MERCANTILE LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2017 and 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 30 May, 2017 and 30 May, 2016 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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

Sd/-
Subrata Roy
Partner
Membership No.: 051205

Kolkata
May 29, 2018

Annexure A

The Annexure referred to in Independent Auditor's Report of even date to the members of Adarsh Mercantile Limited, on the standalone financial statements for the year ended 31st March, 2018

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

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company maintains inventory of shares and securities. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	44,601	A.Y 2008-09	Assessing Officer, Income tax department

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

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

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

Sd/-
Subrata Roy
Partner

Kolkata
May 29, 2018

Membership No.: 051205

Annexure B to the Auditor's Report

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

1. In conjunction with our audit of the standalone financial statements of ADARSH MERCANTILE LIMITED ("the Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Sd/-
Subrata Roy
Partner
Membership No.: 051205

Kolkata
May 29, 2018

ADARSH MERCANTILE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	(In Rs)		
		As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		-	-	-
(b) Capital work-in-progress		-	-	-
(c) Investment Property	2	1,79,26,983	1,52,29,942	-
(d) Other Intangible Assets		-	-	-
(e) Financial Assets:	3			
(i) Investments		4,19,51,338	3,69,38,340	2,84,28,679
(ii) Trade Receivables		-	-	-
(iii) Loans		1,34,34,049	72,39,704	1,97,76,736
(iv) Others		-	-	-
(f) Deferred Tax Assets (net)		-	-	-
(g) Other Non-Current Assets		-	-	-
(2) Current assets				
(a) Inventories	4	39,46,222	13,99,174	14,05,218
(b) Financial Assets:	5			
(i) Investments		15,29,044	83,36,800	1,40,80,520
(ii) Trade Receivables		4,14,819	1,31,369	578
(iii) Cash and cash equivalents		2,59,649	6,33,766	2,46,526
(iv) Bank Balances other than (iii) above		-	-	-
(v) Loans		42,70,217	40,23,631	97,48,978
(vi) Other Financial Assets		1,01,200	-	-
(c) Current Tax Assets (net)	6	6,56,774	4,81,858	3,61,188
(d) Other current assets	7	32,81,115	92,67,715	70,27,228
TOTAL ASSETS		8,77,71,411	8,36,82,298	8,10,75,650
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	8	3,67,50,000	3,67,50,000	3,67,50,000
(b) Other Equity	9	3,74,30,265	3,17,45,409	2,97,01,141
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities:				
(i) Borrowings		-	-	-
(ii) Trade Payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non-current liabilities		-	-	-
(2) Current liabilities				
(a) Financial Liabilities:	10			
(i) Borrowings		99,50,000	1,33,50,000	1,38,00,000
(ii) Trade Payables		4,11,736	-	-
(iii) Other financial liabilities		11,36,788	14,53,113	6,26,282
(b) Other current liabilities	11	8,73,822	1,96,776	1,06,227
(c) Provisions	12	12,18,800	1,87,000	92,000
(d) Current Tax Liabilities (net)		-	-	-
TOTAL EQUITY AND LIABILITIES		8,77,71,411	8,36,82,298	8,10,75,650
Significant accounting policies and notes to financial statements	1	(0)		

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

As per our report of even date

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

Sd/-
Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharma
CFO

Sd/-
Arpita Dey
Company Secretary

ADARSH MERCANTILE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(In Rs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	13	1,10,68,376	56,31,617
II. Other income	14	79,83,168	19,24,402
III. Total Income (I+II)		1,90,51,544	75,56,019
IV. Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	15	1,08,69,132	49,38,512
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16	(25,47,048)	6,044
Employee benefits expense	17	8,81,274	6,46,582
Finance costs	18	12,92,563	16,25,552
Depreciation and amortisation expense		-	-
Other expenses	19	20,11,094	4,68,373
Total Expenses (IV)		1,25,07,015	76,85,063
V. Profit before exceptional items and tax (III-IV)		65,44,530	(1,29,044)
VI. Exceptional Items		-	-
VII. Profit/ (loss) before tax (V-VI)		65,44,530	(1,29,044)
VIII. Tax expense:			
(1) Current tax		12,18,800	1,25,000
(2) Deferred tax		-	-
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		53,25,730	(2,54,044)
X. Profit/ (loss) for the period from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (VIII-IX)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		53,25,730	(2,54,044)
XIV. Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or loss		3,48,040	22,95,070
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV. Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		56,73,770	20,41,027
XVI. Earning per equity share (for continuing operation):			
(1) Basic	20	1.45	(0.07)
(2) Diluted	20	1.45	(0.07)
XVII. Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII. Earning per equity share (for discontinued and continuing operation):			
(1) Basic		1.45	(0.07)
(2) Diluted		1.45	(0.07)

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

As per our report of even date

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

Sd/-
Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

For and on behalf of the Board

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

ADARSH MERCANTILE LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	31st March, 2018 Rs.	31st March, 2017 Rs.
Cash flow from operating activities		
Profit before tax	65,61,770	(1,29,044)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Net gain/(loss) on sale of Current Investments	(14,24,115)	(23,13,240)
Net gain/(loss) on sale of Non-current Investments	(36,11,434)	5,18,056
Rental Income	(80,400)	-
Unrealised Profit/(Loss) on fair valuation of Investments	(22,90,520)	11,00,201
Dividend Income from Current Investments	(90,196)	(79,620)
Dividend Income from Non-current investments	(1,27,886)	(1,19,740)
Interest Income on Fixed Deposit	(3,72,466)	(10,28,987)
Interest Expended	12,92,563	16,25,552
Operating profit before working capital changes	<u>(1,42,686)</u>	<u>(4,26,822)</u>
Movements in working capital :		
Decrease/(increase) in inventories	(25,47,048)	6,044
Decrease/(increase) in trade receivables	(2,83,450)	(1,30,791)
Increase/(decrease) in trade payables	4,11,736	-
Increase/(decrease) in Other current Liabilities	6,77,046	90,549
Cash generated from / (used in) operations	(18,84,401)	(4,61,020)
Direct taxes paid (net of refunds)	(3,50,802)	(1,47,425)
Net Cash flow from / (used in) operating activities (A)	<u>(22,35,203)</u>	<u>(6,08,445)</u>
Cash flow from investing activities		
Dividend received from Current Investments	90,196	79,620
Dividend received from Non-current investments	1,27,886	1,19,740
Net gain/(loss) on sale of Current Investments	14,24,115	23,13,240
Net gain/(loss) on sale of Non-current Investments	36,11,434	(5,18,056)
Rental Income	80,400	-
Unrealised Profit/(Loss) on fair valuation of Investments	22,90,520	(11,00,201)
Decrease/(increase) in Non-Current investments	(46,82,198)	(62,14,591)
Decrease/(increase) in Current investments	68,07,756	57,43,720
Proceeds from realization from Current Loans & advances (Net of Interest)	1,25,880	67,54,334
Decrease/(increase) in Non Current Loans and advances	(61,94,345)	1,25,37,032
Decrease/(increase) in Investment in Property	(26,97,041)	(1,52,29,942)
Decrease/(increase) in Other Financial Assets	(1,01,200)	-
Decrease/(increase) in other Current assets Investments	59,86,600	(22,40,487)
Net Cash flow from / (used in) investing activities (B)	<u>68,70,004</u>	<u>22,44,409</u>
Cash flow from financing activities		
Increase/(decrease) in Short term Borrowings	(34,00,000)	(4,50,000)
Interest paid (including funded interest on Term Loans)	(16,08,888)	(7,98,721)
Net Cash flow from / (used in) financing activities (C)	<u>(50,08,888)</u>	<u>(12,48,721)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,74,088)	3,87,243
Cash and cash equivalents at the beginning of the year	6,33,767	2,46,524
Cash and cash equivalents at the end of the year	<u>2,59,679</u>	<u>6,33,767</u>
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	2,26,436	4,85,115
Cash on hand	33,213	1,48,652
Total cash and cash equivalents	<u>2,59,649</u>	<u>6,33,767</u>

As per our report of even date

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

Sd/-
Subrata Roy
 Partner
 M. No. 051205

Kolkata
 May 29, 2018

For and on behalf of the Board

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

Statement of changes in Equity for the year ended March, 31, 2018

A. Equity Share Capital

	(in Rs.)
Balance as at April 1, 2016	3,67,50,000
Changes during the year	-
Balance as at March 31, 2017	3,67,50,000
Changes during the year	-
Balance as at March 31, 2018	3,67,50,000

B. Other Equity

Particulars	General Reserve	Retained earnings	Securities Premium
Balance as at April 01, 2016	1,05,21,423	1,91,79,718	-
Profit for the year	-	(2,54,044)	-
Other comprehensive income for the year, net of income tax	-	22,95,070	-
Total comprehensive income for the year	1,05,21,423	2,12,20,744	-
Income Tax Adjustments	-	3,242	-
Balance at March 31, 2017	1,05,21,423	2,12,23,986	-
Profit for the year	-	53,25,730	-
Other comprehensive income for the year, net of income tax	-	3,48,040	-
Total comprehensive income for the year	1,05,21,423	2,68,97,756	-
Income Tax Adjustments	-	11,086	-
Balance at March 31, 2018	1,05,21,423	2,69,08,842	-

As per our report of even date

For and on behalf of the Board

For Ray & Co.

Firm Registration No. 313124E

Chartered Accountants

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 29, 2018

Sd/-	}	Directors
Suchita Chhawchharia (DIN- 00044063)		
Sd/-	}	Directors
Aritra Basu (DIN- 06779222)		
Sd/-		CFO
Shiv Shankar Sharm		
Sd/-		Company Secretary
Arpita Dey		

1. Significant Accounting Policies

1.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statements upto the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company.

Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year's figure. In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity as given earlier under Previous GAAP and those considered in these accounts as per Ind AS as at March 31, 2017, and April 1, 2016 and also the Net Profit as per Previous GAAP and that arrived including Other Comprehensive Income under Ind AS for the year ended March 31, 2017 in Note no. 25.

The effect of amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share – Based Payment' as notified by Companies (Indian Accounting Standards) Amendments) Rules, 2017 are applicable w.e.f. 1st April, 2017; wherever applicable have been given effect to, there being no effect of amendments to IND AS 102.

1.2 Basis of Preparation

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

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

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

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

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

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

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

1.4 Property, Plant and Equipment

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

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

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

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

1.5 Intangible Assets

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

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

1.6 Impairment of Assets

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

1.7 Financial Assets and Financial Liabilities

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

1.8 Inventories

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

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

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

1.9 Revenue Recognition

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

1.10 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements

(iii) Contingent Assets are also not recognized in the financial statement and if material, are disclosed by way of notes.

1.11 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments.

Under IND AS, Investments are measured at fair value and accordingly, difference between the fair value and carrying value is recognised in the Statement of Profit and Loss.

1.12 Employee Benefits

(i) Short term Employee benefits are accrued in the year services are rendered by the employees.

(ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.

(iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.13 Taxes on Income

(i) Provision for Tax is made for current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

(iii) Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted. Since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 'Income Taxes'.

			As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	
2 Investment Property						
Residential Flat			1,79,26,983	1,52,29,942	-	
			<u>1,79,26,983</u>	<u>1,52,29,942</u>	<u>-</u>	
3 Non- Current Financial Assets						
(i) Investments						
a. Equity Shares (Quoted)						
Ashiana Housing Ltd.	33,782	51,99,050	16,282	37,05,783	16,282	21,37,827
Den Networks Ltd	-	-	500	41,375	-	-
Dhunseri Tea & Ind. Ltd.	862	2,37,136	862	2,84,460	862	2,11,190
Electrosteel Steels Ltd.	87,500	2,13,500	2,00,000	8,86,000	2,00,000	6,70,000
IFGL Refractories Ltd	252	63,189	750	1,62,113	-	-
India Bulls Real Estate Ltd	-	-	500	43,700	-	-
Intrasoft Technologies Ltd.	8,945	61,72,945	15,108	48,53,445	15,108	57,13,846
ITC Ltd. (FV Rs 1)	5,550	14,20,245	5,550	15,56,498	3,700	12,13,785
Jet Airways India Ltd	-	-	-	-	250	1,36,750
Jindal Poly Films Ltd	-	-	400	1,58,280	-	-
Jindal Steel & Power Ltd	-	-	500	60,475	-	-
Kolte Patil Dev Ltd	-	-	1,500	2,72,325	-	-
L & T Infotech Ltd	175	2,29,583	-	-	-	-
Mahindra CIE Auto Ltd	200	60,310	-	-	-	-
Manakia Industries Ltd	3,015	1,50,599	3,015	2,04,568	-	-
Motherson Sumi System Ltd	150	46,763	200	74,560	-	-
M T Educare Ltd	-	-	500	42,275	-	-
NIIT Technologies Ltd	-	-	150	12,615	-	-
Padmini Technologies Ltd.	13,000	80,600	13,000	80,600	13,000	80,600
Sancia Global Infraprojects Ltd.	500	245	500	245	500	360
Srikalahasthi Pipes Ltd	250	82,050	-	-	-	-
State Bank of India	700	1,75,070	-	-	-	-
Strides Arcolab Ltd	500	3,46,700	-	-	-	-
S Kumars.Com Ltd.	-	-	40,100	68,571	40,100	86,616
Sun Pharmaceuticals Ltd	-	-	50	34,385	-	-
Suzlon Energy Ltd	-	-	1,000	19,100	-	-
Texmaco Infrastructure Ltd	1,500	92,100	1,500	59,400	1,500	46,125
Tulip Telecom Ltd. (FV Rs 2)	300	459	300	459	300	459
United Breweries Ltd. (FV Rs 1)	1,450	13,73,368	1,450	11,17,298	1,450	11,94,800
		<u>1,59,43,910</u>		<u>1,37,38,529</u>		<u>1,14,92,357</u>
b. Equity Shares (Unquoted)						
Associates						
Avon Credit Pvt. Ltd.	15,290	3,14,500	15,290	3,14,500	15,290	3,14,500
Others						
BCCO Holdings Pvt. Ltd.	20,000	10,00,000	20,000	10,00,000	20,000	10,00,000
Bliss Tie-up Pvt. Ltd.	7,250	3,62,500	7,250	3,62,500	7,250	3,62,500
		<u>16,77,000</u>		<u>16,77,000</u>		<u>16,77,000</u>
c. Mutual Funds (Unquoted)						
Aditya Birla Sunlife Dynamic Bond Fund -Gr	-	-	-	-	1,67,993.014	44,25,070
Aditya Birla Sunlife Short Term Fund-Reg-Gr	88,128.968	58,55,888	88,128.968	54,87,949	-	-
HDFC Equity Fund - Dividend	7,684.597	3,83,853	7,684.597	4,21,907	7,684.597	3,30,538
HDFC Regular Savings Fund - Gr	4,809.399	1,65,606	4,809.399	1,55,872	-	-
ICICI Prudential Focused Blue Chip Fund (Growth)	33,693.743	13,01,926	33,693.743	11,57,043	33,693.743	9,27,252
ICICI Prudential Short Term Plan- Reg (Growth)	62,664.691	22,69,233	62,664.691	21,38,251	-	-
IDFC Dynamic Bond Fund Plan A (Growth)	-	-	-	-	1,14,270.565	34,00,738
IDFC Dynamic Bond Fund Regular Plan (Growth)	1,93,203.861	39,86,723	1,14,270.565	23,04,049	-	-
IDFC Premier Equity Fund Plan A - (Dividend)	4,650.001	1,54,709	4,650.001	1,49,757	4,650.001	1,33,910
Kotak Bond - Short Term (Growth)	1,09,391.171	35,48,365	1,09,391.171	33,62,247	1,09,391.171	30,82,293
Reliance Banking & PSU Debt Fund (Growth)	8,932.400	1,11,987	8,932.400	1,05,291	-	-
Reliance Dynamic Bond Fund (Growth)	1,17,205.708	27,16,805	1,17,205.708	26,20,743	1,17,205.708	23,51,592
Reliance Short Term Fund (Growth)	1,17,458.723	38,35,333	1,17,458.723	36,19,702	21,498.085	6,07,929
		<u>2,43,30,428</u>		<u>2,15,22,811</u>		<u>1,52,59,322</u>
Total (i)		<u>4,19,51,338</u>		<u>3,69,38,340</u>		<u>2,84,28,679</u>
(ii) Loans						
Capital Advances			88,55,524	26,61,179.00	1,52,47,611	
Loans & Advances - related parties			45,00,000	45,00,000	45,00,000	
Security Deposit			78,525	78,525	29,125	
			<u>1,34,34,049</u>	<u>72,39,704</u>	<u>1,97,76,736</u>	
4 Inventories						
Shares & Securities			39,46,222	13,99,174	14,05,218	
			<u>39,46,222</u>	<u>13,99,174</u>	<u>14,05,218</u>	

	31 March 2018		31 March 2017		31 March 2016	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)	Qty.	Amount (Rs)
5 Current Financial Assets						
(i) Investments in Mutual Funds						
Aditya Birla Sunlife Cash Manager Fund (Growth)	3,085.183	12,88,232	17,099.086	67,05,933	24,272.780	88,12,041
ICICI Prudential Flexible Income Plan (Growth)	722.470	2,40,812	722.470	2,24,933	722.469	2,06,786
IDFC Arbitrage Fund - Dividend Reinvest	-	-	94,672.345	11,97,690	89,425.495	11,27,307
Reliance Money Manager Fund-GR	-	-	92.860	2,08,243	-	-
Reliance Arbitrage Advantage Fund-Div Reinvest	-	-	-	-	1,15,863.342	12,16,357
Reliance Arbitrage Advantage Fund-Reg GR	-	-	-	-	96,075.987	15,15,656
Reliance Medium Term Fund- GR	-	-	-	-	38,310.928	12,02,373
		15,29,044		83,36,800		1,40,80,520
				As at	As at	As at
				31 March, 2018	31 March, 2017	01 April, 2016
(ii) Trade Receivables						
Unsecured, considered good						
Due for less than six months				4,14,819	1,31,369	578
				4,14,819	1,31,369	578
(iii) Cash and Cash Equivalents						
Balances with banks in Current Accounts				2,26,436	4,85,115	1,73,704
Cash on hand				33,213	1,48,652	72,820
				2,59,649	6,33,767	2,46,524
(iv) Loans						
Loans & Advances - other parties				29,62,217	27,15,631	84,33,060
Loans & Advances - related parties				13,08,000	13,08,000	13,15,918
				42,70,217	40,23,631	97,48,978
6 Current Tax Assets (net)						
Advance Taxes & TDS				6,56,774	4,81,858	3,61,188
				6,56,774	4,81,858	3,61,188
7 Other Current Assets						
Amount Receivable against Sale of Investment				32,67,715	32,67,715	70,27,228
Mutual Fund Application Money				-	60,00,000	-
Other Receivables				13,400	-	-
				32,81,115	92,67,715	70,27,228
8 Equity Share Capital						
a) Capital Structure						
Authorised						
40,00,000 Equity Shares of Rs. 10/- each (Previous year - 40,00,000 Equity Shares of Rs. 10/- each)				4,00,00,000	4,00,00,000	4,00,00,000
				4,00,00,000	4,00,00,000	4,00,00,000
Issued, Subscribed and Fully Paid Up						
36,75,000 Equity Shares of Rs. 10/- each (Previous year - 36,75,000 Equity Shares of Rs. 10/- each)				3,67,50,000	3,67,50,000	3,67,50,000
				3,67,50,000	3,67,50,000	3,67,50,000

b) Share Capital Reconciliation

Equity Shares	31 March 2018		31 March 2017		01 April 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Opening balance	36,75,000	36,75,000	36,75,000	36,75,000	36,75,000	36,75,000
Issued during the period	-	-	-	-	-	-
Closing Balance	36,75,000	36,75,000	36,75,000	36,75,000	36,75,000	36,75,000

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

	31 March 2018		31 March 2017		01 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Avon Credit Private Limited	14,93,130	40.63%	14,93,130	40.63%	14,93,130	40.63%
Winy Commercial & Fiscal Services Limited	3,15,000	8.57%	3,15,000	8.57%	3,15,000	8.57%

d) Terms of issue of equity shares

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

e) No shares have been reserved for issue under options and contracts / commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

g) No convertible securities have been issued by the Company during the year.

h) No calls are unpaid by any Director and Officer of the Company during the year.

i) The Company has not forfeited any shares.

9 Other Equity

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(i) General Reserve			
Balance b/f	2,45,000	2,45,000	2,45,000
(ii) General Reserve on Amalgamation			
Balance b/f	1,02,76,423	1,02,76,423	1,02,76,423
(iii) Retained Earnings			
Balance at the beginning of the year	1,29,03,082	1,31,53,884	86,03,828
Add: Income Tax Adjustments	11,086	3,242	-
Add: Profit for the year	53,25,730	(2,54,044)	45,50,056
Balance at the end of the year	1,82,39,898	1,29,03,082	1,31,53,884
(iv) Other Comprehensive Income			
Equity instrument through other comprehensive income	86,68,944	83,20,904	60,25,834
	86,68,944	83,20,904	60,25,834
Total	3,74,30,265	3,17,45,409	2,97,01,141

10 CURRENT FINANCIAL LIABILITIES

(i) Borrowings

Loans repayable on demand - from other parties (unsecured)	99,50,000	1,33,50,000	1,38,00,000
	99,50,000	1,33,50,000	1,38,00,000

(ii) Trade Payables

	4,11,736	-	-
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(iii) Other Financial Liabilities

Interest accrued and due on borrowings	11,36,788	14,53,113	6,26,282
	11,36,788	14,53,113	6,26,282

11 OTHER CURRENT LIABILITIES

Security Deposit (Rent)	13,400	13,400	-
Other payables			
Statutory Dues Payables	3,09,162	1,62,663	69,587
Others Payables (Year end accruals for expenses)	5,51,260	20,713	36,640
	8,73,822	1,96,776	1,06,227

12 CURRENT PROVISIONS

Other Provisions - for Income Tax	12,18,800	1,87,000	92,000
	12,18,800	1,87,000	92,000

	<u>31 March, 2018</u>	<u>31 March, 2017</u>
	Rs	Rs
13 REVENUE FROM OPERATIONS		
<u>Sale of Products</u>		
Shares & Securities	3,419	7,14,681
Raw Jute	<u>1,10,29,813</u>	<u>49,11,936</u>
	1,10,33,232	56,26,617
<u>Other Operating Income</u>		
Dividend Income	35,144	5,000
	<u>35,144</u>	<u>5,000</u>
Total	1,10,68,376	56,31,617
14 OTHER INCOME		
Net gain/(loss) on sale of Current Investments	14,24,115	23,13,240
Net gain/(loss) on sale of Non-current Investments	36,11,434	(5,18,056)
Rental Income	80,400	-
Unrealised Profit/(Loss) on fair valuation of Investments	22,73,280	(11,00,201)
Dividend Income from Current Investments	90,196	79,620
Dividend Income from Non-current investments	1,27,886	1,19,740
Interest income on Income Tax Refund	3,390	1,072
Interest income on deposits	3,72,466	10,28,987
	<u>79,83,168</u>	<u>19,24,402</u>
15 PURCHASES OF STOCK-IN-TRADE		
Shares & Securities	-	1,60,947
Raw Jute	<u>1,08,69,132</u>	<u>47,77,565</u>
	1,08,69,132	49,38,512
16 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
<u>Inventories at the beginning of the year</u>		
Shares & Securities	13,99,174	14,05,218
<u>Inventories at the end of the year</u>		
Shares & Securities	39,46,222	13,99,174
	<u>(25,47,048)</u>	<u>6,044</u>
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus & Allowances	8,81,274	6,46,582
	<u>8,81,274</u>	<u>6,46,582</u>
18 FINANCE COSTS		
Interest expense	12,92,563	16,25,552
	<u>12,92,563</u>	<u>16,25,552</u>
19 OTHER EXPENSES		
Advertisement expenses	14,035	14,220
<u>Auditors' Remuneration</u>		
-Audit Fees	10,030	13,800
-Tax Audit Fees	4,130	-
Brokerage & Commission	10,57,576	-
Listing expenses	3,35,343	2,80,613
Maintenance Charges (Net)	45,176	1,04,371
Miscellaneous expenses	40,154	44,159
Professional charges	5,00,000	6,810
Rates & Taxes	4,650	4,400
	<u>20,11,094</u>	<u>4,68,373</u>

20 EARNING PER SHARE (EPS)

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

	<u>31 March, 2018</u>	<u>31 March, 2017</u>
Net Profit / (Loss) attributable to equity shareholders	53,25,730	(2,54,044)
Weighted average number of equity shares in calculating EPS	36,75,000	36,75,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	1.45	(0.07)

21 CONTINGENT LIABILITIES

	<u>As at 31 March, 2018</u>	<u>As at 31 March, 2017</u>	<u>As at 01 April, 2016</u>
Contingent Liability in respect of contested demand of AY 2007-08	6,686	6,686	6,686
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601	44,601

22 SEGMENT REPORTING

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

23 RELATED PARTY DISCLOSURES

As required by IND AS 24 'Related Party Disclosures', the disclosure of transactions with related parties are given below:

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

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

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

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

3. Associates

Avon Credit Private Limited

(ii) Transactions with related parties during the period

<u>Sl.</u>	<u>Name of the Related Party</u>	<u>31 March, 2018</u>	<u>31 March, 2017</u>
1	Avon Credit Private Limited <u>Closing Balance:</u> Year end Investments	3,14,500	3,14,500
2	BCCO Commodities Private Limited <u>Closing Balance:</u> Year end receivables	45,00,000	45,00,000
3	BCCO Holdings Private Limited <u>Transactions</u> Interest received <u>Closing Balance:</u> Year end Investments Year end receivables	1,20,000 10,00,000 13,08,000	1,20,000 10,00,000 13,08,000
4	Aster Dealcom Pvt. Ltd. <u>Closing Balance:</u> Year end receivables	32,67,715	32,67,715
5	Mr. Shiv Shankar Sharma <u>Transactions</u> Salary Paid during the Year	4,49,274	2,65,421
6	Mrs. Suchita Chhawchharia <u>Transactions</u> Salary Paid during the Year	1,20,000	1,20,000

24 ACCOUNTING FOR TAXES ON INCOME

Provision for Tax is made for current and deferred taxes.

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

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

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

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

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

25 FIRST-TIME ADOPTION OF IND AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP or IGAAP"). An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from IGAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A1. Ind AS optional exemptions**(a) Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and Investment property covered by Ind AS 40 'Investment Properties'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their IGAAP carrying value.

(b) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A2. Ind AS mandatory exceptions**(a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model and fair value of the investment property in accordance with Ind AS at the date of transition as these were not required under IGAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS. The presentation requirements under IGAAP differs from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2016 and March 31, 2017.

Reconciliation of Equity as at date of transition (April 1, 2016)

Rs. in lakhs

Particulars	Notes to first time adoption	IGAAP*	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		-	-	-
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Other Intangible assets		-	-	-
(e) Financial Assets				
(i) Investments		183.97	100.32	284.29
(ii) Trade receivables		-	-	#REF!
(iii) Loans		197.77	-	197.77
(iv) Others		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets		-	-	-
Total Non-current assets		381.74	100.32	#REF!
Current assets				
(a) Inventories		13.16	0.89	14.05
(b) Financial Assets				
(i) Investments		136.56	4.25	140.81
(ii) Trade receivables		0.01	-	0.01
(iii) Cash and cash equivalents		2.47	-	2.47
(iv) Bank balances other than(iii) above		-	-	-
(v) Loans		40.24	-	97.49
(vi) Others		-	-	-
(c) Current Tax Assets (Net)		3.61	-	3.61
(d) Other current assets		70.27	-	70.27
Total Current assets		266.32	5.14	328.70
Total Assets		648.06	105.45	#REF!

EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	367.50	-	367.50
(b) Other Equity	191.56	105.45	297.01
Total Equity	559.06	105.45	664.51
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	-	-	-
(iii) Others	-	-	-
(b) Provisions	-	-	-
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	-	-	-
Total Non-current liabilities	-	-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	138.00	-	138.00
(ii) Trade payables	-	-	-
(iii) Others	6.26	-	6.26
(b) Other current liabilities	1.06	-	1.06
(c) Provisions	0.93	-	0.93
(d) Current Tax Liabilities (Net)	-	-	-
Total Current liabilities	146.25	-	146.25
Total Equity and Liabilities	705.31	105.45	810.76

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Equity as at March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to Ind AS	Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	-	-	-
(b) Capital work-in-progress	-	-	-
(c) Investment Property	152.30	-	152.30
(d) Other Intangible assets	-	-	-
(e) Financial Assets			
(i) Investments	258.04	111.34	369.38
(ii) Trade receivables	-	-	-
(iii) Loans	72.40	-	72.40
(iv) Others	-	-	-
(f) Deferred tax assets (net)	-	-	-
(g) Other non-current assets	-	-	-
Total Non-current assets	482.74	111.34	594.08
Current assets			
(a) Inventories	11.20	2.79	13.99
(b) Financial Assets			
(i) Investments	78.21	5.16	83.37
(ii) Trade receivables	1.31	-	1.31
(iii) Cash and cash equivalents	6.34	-	6.34
(iv) Bank balances other than(iii) above	-	-	-
(v) Loans	40.24	-	40.24
(vi) Others	-	-	-
(c) Current Tax Assets (Net)	4.82	-	4.82
(d) Other current assets	92.68	-	92.68
Total Current assets	234.80	7.95	242.74
Total Assets	717.54	119.28	836.82
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	367.50	-	367.50
(b) Other Equity	198.17	119.28	317.45
Total Equity	565.67	119.28	684.95
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	-	-	-
(iii) Others	-	-	-
(b) Provisions	-	-	-
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	-	-	-
Total Non-current liabilities	-	-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	133.50	-	133.50
(ii) Trade payables	-	-	-
(iii) Others	14.53	-	14.53
(b) Other current liabilities	1.97	-	1.97
(c) Provisions	1.87	-	1.87
(d) Current Tax Liabilities (Net)	-	-	-
Total Current liabilities	151.87	-	151.87
Total Equity and Liabilities	717.54	119.28	836.82

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to Ind AS	Ind AS
Revenue from operations	56.32		56.32
Other income	30.24	(11.00)	19.24
Total Income	86.56	(11.00)	75.56
Expenses :			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	49.39	-	49.39
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.96	(1.90)	0.06
Employee benefits expense	6.47	-	6.47
Finance Costs	16.26	-	16.26
Depreciation and amortization expenses		-	-
Other expenses	4.68	-	4.68
Total expenses	78.76	(1.90)	76.85
Profit/(Loss) before exceptional items and tax	7.80	(9.09)	(1.29)
Exceptional Items	-	-	-
Profit / (Loss) before tax			
Tax Expenses	1.25	-	1.25
Profit / (Loss) for the period	6.55	(9.09)	(2.54)
Other Comprehensive Income			
A) i. Items that will not be reclassified to profit or loss	-	22.95	22.95
ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B) i. Items that will be reclassified to profit or loss	-	-	-
ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income, net of income tax	-	22.95	22.95
Total Comprehensive income for the period	6.55	13.86	20.41

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

Rs. in lakhs

	March 31, 2017	April 1, 2016
Total Equity (Shareholder's Funds) as per IGAAP	565.67	559.06
Adjustments:		
Net impact on Fair valuation of Investments and Inventories	119.28	105.45
Total Adjustments	119.28	105.45
Total Equity as per IND AS	684.95	664.51

Impact of IND AS adoption on the statement of Cash Flows for the year ended March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to Ind AS	Ind AS
Net cash generated from Operating Activities	163.15	(169.23)	(6.08)
Net cash generated from Investing Activities	(138.52)	160.96	22.44
Net cash generated from Financing Activities	(20.76)	8.27	(12.49)
Net increase in cash and cash equivalents	3.87	0.00	3.87
Cash and Cash Equivalents as at April 1, 2016	2.47	-	2.47
Cash and Cash Equivalents as at March 31, 2017	6.34	(0.00)	6.34

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

26 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT 2006

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

27 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES

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

As per our report of even date

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

Sd/-
Subrata Roy
 Partner
 M. No. 051205

Kolkata
 May 29, 2018

For and on behalf of the Board

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

Directors

Sd/-
 Shiv Shankar Sharma
 CFO
 Sd/-
 Arpita Dey
 Company Secretary

Independent Auditor's Report

To the Members of ADARSH MERCANTILE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of ADARSH MERCANTILE LIMITED ('the Company') and its associates comprising of the Consolidated balance sheet as at 31st March 2018, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of cash flows and the Consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that gives a true and fair view of the Consolidated state of affairs (financial position), Consolidated Profit or loss (financial performance including other comprehensive income), Consolidated cash flows and Consolidated changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the company and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and its associate for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the company, as aforesaid.

Auditor's Responsibility

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

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

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement and other financial information of the associate, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Company as at 31st March, 2018, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Other Matter(s)

The consolidated financial statements includes the Group's share of net profit of Rs 66,71,042 for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Company so far as it appears from our examination of those books;
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- d. in our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- e. on the basis of the written representations received from the directors of the company and its associate, as on 31st March 2018, taken on record by the Board of Directors of the company and its associate company incorporated in India, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and its associate company incorporated in India and the operating effectiveness of such controls refer to our separate report in Annexure 'A'.
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated financial statement disclosed the impact of pending litigations on its consolidated financial position of the company and its associate. Refer note no. 2.29 to the consolidated financial statements.
- (ii) Provision has been made in the consolidated Financial statement, as required under the applicable laws or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There were no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Kolkata
May 29, 2018

Sd/-
Subrata Roy
Partner
Membership No. 051205

Annexure A to the Auditor's Report

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

In conjunction with our audit of the Consolidated financial statements of Adarsh Mercantile Limited ("the Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company and its associate company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Other Matters

We did not audit the IFCoFR insofar as it relates to one associate company, which is a company incorporated in India, in respect of which, the Group's share of net profit of Rs 66,71,042 for the year ended 31 March 2018 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Company, and its associate company, which is a company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid associate companies, which are companies incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

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

Kolkata
May 29, 2018

Sd/-
Subrata Roy
Partner
Membership No. 051205

ADARSH MERCANTILE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	(In Rs)		
		As at Mar 31, 2018	As at Mar 31, 2017	As at Apr 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		-	-	-
(b) Capital work-in-progress		-	-	-
(c) Investment Property	2	17,926,983	15,229,942	-
(d) Other Intangible Assets		-	-	-
(e) Financial Assets:	3			
(i) Investments		44,712,043	38,701,772	30,069,007
(ii) Trade Receivables		-	-	-
(iii) Loans		13,434,049	7,239,704	19,776,736
(iv) Others		-	-	-
(f) Deferred Tax Assets (net)		-	-	-
(g) Other Non-Current Assets		-	-	-
(2) Current assets				
(a) Inventories	4	3,946,222	1,399,174	1,405,218
(b) Financial Assets:	5			
(i) Investments		1,529,044	8,336,800	14,080,520
(ii) Trade Receivables		414,819	131,369	578
(iii) Cash and cash equivalents		259,649	633,766	246,526
(iv) Bank Balances other than (iii) above		-	-	-
(v) Loans		4,270,217	4,023,631	9,748,978
(vi) Other Financial Assets		101,200	-	-
(c) Current Tax Assets (net)	6	656,774	481,858	361,188
(d) Other current assets	7	3,281,115	9,267,715	7,027,228
TOTAL ASSETS		90,532,115	85,445,731	82,715,978
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	8	36,750,000	36,750,000	36,750,000
(b) Other Equity	9	40,190,969	33,508,842	31,341,469
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities:				
(i) Borrowings		-	-	-
(ii) Trade Payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non-current liabilities		-	-	-
(2) Current liabilities				
(a) Financial Liabilities:	10			
(i) Borrowings		9,950,000	13,350,000	13,800,000
(ii) Trade Payables		411,736	-	-
(iii) Other financial liabilities		1,136,788	1,453,113	626,282
(b) Other current liabilities	11	873,822	196,776	106,227
(c) Provisions	12	1,218,800	187,000	92,000
(d) Current Tax Liabilities (net)		-	-	-
TOTAL EQUITY AND LIABILITIES		90,532,115	85,445,731	82,715,978
Significant accounting policies and notes to financial statements	1			

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

As per our report of even date

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

Sd/-
Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharma CFO

Sd/-
Arpita Dey Company Secretary

ADARSH MERCANTILE LIMITED
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(In Rs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	13	11,068,376	5,631,617
II. Other income	14	7,983,168	1,924,402
III. Total Income (I+II)		19,051,544	7,556,019
IV. Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	15	10,869,132	4,938,512
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16	(2,547,048)	6,044
Employee benefits expense	17	881,274	646,582
Finance costs	18	1,292,563	1,625,552
Depreciation and amortisation expense		-	-
Other expenses	19	2,011,094	468,373
Total Expenses (IV)		12,507,015	7,685,063
V. Profit before exceptional items and tax (III-IV)		6,544,530	(129,044)
VI. Exceptional Items		-	-
VII. Profit/ (loss) before tax (V-VI)		6,544,530	(129,044)
VIII. Tax expense:			
(1) Current tax		1,218,800	125,000
(2) Deferred tax		-	-
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		5,325,730	(254,044)
X. Profit/ (loss) for the period from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/ (loss) from discontinued operations (after tax) (VIII-IX)		-	-
XIII. Profit/ (loss) for the period (IX+XII)		5,325,730	(254,044)
Share of Profit/(Loss) of Associates		997,272	123,104
XIV. Profit/(Loss) for the Period (after adjustment of share of profit of associate) (VII - VIII)		6,323,002	(130,940)
XV. Other Comprehensive Income:			
A			
(i) Items that will not be reclassified to profit or loss		348,040	2,295,070
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVI. Total Comprehensive Income for the period (XI+XII)		6,671,042	2,164,131
XVII. Earning per equity share (for continuing operation):			
(1) Basic	20	1.45	(0.07)
(2) Diluted	20	1.45	(0.07)
XVIII. Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XIX. Earning per equity share (for discontinued and continuing operation):			
(1) Basic		1.45	(0.07)
(2) Diluted		1.45	(0.07)

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

As per our report of even date

For Ray & Co.

Firm Registration No. 313124E

Chartered Accountants

Sd/-

Subrata Roy

Partner

M. No. 051205

Kolkata

May 29, 2018

For and on behalf of the Board

Sd/-

Suchita Chhawchharia
(DIN- 00044063)

Sd/-

Aritra Basu
(DIN- 06779222)

Directors

Sd/-

Shiv Shankar Sharma

CFO

Sd/-

Arpita Dey

Company Secretary

ADARSH MERCANTILE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	31st March, 2018 Rs.	31st March, 2017 Rs.
Cash flow from operating activities		
Profit before tax	6,561,770	(129,044)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Net gain/(loss) on sale of Current Investments	(1,424,115)	(2,313,240)
Net gain/(loss) on sale of Non-current Investments	(3,611,434)	518,056
Rental Income	(80,400)	-
Unrealised Profit/(Loss) on fair valuation of Investments	(2,290,520)	1,100,201
Dividend Income from Current Investments	(90,196)	(79,620)
Dividend Income from Non-current investments	(127,886)	(119,740)
Interest Income on Fixed Deposit	(372,466)	(1,028,987)
Interest Expended	1,292,563	1,625,552
Operating profit before working capital changes	<u>(142,686)</u>	<u>(426,822)</u>
Movements in working capital :		
Decrease/(increase) in inventories	(2,547,048)	6,044
Decrease/(increase) in trade receivables	(283,450)	(130,791)
Increase/(decrease) in trade payables	411,736	-
Increase/(decrease) in Other current Liabilities	677,046	90,549
Cash generated from / (used in) operations	<u>(1,884,401)</u>	<u>(461,020)</u>
Direct taxes paid (net of refunds)	<u>(350,802)</u>	<u>(147,425)</u>
Net Cash flow from / (used in) operating activities (A)	<u>(2,235,203)</u>	<u>(608,445)</u>
Cash flow from investing activities		
Dividend received from Current Investments	90,196	79,620
Dividend received from Non-current investments	127,886	119,740
Net gain/(loss) on sale of Current Investments	1,424,115	2,313,240
Net gain/(loss) on sale of Non-current Investments	3,611,434	(518,056)
Rental Income	80,400	-
Unrealised Profit/(Loss) on fair valuation of Investments	2,290,520	(1,100,201)
Decrease/(increase) in Non-Current investments	(4,682,198)	(6,214,591)
Decrease/(increase) in Current investments	6,807,756	5,743,720
Proceeds from realization from Current Loans & advances (Net of Interest)	125,880	6,754,334
Decrease/(increase) in Non Current Loans and advances	(6,194,345)	12,537,032
Decrease/(increase) in Investment in Property	(2,697,041)	(15,229,942)
Decrease/(increase) in Other Financial Assets	(101,200)	-
Decrease/(increase) in other Current assets Investments	5,986,600	(2,240,487)
Net Cash flow from / (used in) investing activities (B)	<u>6,870,004</u>	<u>2,244,409</u>
Cash flow from financing activities		
Increase/(decrease) in Short term Borrowings	(3,400,000)	(450,000)
Interest paid (including funded interest on Term Loans)	(1,608,888)	(798,721)
Net Cash flow from / (used in) financing activities (C)	<u>(5,008,888)</u>	<u>(1,248,721)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(374,088)	387,243
Cash and cash equivalents at the beginning of the year	633,767	246,524
Cash and cash equivalents at the end of the year	<u>259,679</u>	<u>633,767</u>
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	226,436	485,115
Cash on hand	33,213	148,652
Total cash and cash equivalents	<u>259,649</u>	<u>633,767</u>

As per our report of even date

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

Sd/-
Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharma CFO

Sd/-
Arpita Dey Company Secretary

Statement of changes in Equity for the year ended March, 31, 2018

A. Equity Share Capital

	(in Rs.)
Balance as at April 1, 2016	36,750,000
Changes during the year	-
Balance as at March 31, 2017	36,750,000
Changes during the year	-
Balance as at March 31, 2018	36,750,000

B. Other Equity

Particulars	General Reserve	Retained earnings	Securities Premium
Balance as at April 01, 2016	10,521,423	20,820,046	-
Profit for the year	-	(130,940)	-
Other comprehensive income for the year, net of income tax	-	2,295,070	-
Total comprehensive income for the year	10,521,423	22,984,177	-
Income Tax Adjustments	-	3,242	-
Balance at March 31, 2017	10,521,423	22,987,419	-
Profit for the year	-	6,323,002	-
Other comprehensive income for the year, net of income tax	-	348,040	-
Total comprehensive income for the year	10,521,423	29,658,460	-
Income Tax Adjustments	-	11,086	-
Balance at March 31, 2018	10,521,423	29,669,546	-

As per our report of even date

For and on behalf of the Board

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

Sd/-

Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

Sd/-
Suchita Chhawchhanja
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharr CFO

Sd/-
Arpita Dey Company Secretary

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

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

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

Name of Companies	Company of Incorporation/ Formation	% of Voting Power/Profit sharing as on 31.03.18	% of Voting Power/Profit sharing as on 31.03.17
Associates			
1 Avon Credit Pvt. Ltd.	India	31.62%	31.62%

1.2 Basis of Preparation

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, read with section 133 of the Companies Act, 2013. The Company had prepared and presented its Consolidated financial statements in accordance with the requirements of previously applicable Generally Accepted Accounting Principles (GAAP) till the year ended 31 March 2017, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS Consolidated financial statements. The date of transition is 01 April 2016. Refer note no. 25 for the details of first time exemptions availed by the company.

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

The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements including the preparation of the opening Ind AS Balance Sheet as at 01 April 2016 being the date of transition to the Ind AS.

Principles of Consolidation

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

Investments in Associate

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

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

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

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

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

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

1.4 Property, Plant and Equipment

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

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

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

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

1.5 Intangible Assets

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

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

1.6 Impairment of Assets

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

1.7 Financial Assets and Financial Liabilities

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

1.8 Inventories

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

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

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

1.9 Revenue Recognition

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

1.10 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions involving substantial degree of estimation in measurement are recognized at discounted amount (other than current) when there is a legal or constructive obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements

(iii) Contingent Assets are also not recognized in the financial statement and if material, are disclosed by way of notes.

1.11 Investments

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

1.12 Employee Benefits

(i) Short term Employee benefits are accrued in the year services are rendered by the employees.

(ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.

(iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.13 Taxes on Income

(i) Provision for Tax is made for current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

(iii) Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted. Since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 'Income Taxes'.

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
2 Investment Property			
Residential Flat	17,926,983	15,229,942	-
	<u>17,926,983</u>	<u>15,229,942</u>	<u>-</u>

	31 March 2018		31 March 2017		31 March 2016	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)	Qty.	Amount (Rs)
3 Non- Current Financial Assets						
(i) Investments						
a. Equity Shares (Quoted)						
Ashiana Housing Ltd.	33,782	5,199,050	16,282	3,705,783	16,282	2,137,827
Den Networks Ltd	-	-	500	41,375	-	-
Dhunseri Tea & Ind. Ltd.	862	237,136	862	284,460	862	211,190
Electrosteel Steels Ltd.	87,500	213,500	200,000	886,000	200,000	670,000
IFGL Refractories Ltd	252	63,189	750	162,113	-	-
India Bulls Real Estate Ltd	-	-	500	43,700	-	-
Intrasoft Technologies Ltd.	8,945	6,172,945	15,108	4,853,445	15,108	5,713,846
ITC Ltd. (FV Rs 1)	5,550	1,420,245	5,550	1,556,498	3,700	1,213,785
Jet Airways India Ltd	-	-	-	-	250	136,750
Jindal Poly Films Ltd	-	-	400	158,280	-	-
Jindal Steel & Power Ltd	-	-	500	60,475	-	-
Kolte Patil Dev Ltd	-	-	1,500	272,325	-	-
L & T Infotech Ltd	175	229,583	-	-	-	-
Mahindra CIE Auto Ltd	200	60,310	-	-	-	-
Manaksia Industries Ltd	3,015	150,599	3,015	204,568	-	-
Motherson Sumi System Ltd	150	46,763	200	74,560	-	-
M T Educare Ltd	-	-	500	42,275	-	-
NIIT Technologies Ltd	-	-	150	12,615	-	-
Padmini Technologies Ltd.	13,000	80,600	13,000	80,600	13,000	80,600
Sancia Global Infraprojects Ltd.	500	245	500	245	500	360
Srikalahasthi Pipes Ltd	250	82,050	-	-	-	-
State Bank of India	700	175,070	-	-	-	-
Strides Arcolab Ltd	500	346,700	-	-	-	-
S Kumars.Com Ltd.	-	-	40,100	68,571	40,100	86,616
Sun Pharmaceuticals Ltd	-	-	50	34,385	-	-
Suzlon Energy Ltd	-	-	1,000	19,100	-	-
Texmaco Infrastructure Ltd	1,500	92,100	1,500	59,400	1,500	46,125
Tulip Telecom Ltd. (FV Rs 2)	300	459	300	459	300	459
United Breweries Ltd. (FV Rs 1)	1,450	1,373,368	1,450	1,117,298	1,450	1,194,800
		<u>15,943,910</u>		<u>13,738,529</u>		<u>11,492,357</u>
b. Equity Shares (Unquoted)						
Associates						
Avon Credit Pvt. Ltd.(#)						
(i) Cost of Investment (excluding Rs 8,14,413 (PY Rs 8,14,413) of Capital Reserve on consolidation)	15,290	314,500	15,290	314,500	15,290	314,500
(ii) Share of Post Acquisition Profit (Net of Losses)		2,760,704		1,763,432		1,640,328
		<u>3,075,204</u>		<u>2,077,932</u>		<u>1,954,828</u>
Others						
BCCO Holdings Pvt. Ltd.	20,000	1,000,000	20,000	1,000,000	20,000	1,000,000
Bliss Tie-up Pvt. Ltd.	7,250	362,500	7,250	362,500	7,250	362,500
		<u>4,437,704</u>		<u>3,440,432</u>		<u>3,317,328</u>
c. Mutual Funds (Unquoted)						
Aditya Birla Sunlife Dynamic Bond Fund -Gr	-	-	-	-	167,993.014	4,425,070
Aditya Birla Sunlife Short Term Fund-Reg-Gr	88,128.968	5,855,888	88,128.968	5,487,949	-	-
HDFC Equity Fund - Dividend	7,684.597	383,853	7,684.597	421,907	7,684.597	330,538
HDFC Regular Savings Fund - Gr	4,809.399	165,606	4,809.399	155,872	-	-
ICICI Prudential Focused Blue Chip Fund (Growth)	33,693.743	1,301,926	33,693.743	1,157,043	33,693.743	927,252
ICICI Prudential Short Term Plan- Reg (Growth)	62,664.691	2,269,233	62,664.691	2,138,251	-	-
IDFC Dynamic Bond Fund Plan A (Growth)	-	-	-	-	114,270.565	3,400,738
IDFC Dynamic Bond Fund Regular Plan (Growth)	193,203.861	3,986,723	114,270.565	2,304,049	-	-
IDFC Premier Equity Fund Plan A - (Dividend)	4,650.001	154,709	4,650.001	149,757	4,650.001	133,910
Kotak Bond - Short Term (Growth)	109,391.171	3,548,365	109,391.171	3,362,247	109,391.171	3,082,293
Reliance Banking & PSU Debt Fund (Growth)	8,932.400	111,987	8,932.400	105,291	-	-
Reliance Dynamic Bond Fund (Growth)	117,205.708	2,716,805	117,205.708	2,620,743	117,205.708	2,351,592
Reliance Short Term Fund (Growth)	117,458.723	3,835,333	117,458.723	3,619,702	21,498.085	607,929
		<u>24,330,428</u>		<u>21,522,811</u>		<u>15,259,322</u>
Total (i)		<u>44,712,043</u>		<u>38,701,772</u>		<u>30,069,007</u>

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

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(ii) Loans			
Capital Advances	8,855,524	2,661,179.00	15,247,611
Loans & Advances - related parties	4,500,000	4,500,000	4,500,000
Security Deposit	78,525	78,525	29,125
	<u>13,434,049</u>	<u>7,239,704</u>	<u>19,776,736</u>

4 Inventories			
Shares & Securities	3,946,222	1,399,174	1,405,218
	<u>3,946,222</u>	<u>1,399,174</u>	<u>1,405,218</u>

	31 March 2018		31 March 2017		31 March 2016	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)	Qty.	Amount (Rs)
5 Current Financial Assets						
<u>(i) Investments in Mutual Funds</u>						
Aditya Birla Sunlife Cash Manager Fund (Growth)	3,085.183	1,288,232	17,099.086	6,705,933	24,272.780	8,812,041
ICICI Prudential Flexible Income Plan (Growth)	722.470	240,812	722.470	224,933	722.469	206,786
IDFC Arbitrage Fund - Dividend Reinvest	-	-	94,672.345	1,197,690	89,425.495	1,127,307
Reliance Money Manager Fund-GR	-	-	92.860	208,243	-	-
Reliance Arbitrage Advantage Fund-Div Reinvest	-	-	-	-	115,863.342	1,216,357
Reliance Arbitrage Advantage Fund-Reg GR	-	-	-	-	96,075.987	1,515,656
Reliance Medium Term Fund- GR	-	-	-	-	38,310.928	1,202,373
		1,529,044		8,336,800		14,080,520

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(ii) Trade Receivables			
<u>Unsecured, considered good</u>			
Due for less than six months	414,819	131,369	578
	414,819	131,369	578
(iii) Cash and Cash Equivalents			
Balances with banks in Current Accounts	226,436	485,115	173,704
Cash on hand	33,213	148,652	72,820
	259,649	633,767	246,524
(iv) Loans			
Loans & Advances - other parties	2,962,217	2,715,631	8,433,060
Loans & Advances - related parties	1,308,000	1,308,000	1,315,918
	4,270,217	4,023,631	9,748,978
6 Current Tax Assets (net)			
Advance Taxes & TDS	656,774	481,858	361,188
	656,774	481,858	361,188
7 Other Current Assets			
Amount Receivable against Sale of Investment	3,267,715	3,267,715	7,027,228
Mutual Fund Application Money	-	6,000,000	-
Other Receivables	13,400	-	-
	3,281,115	9,267,715	7,027,228
8 Equity Share Capital			
a) Capital Structure			
Authorised			
40,00,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000	40,000,000
(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)	40,000,000	40,000,000	40,000,000
Issued, Subscribed and Fully Paid Up			
36,75,000 Equity Shares of Rs. 10/- each	36,750,000	36,750,000	36,750,000
(Previous year - 36,75,000 Equity Shares of Rs. 10/- each)	36,750,000	36,750,000	36,750,000

b) Share Capital Reconciliation

Equity Shares	31 March 2018		31 March 2017		01 April 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Opening balance	3,675,000	3,675,000	3,675,000	3,675,000	3,675,000	3,675,000
Issued during the period	-	-	-	-	-	-
Closing Balance	3,675,000	3,675,000	3,675,000	3,675,000	3,675,000	3,675,000

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

	31 March 2018		31 March 2017		01 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Avon Credit Private Limited	1,493,130	40.63%	1,493,130	40.63%	1,493,130	40.63%
Winy Commercial & Fiscal Services Limited	315,000	8.57%	315,000	8.57%	315,000	8.57%

d) Terms of issue of equity shares

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

e) No shares have been reserved for issue under options and contracts / commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of fully paid bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

g) No convertible securities have been issued by the Company during the year.

h) No calls are unpaid by any Director and Officer of the Company during the year.

i) The Company has not forfeited any shares.

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
9 Other Equity			
(i) General Reserve			
Balance b/f	245,000	245,000	245,000
(ii) General Reserve on Amalgamation			
Balance b/f	10,276,423	10,276,423	10,276,423
(iii) Retained Earnings			
Balance at the beginning of the year	14,666,515	14,794,212	14,121,159
Add: Income Tax Adjustments	11,086	3,242	-
Add: Profit for the year	6,323,002	(130,940)	673,053
Balance at the end of the year	21,000,602	14,666,515	14,794,212
(iv) Other Comprehensive Income			
Equity instrument through other comprehensive income	8,668,944	8,320,904	6,025,834
	8,668,944	8,320,904	6,025,834
Total	40,190,969	33,508,842	31,341,469
10 CURRENT FINANCIAL LIABILITIES			
(i) Borrowings			
Loans repayable on demand - from other parties (unsecured)	9,950,000	13,350,000	13,800,000
	9,950,000	13,350,000	13,800,000
(ii) Trade Payables	411,736	-	-
(iii) Other Financial Liabilities			
Interest accrued and due on borrowings	1,136,788	1,453,113	626,282
	1,136,788	1,453,113	626,282
11 OTHER CURRENT LIABILITIES			
Security Deposit (Rent)	13,400	13,400	-
Other payables			
Statutory Dues Payables	309,162	162,663	69,587
Others Payables (Year end accruals for expenses)	551,260	20,713	36,640
	873,822	196,776	106,227
12 CURRENT PROVISIONS			
Other Provisions - for Income Tax	1,218,800	187,000	92,000
	1,218,800	187,000	92,000

	31 March, 2018	31 March, 2017
	Rs	Rs
13 REVENUE FROM OPERATIONS		
<u>Sale of Products</u>		
Shares & Securities	3,419	714,681
Raw Jute	11,029,813	4,911,936
	<u>11,033,232</u>	<u>5,626,617</u>
<u>Other Operating Income</u>		
Dividend Income	35,144	5,000
	<u>35,144</u>	<u>5,000</u>
Total	<u>11,068,376</u>	<u>5,631,617</u>
14 OTHER INCOME		
Net gain/(loss) on sale of Current Investments	1,424,115	2,313,240
Net gain/(loss) on sale of Non-current Investments	3,611,434	(518,056)
Rental Income	80,400	-
Unrealised Profit/(Loss) on fair valuation of Investments	2,273,280	(1,100,201)
Dividend Income from Current Investments	90,196	79,620
Dividend Income from Non-current investments	127,886	119,740
Interest income on Income Tax Refund	3,390	1,072
Interest income on deposits	372,466	1,028,987
	<u>7,983,168</u>	<u>1,924,402</u>
15 PURCHASES OF STOCK-IN-TRADE		
Shares & Securities	-	160,947
Raw Jute	10,869,132	4,777,565
	<u>10,869,132</u>	<u>4,938,512</u>
16 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
<u>Inventories at the beginning of the year</u>		
Shares & Securities	1,399,174	1,405,218
<u>Inventories at the end of the year</u>		
Shares & Securities	3,946,222	1,399,174
	<u>(2,547,048)</u>	<u>6,044</u>
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus & Allowances	881,274	646,582
	<u>881,274</u>	<u>646,582</u>
18 FINANCE COSTS		
Interest expense	1,292,563	1,625,552
	<u>1,292,563</u>	<u>1,625,552</u>
19 OTHER EXPENSES		
Advertisement expenses	14,035	14,220
<u>Auditors' Remuneration</u>		
-Audit Fees	10,030	13,800
-Tax Audit Fees	4,130	-
Brokerage & Commission	1,057,576	-
Listing expenses	335,343	280,613
Maintenance Charges (Net)	45,176	104,371
Miscellaneous expenses	40,154	44,159
Professional charges	500,000	6,810
Rates & Taxes	4,650	4,400
	<u>2,011,094</u>	<u>468,373</u>

20 EARNING PER SHARE (EPS)

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

	<u>31 March, 2018</u>	<u>31 March, 2017</u>
Net Profit / (Loss) attributable to equity shareholders	5,325,730	(254,044)
Weighted average number of equity shares in calculating EPS	3,675,000	3,675,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	1.45	(0.07)

21 CONTINGENT LIABILITIES

	<u>As at 31 March, 2018</u>	<u>As at 31 March, 2017</u>	<u>As at 01 April, 2016</u>
Contingent Liability in respect of contested demand of AY 2007-08	6,686	6,686	6,686
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601	44,601

22 SEGMENT REPORTING

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

23 RELATED PARTY DISCLOSURES

As required by IND AS 24 'Related Party Disclosures', the disclosure of transactions with related parties are given below:

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

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

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

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

(ii) Transactions with related parties during the period

<u>Sl.</u>	<u>Name of the Related Party</u>	<u>31 March, 2018</u>	<u>31 March, 2017</u>
1	BCCO Commodities Private Limited		
	<u>Closing Balance:</u>		
	Year end receivables	4,500,000	4,500,000
2	BCCO Holdings Private Limited		
	<u>Transactions</u>		
	Interest received	120,000	120,000
	<u>Closing Balance:</u>		
	Year end Investments	1,000,000	1,000,000
	Year end receivables	1,308,000	1,308,000
3	Aster Dealcom Pvt. Ltd.		
	<u>Closing Balance:</u>		
	Year end receivables	3,267,715	3,267,715
4	Mr. Shiv Shankar Sharma		
	<u>Transactions</u>		
	Salary Paid during the Year	449,274	265,421
5	Mrs. Suchita Chhawchharia		
	<u>Transactions</u>		
	Salary Paid during the Year	120,000	120,000

24 ACCOUNTING FOR TAXES ON INCOME

Provision for Tax is made for current and deferred taxes.

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

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

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

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

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

25 FIRST-TIME ADOPTION OF IND AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP or IGAAP"). An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from IGAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A1. Ind AS optional exemptions**(a) Deemed cost for property, plant and equipment and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and Investment property covered by Ind AS 40 'Investment Properties'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their IGAAP carrying value.

(b) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A2. Ind AS mandatory exceptions**(a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model and fair value of the investment property in accordance with Ind AS at the date of transition as these were not required under IGAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances exist at the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A3. Fair Valuation of Financial Assets- Investments

In previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value. Under Ind AS, the Company has valued financial assets - Investments- at cost or at fair value i.e. either through Profit and loss or through Other Comprehensive Income. Impact of fair value changes as on the date of transition is recognised in opening reserves/ separate component of other equity and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS. The presentation requirements under IGAAP differs from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2016 and March 31, 2017.

Reconciliation of Equity as at date of transition (April 1, 2016)

Rs. in lakhs				
Particulars	Notes to first time adoption	IGAAP*	Effects of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment		-	-	-
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Other Intangible assets		-	-	-
(e) Financial Assets				
(f) Investments		193.71	106.98	300.69
(ii) Trade receivables		-	-	-
(iii) Loans		197.77	-	197.77
(iv) Others		-	-	-
(f) Deferred tax assets (net)		-	-	-
(g) Other non-current assets		-	-	-
Total Non-current assets		391.48	106.98	498.46
Current assets				
(a) Inventories		13.16	0.89	14.05
(b) Financial Assets				
(i) Investments		136.56	4.25	140.81
(ii) Trade receivables		0.01	-	0.01
(iii) Cash and cash equivalents		2.47	-	2.47
(iv) Bank balances other than(iii) above		-	-	-
(v) Loans		97.49	-	97.49
(vi) Others		-	-	-
(c) Current Tax Assets (Net)		3.61	-	3.61
(d) Other current assets		70.27	-	70.27
Total Current assets		323.57	5.14	328.70
Total Assets		715.05	112.12	827.16

EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	367.50	-	367.50
(b) Other Equity	201.29	112.12	313.41
Total Equity	568.79	112.12	680.91
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	-	-	-
(iii) Others	-	-	-
(b) Provisions	-	-	-
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	-	-	-
Total Non-current liabilities	-	-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	138.00	-	138.00
(ii) Trade payables	-	-	-
(iii) Others	6.26	-	6.26
(b) Other current liabilities	1.06	-	1.06
(c) Provisions	0.93	-	0.93
(d) Current Tax Liabilities (Net)	-	-	-
Total Current liabilities	146.25	-	146.25
Total Equity and Liabilities	715.05	112.12	827.16

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Equity as at March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to Ind AS	Ind AS
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	-	-	-
(b) Capital work-in-progress	-	-	-
(c) Investment Property	152.30	-	152.30
(d) Other Intangible assets	-	-	-
(e) Financial Assets	-	-	-
(i) Investments	270.35	116.67	387.02
(ii) Trade receivables	-	-	-
(iii) Loans	72.40	-	72.40
(iv) Others	-	-	-
(f) Deferred tax assets (net)	-	-	-
(g) Other non-current assets	-	-	-
Total Non-current assets	495.05	116.67	611.71
Current assets			
(a) Inventories	11.20	2.79	13.99
(b) Financial Assets	-	-	-
(i) Investments	78.21	5.16	83.37
(ii) Trade receivables	1.31	-	1.31
(iii) Cash and cash equivalents	6.34	-	6.34
(iv) Bank balances other than(iii) above	-	-	-
(v) Loans	40.24	-	40.24
(vi) Others	-	-	-
(c) Current Tax Assets (Net)	4.82	-	4.82
(d) Other current assets	92.68	-	92.68
Total Current assets	234.80	7.95	242.74
Total Assets	729.85	124.61	854.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	367.50	-	367.50
(b) Other Equity	210.48	124.61	335.09
Total Equity	577.98	124.61	702.59
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	-	-	-
(iii) Others	-	-	-
(b) Provisions	-	-	-
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	-	-	-
Total Non-current liabilities	-	-	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	133.50	-	133.50
(ii) Trade payables	-	-	-
(iii) Others	14.53	-	14.53
(b) Other current liabilities	1.97	-	1.97
(c) Provisions	1.87	-	1.87
(d) Current Tax Liabilities (Net)	-	-	-
Total Current liabilities	151.87	-	151.87
Total Equity and Liabilities	729.85	124.61	854.46

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to	
		Ind AS	Ind AS
Revenue from operations	56.32		56.32
Other income	30.24	(11.00)	19.24
Total Income	86.56	(11.00)	75.56
Expenses :			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	49.39	-	49.39
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.96	(1.90)	0.06
Employee benefits expense	6.47	-	6.47
Finance Costs	16.26	-	16.26
Depreciation and amortization expenses		-	-
Other expenses	4.68	-	4.68
Total expenses	78.76	(1.90)	76.85
Profit/(Loss) before exceptional items and tax	7.80	(9.09)	(1.29)
Exceptional Items	-	-	-
Profit / (Loss) before tax			
Tax Expenses	1.25	-	1.25
Profit / (Loss) for the period	6.55	(9.09)	(2.54)
Share of Profit/(Loss) of Associates	2.57	(1.34)	1.23
Profit/(Loss) for the Period (after adjustment of share of profit of associate)	9.12	(10.43)	(1.31)
Other Comprehensive Income			
A) i. Items that will not be reclassified to profit or loss	-	22.95	22.95
ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B) i. Items that will be reclassified to profit or loss	-	-	-
ii. Income tax relating to items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income, net of income tax	-	22.95	22.95
Total Comprehensive income for the period	9.12	12.52	21.64

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

Rs. in lakhs

	Rs. in lakhs	
	March 31, 2017	April 1, 2016
Total Equity (Shareholder's Funds) as per IGAAP	577.98	568.79
Adjustments:		
Net impact on Fair valuation of Investments and Inventories	124.61	112.12
Total Adjustments	124.61	112.12
Total Equity as per IND AS	702.59	680.91

Impact of IND AS adoption on the statement of Cash Flows for the year ended March 31, 2017

Rs. in lakhs

Particulars	IGAAP*	Effects of transition to	
		Ind AS	Ind AS
Net cash generated from Operating Activities	163.15	(169.23)	(6.08)
Net cash generated from Investing Activities	(138.52)	160.96	22.44
Net cash generated from Financing Activities	(20.76)	8.27	(12.49)
Net increase in cash and cash equivalents	3.87	0.00	3.87
Cash and Cash Equivalents as at April 1, 2016	2.47	-	2.47
Cash and Cash Equivalents as at March 31, 2017	6.34	(0.00)	6.34

*As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as on type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

26 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT 2006

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

27 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES

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

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

Name of Entity	Net Assets, i.e. Total Assets minus total liabilities		Share of Profit/(Loss)	
	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Profit & Loss	Amount (Rs)
Associates				
Avon Credit Private Limited	3.40%	3,075,204	15.77%	997,272

As per our report of even date

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

Sd/-

Subrata Roy
Partner
M. No. 051205

Kolkata
May 29, 2018

For and on behalf of the Board

Sd/-

Suchita Chhawchharia
(DIN- 00044063)

Sd/-

Aritra Basu
(DIN- 06779222)

} Directors

Sd/-

Shiv Shankar Sharma CFO

Sd/-

Arpita Dey Company Secretary

E – MAIL ID REGISTRATION FORM

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

Dear Sir(s),

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

DP ID _____ **CLIENT ID** _____ **FOLIO NO.** _____

E – mail Id _____ **Alternative Id** _____

Thanking You,
Yours faithfully,

Signature of Sole / 1st Holder

Name

Date

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

ATTENDANCE SLIP

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

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on Monday, the 17th day of September, 2018 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 at 2: 00 P.M.

2. Signature of the Shareholder/Proxy Present.

--

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

5. Please read the instructions carefully before exercising your vote.

FORM NO: MGT – 11**PROXY FORM**

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

CIN : L51109WB1992PLC055082
 Name of the Company: Adarsh Mercantile Limited
 Registered office : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata - 700027.

Name of the member (s):
 Registered Address :

E-mail Id :
 Folio No/ Client Id :
 DP ID :

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

1. Name :
 Address :
 E-mail Id :
 Signature: _____, or failing him
2. Name :
 Address :
 E-mail Id :
 Signature: _____, or failing him
3. Name :
 Address :
 E-mail Id :
 Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, the **17th day of September, 2018** at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road Kolkata – 700027 at 2: 00 P.M and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
1.	Adoption of Audited Standalone and Consolidated Financial Statements which comprises of Audited Balance Sheet as at 31st March, 2018, Audited Profit & Loss Account and the Cash Flow Statement for the year ended on that date, together with the Report of Board of Directors' and Auditors' thereon.
2.	Approval for the re-appointment of Mrs. Suchita Chhawchharia (DIN: 00044063), Director retiring by rotation.
3.	Approval of modification in terms of appointment of Statutory Auditors and fixation of their remuneration.

Signed this _____ day of _____, 2018

Signature of shareholder :

Signature of Proxy holder(s) :

Affix a Revenue Stamp of Re.1/-
--

Note:

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

ECS FORM

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

Re: Payments of Dividend Through NECS

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

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

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

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

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

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

Date: _____

 Signature of the first holder

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

Bank's Stamp)
 Date & Signature of the)
 authorized official of the Bank)

Delete whichever is not applicable.

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

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

Form SH-13
NOMINATION FORM

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

To

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

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

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

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

2. PARTICULARS OF NOMINEE/S —

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

3. IN CASE NOMINEE IS A MINOR--

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

Signature of Shareholder(s)

1. Signature (1st holder):

Name :
Address :
Date :

2. Signature (2nd holder):

Name :
Address :
Date :

Signature of two witnesses

Name, Address and Signature with date

1.

2.

Instructions:

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