

CHANDRIMA MERCANTILES LIMITED

(CIN: L51909GJ1982PLC086535)

Reg. off.: 322, Madhvpura Gunj Bazar Madhvpura Ahmedabad- 380004.

Ph no: +91-79-48003445, Email Id: chandrimamercantile@gmail.com,

Website: www.chandrimamercantiles.com

Date: 04th September, 2019.

To
The BSE Limited
P.J. Towers,
Dalal Street,
Mumbai- 400001.

Scrip Code: 540829



SUB: Submission of Annual Report as per Regulation 34 of SEBI (LODR),
Regulations 2015 for the year 2018-19.

We are submitting herewith Annual Report as per the Regulation 34 of SEBI (LODR), Regulations 2015 for the **F.Y. 2018-19**.

Take the above on your record.

Thanking You.

For, Chandrima Mercantiles Limited



.....
Jinal Y. Modi
Managing Director

ANNUAL REPORT

2018-2019

CHANDRIMA MERCANTILES LTD

BOARD OF DIRECTORS

JINAL Y. MODI
KUNAL J. MEHTA
POOJA KUMARI

Managing Director
NonExecutiveDirector
Non ExecutiveDirector

AUDITORS

GOPAL C.SHAH&CO.
Chartered Accountants

102, Tejshri Residency, Vijay Cross Raod,
Navrangpura, Ahmedabad
Ph. +91 79-26443848, +91 9227248883
E-Mail: cagopalcshah@gmail.com

REGISTERED OFFICE:

322, Madhvpura Gunj Bazar,
Madhvpura,
Ahmedabad -380004.

Email: chandrimamercantile@gmail.com

Website: www.chandrimamercantiles.com

NOTICE

NOTICE is hereby given that Annual General Meeting of Company will be held on Monday, 30th September, 2019 at 02:00 P.M. at the Registered office of the Company situated at 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad-380004 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2019, the Profit and Loss Account of the Company for the year ended on that date and the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Jinal Y. Modi, who retires by rotation and being eligible offers himself for reappointment
3. To ratify the appointment of Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without, the following resolution as an **ordinary resolution:**

“RESOLVED THAT, to ratify the appointment of M/s Gopal C shah & Co. Chartered Accountants (Membership No.34967) Ahmedabad, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of Annual General Meeting to be held in the year 2020 and to fix their remuneration for the financial year ending 31st March, 2020

DATE : 03.09.2019
PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

Sd/-
JINAL Y. MODI
(CHAIRMAN)
DIN: 07153155

NOTES :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty eight hours before the time of holding the Meeting.
- b. Members/Proxies attending the Meeting should bring their copy of the Annual Report for reference at the meeting.
- c. Pursuant to the provisions of Section 91 of the Companies Act, 2013 (corresponding to 154 of the Companies Act, 1956), the Register of Members and Share Transfer Books of the Company will remain closed from **24th September, 2019 to 30th September, 2019** both days inclusive.
- d. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent **M/s. Skyline Financial Services Pvt. Ltd.** The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.
- e. All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 5.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Annual General Meeting.
- f. Members are requested to bring their Attendance slip to the Meeting.
- g. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.
- h. Electronic copy of the Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
- i. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
- j. Members desiring any information as regards the operations of the Company are requested to write to the Company at least 5 days in advance so as to enable the management to keep the information ready at the meeting.
- k. **Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted

through e-Voting. The Company has signed an agreement with CDSL for facilitating such e-Voting by the Members. Kindly note that each Member can opt for only one mode for voting i.e. either by Physical Ballot or by E-voting. However, in case members cast their vote both via physical ballot and e-voting, then voting through postal ballot shall prevail and voting done by e-voting shall be treated as invalid.

The e-voting facility is available at the link www.evotingindia.com.

- l. The e-voting facility will be available on and from **27th September, 2019** at **10:00 A.M.** and ends on **29th September, 2019** at **5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23.09.2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- m. Company has appointed **Mr. Ajit M. Santoki** Practicing Company Secretary (Membership No 4189, COP No. 2539) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- n. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- o. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The procedure and instructions for members for voting through electronic means are as under:

1. The voting period begins on **27th September, 2019** at 10:00 P.M. , and ends on **29th September, 2019** at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23.09.2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - a. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - b. The shareholders should log on to the e-voting website www.evotingindia.com.
 - c. Click on Shareholders.
 - d. Now Enter your User ID
 - e. For CDSL: 16 digits beneficiary ID,
 - f. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - g. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - h. Next enter the Image Verification as displayed and Click on Login.
 - i. 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.

j. 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 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 |
| <ul style="list-style-type: none"> Dividend Bank Details OR Date of Birth(DOB) | <ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in yourdemataccount or in the company records in order tologin. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction(v). |

k. After entering these details appropriately, click on “SUBMIT “tab.

l. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

m. For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.

n. Click on the EVSN for the relevant **CHANDRIMA MERCANTILES LIMITED** on which you choose to vote.

o. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same

p. 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.

- q. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- r. 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.
- s. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- t. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- u. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- v. Shareholders can also use Mobile app – “m – Voting” for e-voting. m – Voting app is available on Apple, Android and Windows based mobile. Shareholders may login to m-voting using their e-voting credentials to vote for the company resolution(s)
- w. Note for Non – Individual Shareholders and Custodians
- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - vi. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **23rd September, 2019** may follow the same instructions as mentioned above for e-Voting.

In Case of Members receiving physical Copy

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
- The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.chandrimamercantiles.com and on the website of CSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges
- Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiatives of Ministry of Corporate Affairs are being sent Notice of Annual General Meeting by e-mail and others are sent by post. Members have option to vote either through e-voting or through Physical Ballot Form which will be provided at the venue of the AGM.

Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot which shall be provided at the venue of the AGM or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot also and vice versa.

However, in case shareholders cast their vote by physical ballot and e- Voting, then voting done through e- voting shall prevail and voting done through physical ballot will be treated as invalid.

DATE : 03.09.2019
PLACE: AHMEDABAD

FOR AND ON BEHALF OF THE BOARD

Sd/-

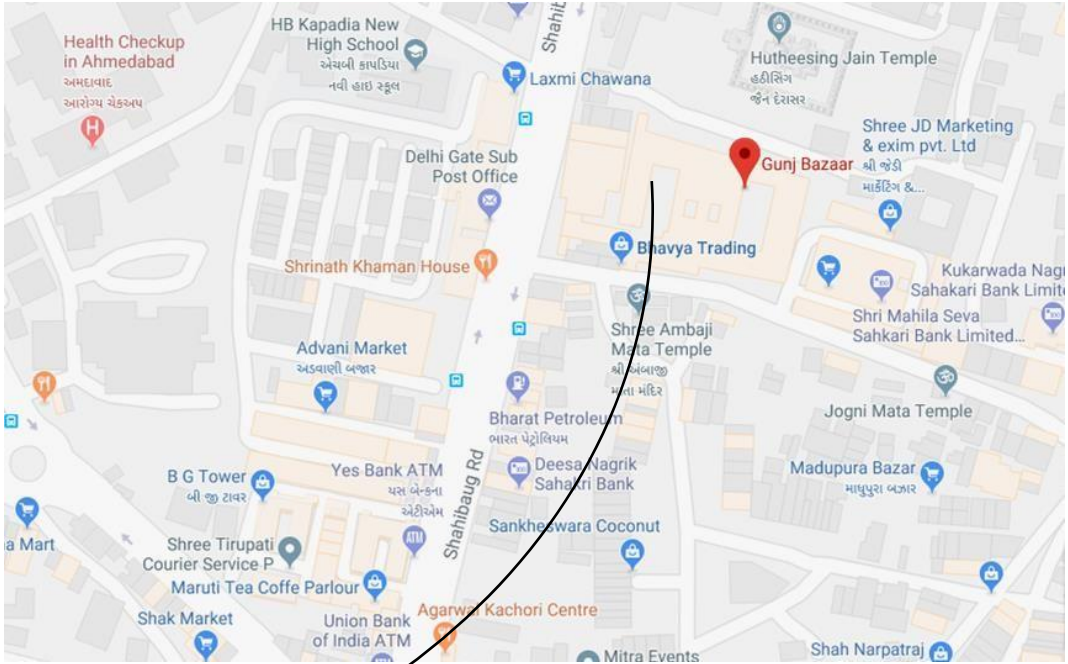
JINAL Y. MODI
(CHAIRMAN)
DIN: 07153155

ANNEXURE TO NOTICE
(Details of Directors seeking Appointment/Re-appointment)

| | |
|--|---|
| Name of Director | Mr. Jinal Yogeshbhai Modi |
| Director Identification number (DIN) | 07153155 |
| Date of Birth | 28.04.1981 |
| Nationality | Indian |
| Date of appointment on board | 25.03.2015 |
| Qualification | Graduate |
| Brief Profile | He appoint in the Board of the company since 2015. So has a good knowledge of Day to day affairs of the Company. |
| Shareholding in the company | NIL |
| Directorship held in public limited company | NIL |
| Memberships / Chairmanships of Audit and Stakeholders' Relationship committees across public companies | NIL |

* There are no inter-se relationships between the Board Members.

ROUTE MAP TO AGM:



Address*

CHANDRIMA MERCANTILES LTD
322, Madhvpura Gunj Bazar,
Madhvpura, Ahmedabad, GJ-380004

DIRECTOR'S REPORT

**TO
THE MEMBERS
CHANDRIMA MERCANTILES LIMITED
AHMEDABAD**

Your Directors have pleasure in presenting their Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March, 2019 for your perusal, consideration and adoption.

STATE OF AFFAIRS OF THE COMPANY:

| <u>Particulars</u> | <u>Current Year 2018-19</u> | <u>Previous Year 2017-18</u> |
|--------------------------------------|--|---|
| Sales | NIL | 64,57,650 |
| other Income | 5,63,341 | 3,00,000 |
| Less: Expenditure | 4,62,718 | 66,92,988 |
| Profit Before Exceptional, | 1,00,623 | 64,662 |
| Extraordinary Items & Taxation | NIL | NIL |
| Exceptional Items | NIL | NIL |
| Extra Ordinary Items | NIL | NIL |
| Profit/(Loss) before Taxation | 1,00,623 | 64,662 |
| Less : Current Tax | NIL | 17,980 |
| Less : Deferred Tax Charge/ (Credit) | NIL | NIL |
| Profit/(Loss) after Tax | 1,00,623 | 46,682 |
| Profit for the period | | |
| Amount carried to Reserve | 1,00,623 | 46,682 |
| | | |

Company's Performance:

During the year under review, state of affairs of the company as compared to the previous year. Your company earned a total income of Rs. 5,63,341/- (Previous Year Rs. **67,57,650/-**) and a net profit after tax of Rs. **1,00,623/-** as compared to net profit after tax of **46,682/-** of previous year.

DIVIDEND:

Your directors do not recommend any dividend for the current year.

DIRECTORS:

- Mr. Jinal Y. Modi, who retires by rotation and being eligible offers himself for reappointment.

During the year, the non executive director has no pecuniary relation or transaction with the company.

PARTICULARS OF THE EMPLOYEES:

In terms of provisions of Section 197 read with Rule, 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are receiving remuneration as mentioned in the said section.

The information required pursuant to Section 197 read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is Nil.

STATUTORY AUDITORS:

M/s Gopal C. Shah & Co. Chartered Accountants (Membership No.34967), Statutory Auditors of the Company, hold office until the conclusion of the Annual General Meeting held on 2020 of the Company, subject to ratification by the shareholders annually. As such, shareholders are requested to ratify the appointment of Auditor at the ensuing Annual General Meeting.

AUDITORS' REPORT:

The observations of the Auditors in their Report and Notes Attached to the Accounts to the Accounts are Self-Explanatory and do not require any Further Clarifications.

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

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013, read with the Rule, 8 (3) of the Companies (Accounts) Rules, 2014, are given in the "**Annexure-A**" attached hereto and forms part of this Report.

EXTRACT OF ANNUAL GENERAL MEETING:

As provided under Section 92(3) of the Act, the extract of annual return is given in “**Annexure B**” in the prescribed Form MGT-9, which forms part of this report.

SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company has engaged the services of M/s A. Santoki & Associates, Company Secretary in Practice, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2019.

The Secretarial Audit Report (in Form MR-3) is attached as “**Annexure-C**” to this Report.

EXPLANATION ON QUALIFICATION ADVERSE REMARK MADE IN SECRETARIAL AUDIT REPORT:

| Qualification/ Adverse | Explanation |
|---|--|
| As per Section- 203 of Companies Act, 2013, company has not made appointed CFO. | Management has decided to appoint CFO who shall be whole time KMP in the company in very soon period |
| As per Section- 203 of Companies Act, 2013, company has not made appointed Company Secretary. | Management has decided to appoint CS who shall be whole time KMP in the company in very soon period |
| As per Section-138 of Companies Act, 2013 read with Rule 13 of The Companies (Accounts) rules, 2014, company should have made appointment of Internal Auditor for Financial year 2016-17. | Company is in process of search for making appointment of internal Auditor. |

BOARD MEETINGS HELD DURING THE YEAR DURING THE YEAR:

During the year 05 meetings of the Board of Directors were held. The details of the meetings are **01.03.2018, 29.05.2018, 13.08.2018, 03.09.2018, 05.11.2018, 11.02.2019.**

DIRECTORS’ RESPONSIBILITY STATEMENT:

1. To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:
2. In the preparation of the Annual financial statements for the year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
3. For the financial year ended March 31, 2019, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2019.

1. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
2. The annual financial statements have been prepared on a going concern basis.
3. That proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
4. That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board Members and Senior management of the Company. Board Members and Senior Management Personnel have affirmed Compliance with the Code for the period 2018-19.

The Company has adopted code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct as required under Regulation (8)(1) and Regulation (9)(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

LISTING:

The shares of the Company are listed on following Stock Exchanges.

- 1) Bombay Stock Exchange Limited (BSE)
- 2) Calcutta Stock Exchange Limited (CSE)
- 3) Ahmedabad Stock Exchange Limited (ASE)

MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion and Analysis of the financial position of the company forms part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year ended 31st March, 2019, company has given Loans, Guarantees and/or made any Investments covered under the provisions of Section 186 of the Companies Act, 2013. Details of the said are already mentioned in Auditors Report and Balance Sheet of the Company.

RELATED PARTY TRANSACTIONS:

During the year ended 31st March, 2019, company has not entered in to any Contracts and/or arrangements with related parties covered under section 188 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS:

There are no any material changes and commitments made by the company after the close of financial year that affect the financial position of the company.

REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

RISK MANAGEMENT POLICY:

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT:

The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaints under the policy.

CORPORATE SOCIAL RESPONSIBILITY:

Company was not required to formulate policy on Corporate Social Responsibility as the company is not falling with the provisions of Section 135 of Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS:

The company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board. At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed. A structured questionnaire each, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the input received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc. A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company

and its minority Shareholders, etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as per the rules of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATES:

Company has not any subsidiary company/Joint Ventures/Associates.

FIXED DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

Acknowledgement:

The directors thank the Company's employees, customers, vendors, investors and academic institutions for their continuous support. The directors also thanks the government of various countries, government of India, the governments of various states in India and concerned government departments / agencies for their co-operation.

The directors appreciate and value the contributions made by every member of the Chandrima Mercantiles Limited.

DATE : 03.09.2019

PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

Sd/-

**JINAL Y. MODI
(DIN : 07153155)
(CHAIRMAN)**

Conservation of energy, technology absorption and Foreign exchange earnings and outgo [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy: It mainly includes selection and installation of energy efficient equipments and energy saving devices.

(ii) The steps taken by the company for utilizing alternate sources of energy :**None**

(iii) The capital investment on energy conservation equipments : **Nil**

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption : None

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

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) The details of technology imported : **None**

(b) The year of import : **N.A.**

(c) Whether the technology been fully absorbed : **N.A.**

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A.**

(iv) The expenditure incurred on Research and Development : **Nil**

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange Earnings : **Rs. Nil**

Foreign Exchange Outgoes : **Rs. Nil**

DATE : 03.09.2019

PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

Sd/-

JINAL Y. MODI

(DIN : 07153155)

(CHAIRMAN)

Annexure-B to the Directors' Report

Form MGT- 9

EXTRACT OF ANNUAL RETURN as on period year ended on 31.03.2019

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

| | |
|--------------------------------|---|
| CIN:- | L51909GJ1982PLC086535 |
| Name of the Company | CHANDRIMA MERCANTILES LIMITED |
| Registration Date | 27/12/1982 |
| Category of the Company | Company Limited by Shares |
| Sub-Category of the Company | India Non-Government Company |
| Register office Address : | 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad -380004. |
| Contact Detail : | +91 - 9328523122 |
| Listed : | Yes |
| Stock Exchange: | Bombay Stock Exchange Ltd (BSE) Calcutta Stock Exchange (CSE) Ahmedabad Stock Exchange limited (ASE) |
| Registrar and Transfer Agent : | SKYLINE FINANCIAL SERVICES PVT. LTD., D-153A, 1stFloor, Okhla Industrial Area Phase -I, New Delhi - 110020 Tel: 11-26812682, 26812683, 64732681-88 Email: info@skylinerta.com |

Principal Business Activities of the Company:

Short description of the principal product:

| Sr. | Name and Description of main product/services | NIC Code of the Product/Service | % to total turnover of the Company |
|-----------|---|---------------------------------|------------------------------------|
| 1. | Trading of different types of Jewelleries, Bullion, Ornaments. | 47733 | NIL |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|----------|---------------------------------|-------------|--------------------------------|------------------|--------------------|
| 1 | NONE | N.A. | NONE | N.A. | N.A. |

SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i. Category wise Share Holding

| Category of Share holders | No. of Shares held at the beginning of the year[As on 31-March-2018] | | | | No. of Shares held at the end of the year[As on 31-March-2019] | | | | % Change during the Year |
|---|--|---------------|---------------|-------------------|--|---------------|---------------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Share | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | NIL | 562050 | 562050 | 25.42 | NIL | 346500 | 346500 | 15.67 | (9.57) |
| b) Central Govt | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| c) State Govt(s) | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| d) Bodies Corp. | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| e) Banks / FI | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| f) Any other | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| Total shareholding of Promoter (A) | NIL | 562050 | 562050 | 25.42 | NIL | 346500 | 346500 | 15.67 | (9.75) |
| B.Public Shareholding | | | | | | | | | |
| 1. Institutions | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| a) Mutual Funds | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| b) Banks / FI | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| c) Central Govt. | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| d) State Govt.(s) | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| e) Venture Capital Funds | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| f) Insurance Companies | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| g) FIIs | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| h) Foreign Venture Capital Funds | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |

| | | | | | | | | | |
|---|------------|----------------|----------------|--------------|------------|----------------|----------------|--------------|-------------|
| i) Others (specify) | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| Sub-total (B)(1):- | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| 2. Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| i) Indian | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| ii) Overseas | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| b) Individuals | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| i) Individual share holders holding nominal share capital up to Rs. 2 lakh | NIL | 416790 | 416790 | 18.85 | NIL | 416790 | 416790 | 18.85 | NIL |
| ii) Individual share holders holding nominal share capital in excess of Rs 2 lakh | NIL | 1232460 | 1232460 | 55.73 | NIL | 1448010 | 1448010 | 65.48 | 9.75 |
| c) Others (specify) | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Non Resident Indians | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Overseas Corporate Bodies | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Foreign | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Nationals | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Clearing Members | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Trusts | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Foreign Bodies - DR | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| HUF | NIL | NIL | NA | NA | NIL | NIL | NA | NA | NIL |
| Sub-total (B)(2):- | NIL | 1649250 | 1649250 | 74.58 | NIL | 1864800 | 1864800 | 84.33 | 9.75 |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | NIL | 1649250 | 1649250 | 74.58 | NIL | 1864800 | 1864800 | 84.33 | 9.75 |
| C. Shares held by Custodian for GDRs & ADRs | NIL | NIL | N.A. | N.A. | NIL | NIL | N.A. | N.A. | NIL |
| Grand Total (A+B+C) | NIL | 2211300 | 2211300 | 100 | NIL | 2211300 | 2211300 | 100 | NIL |

Shareholding of Promoters

| S N. | Shareholder's Name | Shareholding at the beginning of the year [31- 03-2018] | | | Share holding at the end of the year [31-03-2019] | | | % change in share holding during the year |
|------|----------------------|--|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total Shares | |
| 1 | Deoki Nandan Fogla | 76500 | 3.46 | Nil | 0 | Nil | Nil | (3.46) |
| 2 | Rekha Fogla | 90450 | 4.09 | Nil | 0 | Nil | Nil | (4.09) |
| 3 | Sushila Fogla | 3600 | 0.16 | Nil | 0 | Nil | Nil | (0.16) |
| 4 | Santosh Fogla | 45000 | 2.04 | Nil | 0 | Nil | Nil | (2.04) |
| 5 | Upendr Hiralal Dalal | 171000 | 7.73 | Nil | 171000 | 7.73 | Nil | Nil |
| 6 | Roshanlal D Aggarwal | 175500 | 7.94 | Nil | 175500 | 7.94 | Nil | Nil |

I. Change in Promoters' Shareholding (please specify if there is no change):-

| S N. | | Shareholding at the beginning of the year | | Cumulative Share holding during the Year | |
|------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 562050 | 25.42 | 562050 | 25.42 |
| | Increase / Decrease in Promoters Share holding during the year | (215550) | (9.75) | (215550) | (9.75) |
| | At the end of the year | 346500 | 15.67 | 346500 | 15.67 |

IV. Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

| Sr. No | For Each 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 | BIMEHS ARVINDBHAI JANI | | | | |
| | At the beginning of the year | 3,13,560 | 14.18 | 3,13,560 | 14.18 |
| | Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| | At the end of the year | 3,13,560 | 14.18 | 3,13,560 | 14.18 |
| 2 | RAJESHBHAI R. RAJPUT | | | | |
| | At the beginning of the year | 2,88,000 | 13.02 | 2,88,000 | 13.02 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| | At the end of the year | 2,88,000 | 13.02 | 2,88,000 | 13.02 |
| 3 | Kamleshkumar Bipinchandra Parmar | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 1,10,050 | 4.98 | 1,10,050 | 4.98 |
| | At the end of the year | 1,10,050 | 4.98 | 1,10,050 | 4.98 |
| 4 | Jayesh Vaghela | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 1,08,000 | 4.88 | 1,08,000 | 4.88 |

| | | | | | |
|----|---|----------|------|----------|------|
| | At the end of the year | 1,08,000 | 4.88 | 1,08,000 | 4.88 |
| | | | | | |
| 5 | Ajaybhai Bhikhabhai Gosai | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 1,08,000 | 4.88 | 1,08,000 | 4.88 |
| | At the end of the year | 1,08,000 | 4.88 | 1,08,000 | 4.88 |
| 6 | Suresh Yadav | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | 107100 | 4.84 | 107100 | 4.84 |
| | At the end of the year | 107100 | 4.84 | 107100 | 4.84 |
| 7 | Pithadia Vipul Bharatbhai | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/ sweat equity etc): | 105500 | 4.77 | 105500 | 4.77 |
| | At the end of the year | 105500 | 4.77 | 105500 | 4.77 |
| 8 | Durgeshkumar Kalidas Sathvara | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc): | 105000 | 4.75 | 105000 | 4.75 |
| | At the end of the year | 105000 | 4.75 | 105000 | 4.75 |
| 09 | Vyas Nayan Sivshankar | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |

| | | | | | |
|----|---|--------|------|--------|------|
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc): | 105000 | 4.75 | 105000 | 4.75 |
| | At the end of the year | 105000 | 4.75 | 105000 | 4.75 |
| 10 | Jitendra M Mistri | | | | |
| | At the beginning of the year | 0 | Nil | 0 | Nil |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc): | 103950 | 4.70 | 103950 | 4.70 |
| | At the end of the year | 103950 | 4.70 | 103950 | 4.70 |

V. Share holding of Directors and Key Managerial Personal:

| Sr. 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 |
| | For Each of the Directors and KMP | | | | |
| 1 | Deoki Nandan Fogla * | | | | |
| | At the beginning of the year | 76500 | 3.46 | 76500 | 3.46 |
| | Date wise Increase /Decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease | 76500 | 3.46 | 76500 | 3.46 |
| | At the End of the year | Nil | N.A. | Nil | N.A. |
| 2 | Jinal Y. Modi | | | | |
| | At the beginning of the year | Nil | N.A. | Nil | N.A. |
| | Date wise Increase /Decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease | Nil | N.A. | Nil | N.A. |
| | At the End of the year | Nil | N.A. | Nil | N.A. |

| | | | | | |
|---|--|------------|-------------|------------|-------------|
| 3 | Kunal J Mehta | | | | |
| | At the beginning of the year | Nil | N.A. | Nil | N.A. |
| | Date wise Increase /Decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease | Nil | N.A. | Nil | N.A. |
| | At the end of the year | Nil | N.A. | Nil | N.A. |
| 4 | POOJA KUMARI | | | | |
| | At the beginning of the year | Nil | N.A. | Nil | N.A. |
| | Date wise Increase /Decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease | Nil | N.A. | Nil | N.A. |
| | At the End of the year | Nil | N.A. | Nil | N.A. |

*** Mr. Deoki Nandan Fogla Resign as on 06.10.2018.**

INDEBTEDNESS:

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

| | Secured Loans excluding deposits | Unsecured Loan | Deposits | Total Indebtedness |
|---|---|-----------------------|-----------------|---------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | NIL | NIL | NIL | NIL |
| ii. Interest due but not paid | NIL | NIL | NIL | NIL |
| iii. Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

| | | | | |
|--|-----|-----|-----|-----|
| Change in Indebtedness during the financial year | | | | |
| • Addition | NIL | NIL | NIL | NIL |
| • Reduction | NIL | NIL | NIL | NIL |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | NIL | NIL | NIL | NIL |
| ii. Interest due but not paid | NIL | NIL | NIL | NIL |
| iii. Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

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

| SN | Particulars of Remuneration | Name of MD/WTD/ Manager/Executive Director | Total Amount |
|----|--|---|-----------------|
| | | JINAL YOGESHBHAI MODI | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the | NIL | NIL |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | N.A | N.A |
| | (c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961 | N.A | N.A |
| 2 | Stock Option | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL |
| 4 | Commission - as % of profit - others, specify... | NIL | NIL |
| 5 | Others, please specify | NONE | NONE |
| | Total (A) | NIL | NIL |
| | Ceiling as per the Act | NONE | NONE |

B. Remuneration to other directors:

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

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

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

PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: None

| <i>Type</i> | <i>Section of the Companies Act</i> | <i>Brief Description</i> | <i>Details of Penalty / Punishment/ Compounding fees imposed</i> | <i>Authority [RD/NCLT/ COURT]</i> | <i>Appeal made, if any (give details)</i> |
|-------------------------------------|-------------------------------------|--------------------------|--|-----------------------------------|---|
| A. Company | | | | | |
| <i>Penalty</i> | | | | | |
| <i>Punishment</i> | | | Nil | | |
| B. Directors | | | | | |
| <i>Penalty</i> | | | Nil | | |
| <i>Punishment</i> | | | | | |
| C. Other officers in Default | | | | | |
| <i>Penalty</i> | | | Nil | | |
| <i>Punishment</i> | | | | | |

DATE : 03.09.2019
PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

Sd/-

JINAL Y. MODI
(DIN : 07153155)
(CHAIRMAN)

Annexure 'C' to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

**To,
The Members,
M/s. Chandrima Mercantiles Limited
Ahmedabad.**

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Chandrima Mercantiles Limited, CIN: L51909GJ1982PLC086535** ("the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, 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/We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is asunder.

1. Income-Tax Act, 1961 and Indirect Tax Laws;
2. Labor Laws & other incidental laws related to labor and employees appointed by the Company.

We have also examined compliance with the applicable clauses of the followings:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered by the Company with the Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above, wherever applicable to the company, subject to the following observations:

- (A) Non Compliance of Clauses of The Companies Act, 2013 (the Act) and the rules made there under;

- (1) Pursuant to the provisions of Section 203 of Companies Act 2013 and other applicable rules and regulations, listed companies shall appoint Chief Financial Officer (CFO) and Company Secretary in the company but during the year company has not appointed the respective post in to the company, However Company's Management gives assurance to appoint CFO and Company Secretary according to the said rule.
- (2) As per Section-138 of Companies Act, 2013 read with Rule 13 of The Companies (Accounts) rules, 2014, company should have made appointment of Internal Auditor for Financial Year 2018-19. However, Company has not made any appointment of Internal Auditor.

I/We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. I/We 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.
4. I/we further report that during the audit period, there were no instances of:
 - (i) Public / Right / debentures / sweat equity.
 - (ii) Redemption / buy-back of securities.
 - (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
 - (iv) Merger / amalgamation / re construction, etc.
 - (v) Foreign technical collaborations.

Date: 30/05/2019

Place: Ahmedabad

A. Santoki & Associates

Sd/-

**(Ajit M. Santoki)
COMPANY SECRETARY
C.P.NO.: 2539**

MANAGEMENT DISCUSSION AND ANALYSIS

1. Financial Review

Company earned net profit of Rs. 1,00,623/- during the year as compared to net profit for previous year was Rs. 46,682/-. Company has achieved Turnover of Rs. NIL as compared to the turnover of 64,57,650/- for the previous year.

2. Future Outlook

Based on the buoyancy of the Indian Economy, the overall scenario and steps taken by the management, the future outlook of your company looks bright.

3. Risk and Concern

There are no risks and concerns other than the fluctuation in the global economy.

4. Internal Control Systems

The Company has a risk focused, Internal Control System to analyze and report to the management on the day-to-day operations of the Company. Efforts are being made to continuously strengthen it further. The internal control system ensures protection of assets and proper recording of all transactions.

The Internal Audit Programme is finalized in consultation with the audit committee of the Board. The observations and recommendations, significant risk area assessments and adequacy of internal controls are periodically discussed and reviewed in Audit Committee's observations.

5. Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

6. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

DATE : 03.09.2019
PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

Sd/-

JINAL Y. MODI (DIN : 07153155)
(CHAIRMAN)

COMMITTEE OF BOARD

AUDIT COMMITTEE

a) Brief description of terms of reference:

Terms of Reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings.

b) Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 177 of the Companies Act, 2013.

As on the end of Financial Year 2018-19, Audit Committee comprises of three Directors as under :

| Sr. No. | Name of Member | Designation |
|----------------|---------------------------|--------------------|
| 1 | Mr. Kunal J. Mehta | Chairman |
| 2 | Ms. Pooja Kumari | Member |
| 3 | Mr. Jinal Y. Modi | Member |

During the year under review, the 4 Audit Committee was held during Financial Year 2018-19. The dates on which the said meetings were held are 29/05/2018, 13/08/2018, 05/11/2018, 11/02/2019.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

NOMINATION/REMUNERATION COMMITTEE

The Nomination/Remuneration committee consists of the following three Directors:

| Sr. No. | Name of Member | Designation |
|----------------|---------------------------|--------------------|
| 1 | Mr. Kunal J. Mehta | Chairman |
| 2 | Ms. Pooja Kumari | Member |
| 3 | Mr. Jinal Y. Modi | Member |

The Nomination/Remuneration committee recommends to the Board the attributes and qualification for becoming a member of the Board. It also recommends the remuneration payable to the Directors, Key managerial personnel and other senior personnel and such other matters as are necessary under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SHAREHOLDERS COMMITTEE :

The Board of Directors have constituted a “Share Transfer and Shareholders / Investor Grievance Committee and stakeholders relationship committee” in line with the Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievance of the shareholders.

The present composition of the Committee is as under:

Shareholder’s Committee consists of following Directors:

| Sr. No. | Name of Member | Designation |
|----------------|---------------------------|--------------------|
| 1 | Ms. Pooja Kumari | Chairman |
| 2 | Mr. Kunal J. Mehta | Member |
| 3 | Mr. Jinal Y. Modi | Member |

During the year under review, Shareholders committee met for following Dates.

The meetings were held on 30th April, 2018, 30th July, 2018, 29th September, 2018, 30th November, 2018, 30th January, 2019 and 30th March, 2019.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints. During the year complaints were received from SEBI or shareholders were resolved satisfactory. No requests for share transfers are pending except those that are disputed or Sub-judice.

Complaints Status: 01.04.2018 to 31.03.2019

- Number of complaints received so far 0
- Number of complaint resolved 0
- Number of pending complaints 0

Evaluation

Committee has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual director. An evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. Each member of the Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director. The results of the evaluation

exercise were considered by Committee which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

General Body Meeting (Last Three)

| Date | Type | Time | Venue |
|-------------|-------------|-------------|---|
| 29/09/2018 | AGM | 12:00 P.M. | 322, Madhvpura Gunj Bazar, Madhavpura, Ahmedabad-380004. |
| 29/09/2017 | AGM | 11:30 A.M. | B- 317/B, Neel Kanth Palace, Opposite Seema Hall,100 Feet Road, Satellite, Ahmedabad – 380015 |
| 11/08/2016 | AGM | 11:30 A.M. | B- 317/B, Neel Kanth Palace, Opposite Seema Hall,100 Feet Road, Satellite, Ahmedabad – 380015 |
| 18/09/2015 | AGM | 10:30 A.M. | 3, Chittaranjan Avenue, Kolkata, West Bengal-700072 |

DISCLOSURES:

A. Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Notes to Accounts.

B. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

MEANS OF COMMUNICATIONS:

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc. Are made available to the institutional investors/Financial Analysts as and when felt expedient. The Company's financial results and official news releases are displayed on the Company's website i.e. www.chandrimamercantiles.com

WHISTLE BLOWER POLICY:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers.

The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2019 no Protected Disclosures have been received under this policy.

GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Date, Time and venue: **30th September, 2019**, at **02.00 P.M.** at the **Registered Office** of the Company.
- b. Financial Year: **1st April, 2018 to 31st March, 2019.**
- c. Tentative Financial Calendar:
 - i. 1st quarterly results – **Second week of August, 2019.**
 - ii. 2nd quarterly results – **Second week of November, 2019.**
 - iii. 3rd quarter results – **Second week of February, 2020.**
 - iv. 4th quarter results – **Last week of May, 2020.**
- d. Date of Book Closure: **24th September, 2019 to 30th September, 2019.**
- e. Dividend Payment Date: **N.A.**
- f. Security Code: **540829 (BSE) , 013136 (CSE)**
- g. Demat ISIN number: **INE371F01016**
- h. Registrar & Share Transfer Agent: **M/s. Skyline Financial Services Pvt. Ltd D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi 110020**
- i. Share Transfer System: Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.

Distribution of Shareholding as on March 31, 2019.

| No. of Equity shares held | No of share holders | % of share holders | No of shares held | % of holding |
|----------------------------------|----------------------------|---------------------------|--------------------------|---------------------|
| 1-5000 | 578 | 97.64 % | 4,16,790 | 18.85 % |
| 5001-10000 | 0 | Nil | 0 | Nil |
| 10001-20000 | 0 | Nil | 0 | Nil |
| 20001-30000 | 0 | Nil | 0 | Nil |
| 30001-40000 | 0 | Nil | 0 | Nil |
| 40001-50000 | 0 | Nil | 0 | Nil |
| 50001-100000 | 0 | Nil | 0 | Nil |
| 100001 and Above | 14 | 2.36 % | 17,94,510 | 81.15 % |
| Total | 592 | 100 | 2,21,13,000 | 100 |

Categories of Shareholders as on March 31, 2019

| | Category | No. of Shares | % of Shares |
|---|--|----------------------|--------------------|
| A | Promoter's Holding | 3,46,500 | 15.67 % |
| 1 | Indian Promoters | -- | -- |
| 2 | Foreign Promoters | -- | -- |
| | Sub total | 3,46,500 | 15.67 % |
| B | Non-Promoters | | |
| 3 | Institutional Investors | -- | -- |
| | A Mutual Funds and UTI | -- | -- |
| | B Banks, Financial Inst., Insurance Com. | -- | -- |
| | (Central State Gov. Inst. / Non- Gov Inst.) | -- | -- |
| | C FIIS | -- | -- |
| | Sub total | | |
| 4 | Others | | |
| | A Private corporate Bodies | -- | -- |
| | B Indian Public | 18,64,800 | 84.33 % |
| | C NRIs / Clearing Member/OCBs/Trust/HUF | -- | -- |
| | Sub total | 18,64,800 | 84.33 % |
| | GRAND TOTAL | 22,11,300 | 100.00 % |

GOPAL C SHAH & CO

Chartered Accountants

102, Tejshri Residency, Vijay Cross Road,

Navrangpura, Ahmedabad.

Tel. No. 26443848

Email: cagopalcshah@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of **Chandrima Mercantiles Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Chandrima Mercantiles Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we

have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified

under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit

procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 of the Company 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 Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date : 25th May, 2019
Place : Ahmedabad

For, Gopal C. Shah & Co.
Chartered Accountants
Firm No.103296W

Sd/-

(Gopal C. Shah)
Proprietor
M. No. 034967

“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of CHANDRIMA MERCANTILES LTD

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

We have audited the internal financial controls over financial reporting of CHANDRIMA MERCANTILES LTD (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 the Institute of Chartered Accountants of India. 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 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's internal financial controls over financial reporting 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”) issued by ICAI on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting 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 internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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,, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 the Institute of Chartered Accountants of India.

Date :25th May, 2019
Place : Ahmedabad

For, Gopal C. Shah & Co.
Chartered Accountants
Firm No.103296W

Sd/-

(Gopal Shah)
Proprietor
M. No. 034967

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under the heading ‘Report on other Legal & Regulatory Requirement’ of our report of even date)

(i) In Respect of the Company’s Fixed Assets:

a) The Company has no Fixed Assets during the year.

(ii) In respect of Inventories:

The company has no inventory during the year.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and company has complied all the provision relates to the same.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the business activities carried on by the company.

(vii) In Respect of Statutory Dues:

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Goods and Service Tax, Value Added Tax, , Cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable except following:

| Sr. No. | Particular | Amount (In Rs.) | Authority |
|----------------|----------------------------|------------------------|------------------|
| 1) | Income Tax Demand AY 12-13 | 300/- | CPC |
| 2) | TDS Demand | 91,800/- | TRACES |

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has had no dues to financial institutions and government.

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments or term Loans during the year under audit. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Date : 25th May, 2019
Place : Ahmedabad

For, Gopal C. Shah & Co.
Chartered Accountants
Firm No.103296W

Sd/-

(Gopal C. Shah)
Proprietor
M. No. 034967

CHANDRIMA MERCANTILES LIMITED

NOTE: 1.1 –SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These Policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Basis Of Preparation

(a) Compliance with Ind AS

The Standalone financial statements for the period ended 31st March, 2019 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of net of returns, trade allowances, rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

The Company recognises revenue when significant risk and rewards pertaining to ownership of goods get transferred from Seller to buyer.

(iii) Cash Flow Statement

The Cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" using the Indirect method for operating Activities.

(iv) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investment with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(v) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(vi) Investment and other Financial Assets

(a) Classification

The Group classifies its financial assets in the measurement categories:

- Those to be measured subsequently at fair value, and
- Those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investment in equity instruments, this will depend on whether group has made an irrecoverable election at the time of

initial recognition to account for the equity investment at fair value through other comprehensive income.

(b) Measurement

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

(vii) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in balance sheet where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

(viii) Related Parties

a. There are transactions entered into between related parties as follows:

| No | Name of Personnel | Relationship | As at March 31, 2019 (Amount in Rs.) |
|----|-------------------|--------------|--------------------------------------|
| 1 | - | - | - |

b. Names of related parties and description of relationship:

| No. | Name of Key Managerial Personnel | Designation/Relationship |
|-----|----------------------------------|--------------------------|
| 1. | Pooja Kumari | Director |
| 2. | Jinal Y. Modi | Managing Director |
| 3. | Kunal J Mehta | Director |

(ix) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

(x) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method.

(xi) Contributed Equity

Equity shares are classified as equity.

(a) Earnings per Share

Basic earnings per share is calculated by dividing:

-the profit attributable to the owners group-by the weighted average number of equity shares outstanding during the year.

(b) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

For and on behalf of the board of directors

For, CHANDRIMA MERCANTILES LIMITED

Sd/-

Managing Director

Sd/-

Director

As per our attached report of even date

**For, Gopal C. Shah & Co,
Chartered Accountants
Firm No.103296W**

Sd/-

**(Gopal C Shah)
(Proprietor)
M No:-034967**

**Place : Ahmedabad
Date : 25th May, 2019**

CHANDRIMA MERCANTILES LIMITED
Balance Sheet as at March 31, 2019

(Amount in INR)

| | Particulars | Note No. | As at March 31, 2019 | | As at March 31, 2018 | |
|-----------|--|----------|----------------------|-------------------|----------------------|-------------------|
| I | ASSETS | | | | | |
| | Non-current assets | | | | | |
| | (a) Property, Plant and Equipment | | - | | - | |
| | (b) Capital work-in-progress | | - | | - | |
| | (c) Investment Property | | - | | - | |
| | (d) Goodwill | | - | | - | |
| | (e) Other Intangible assets | | - | | - | |
| | (f) Intangible assets under development | | - | | - | |
| | (g) Biological Assets other than bearer plants | | - | | - | |
| | (h) Financial Assets | | | | | |
| | (i) Investments | 14 | 1,335,324 | | 6,379,387 | |
| | (ii) Trade receivables | 15 | - | | - | |
| | (iii) Loans | 16 | 21,556,700 | | 15,540,368 | |
| | (iv) Others (to be specified) | | | | | |
| | (i) Deferred tax assets (net) | | - | | - | |
| | (j) Other non-current assets | 17 | - | | - | |
| | | | | 22,892,024 | | 21,919,755 |
| II | Current assets | | | | | |
| | (a) Inventories | | - | | - | |
| | (b) Financial Assets | | | | | |
| | (i) Investments | 18 | - | | - | |
| | (ii) Trade receivables | 15 | - | | 3,404,508 | |
| | (iii) Cash and cash equivalents | 19 | 25,488 | | 179,209 | |
| | (iv) Bank balances other than (iii) above | 19 | - | | - | |
| | (v) Loans | 20 | 13,234,521 | | 8,980,000 | |
| | (vi) Others (to be specified) | | | | | |
| | (c) Current Tax Assets (Net) | | | | | |
| | (d) Other current assets | 21 | - | | 2,054,106 | |
| | | | | 13,260,009 | | 14,617,823 |
| | | | | 36,152,033 | | 36,537,578 |
| | Total Assets | | | | | |
| I | EQUITY AND LIABILITIES | | | | | |
| | EQUITY | | | | | |
| | (a) Equity Share capital | 2 | 25,113,000 | | 25,113,000 | |
| | (b) Instruments entirely equity in nature | | - | | - | |
| | (c) Other Equity | 3 | 10,919,033 | | 11,361,598 | |
| | | | | 36,032,033 | | 36,474,598 |
| | LIABILITIES | | | | | |
| | Non-current liabilities | | | | | |
| | (a) Financial Liabilities | | | | | |
| | (i) Borrowings | 4 | - | | - | |
| | (ii) Trade payables | 5 | - | | - | |
| | (iii) Other financial liabilities | 6 | - | | - | |
| | (b) Provisions | 7 | - | | - | |
| | (c) Deferred tax liabilities (Net) | | - | | - | |
| | (d) Other non-current liabilities | 8 | - | | - | |
| | | | | - | | - |
| II | Current liabilities | | | | | |
| | (a) Financial Liabilities | | | | | |
| | (i) Borrowings | 9 | - | | - | |
| | (ii) Trade payables | 10 | 40,000 | | - | |
| | (iii) Other financial liabilities | 11 | - | | - | |
| | (b) Other current liabilities | 12 | - | | - | |
| | (c) Provisions | 13 | 80,000 | | 62,980 | |
| | (d) Current Tax Liabilities (Net) | | | | | |
| | | | | 120,000 | | 62,980 |
| | Total Equity and Liabilities | | | 36,152,033 | | 36,537,578 |

As per our separate report of even date

See accompanying notes to the financial statements

For, Gopal C. Shah & Co

Chartered Accountants

Firm No. 103296W

For & on behalf of the Board,

CHANDRIMA MERCANTILES LIMITED

(Gopal C. Shah)

Proprietor

M. No. 34967

Sd/-

Managing Director

Sd/-

Director

Place : AHMEDABAD

Date : 25th May, 2019

CHANDRIMA MERCANTILES LIMITED
Statement of Profit and Loss for the year ended March 31, 2019

(Amount in INR)

| | Particulars | Note No. | For the year ended March 31, 2019 | | For the year ended March 31, 2018 | |
|-------|--|----------|-----------------------------------|----------------|-----------------------------------|------------------|
| I | Revenue from Operations | 22 | - | | 6,457,650 | |
| II | Other Income | 23 | 563,341 | | 300,000 | |
| III | Net gain on de-recognition of financial assets at amortized cost | | - | | - | |
| IV | Net gain on reclassification of financial assets | | - | | - | |
| V | Total Income (I+II+III+IV) | | | 563,341 | | 6,757,650 |
| VI | Expenses | | | | | |
| | Cost of Material Consumed | | - | | - | |
| | Excise Duty | | - | | - | |
| | Purchases of Stock-in-Trade | 24 | - | | 5,178,974 | |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 25 | - | | 206,795 | |
| | Employee Benefits Expenses | 26 | 62,000 | | 314,650 | |
| | Finance Costs | 27 | 3,888 | | 1,700 | |
| | Depreciation and Amortization Expense | 28 | - | | - | |
| | Impairment losses | | - | | - | |
| | Net Loss on de-recognition of financial assets at amortized cost | | - | | - | |
| | Net Loss on reclassification of financial assets | | - | | - | |
| | Other Expenses | 29 | 396,830 | | 990,869 | |
| | Total Expense (VI) | | | 462,718 | | 6,692,988 |
| VII | Profit/(Loss) before Exceptional items and Tax (V-VI) | | | 100,623 | | 64,662 |
| VIII | Exceptional Items | | | - | | - |
| IX | Profit Before Tax (VII-VIII) | | | 100,623 | | 64,662 |
| X | Tax Expense: | | | | | |
| | (a) Current Tax | | - | | 17,980 | |
| | (b) Deferred Tax | | - | | - | |
| | | | | - | | 17,980 |
| XI | Profit for the Period from Continuing Operations (IX - X) | | | 100,623 | | 46,682 |
| XII | Profit/(Loss) for the Period from Discontinuing Operations | | | - | | - |
| XIII | Tax Expense of Discontinuing Operations | | | - | | - |
| XIV | Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII) | | | - | | - |
| XV | Profit for the Period (XI + XIV) | | | 100,623 | | 46,682 |
| XIV | Other Comprehensive Income | | | | | |
| | (A)(i) Items that will not be reclassified to profit or loss | | | - | | - |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | | - | | - |
| | (B)(i) Items that will be reclassified to profit or loss to profit and loss | | | - | | - |
| | (ii) Income tax relating to items that will be reclassified to profit and loss | | | - | | - |
| | | | | - | | - |
| XVI | Total Comprehensive Income for the period (XV+ XIV) (Comprising Profit/(loss) and other Comprehensive Income for the period) | | | 100,623 | | 46,682 |
| XVII | Earnings Per Equity Share (For Continuing Operation) : | 30 | | | | |
| | (a) Basic | | | 0.05 | | 0.02 |
| | (b) Diluted | | | 0.05 | | 0.02 |
| XVIII | Earnings Per Equity Share (For Discontinuing Operation): | 30 | | | | |
| | (a) Basic | | | - | | - |
| | (b) Diluted | | | - | | - |
| XVIX | Earnings Per Equity Share (For Continuing and Discontinuing Operation): | 30 | | | | |
| | (a) Basic | | | 0.05 | | 0.02 |
| | (b) Diluted | | | 0.05 | | 0.02 |
| | Significant Accounting Policies | 1 | | | | |

As per our separate report of even date
See accompanying notes to the financial statements

For, Gopal C. Shah & Co
Chartered Accountants
Firm No.103296W

For & on behalf of the Board ,
CHANDRIMA MERCANTILES LIMITED

(Gopal C. Shah)
Proprietor
M. No. 34967
Place : AHMEDABAD
Date : 25th May, 2019

Sd/-
Managing Director

Sd/-
Director

STATEMENT OF CHANGES IN EQUITY

CHANDRIMA MERCANTILES LIMITED

(CIN:L51909GJ1982PLC086535)

Statement of Changes in Equity for the period ended 31st March, 2019

A. Equity Share Capital

(Amounts in INR)

| Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--|---|--|
| 1st April, 2017 | | 22,113,000 |
| 31st March, 2018 | | 22,113,000 |
| 31st March, 2019 | | 22,113,000 |

B. Other Equity

(Amounts in INR)

| | Reserves and Surplus | | | | | Total |
|---|----------------------|-----------------|----------------------------|---|-------------------|-------------------|
| | Special Reserve | Capital Reserve | Securities Premium Reserve | Other Reserves (Surplus balance of Profit & loss Account) | Retained Earnings | |
| Reporting as at 1st April, 2017 | | | | | | |
| Balance at the beginning of the reporting period | 519,540 | - | 7,344,000 | 3,487,772 | - | 11,351,312 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | 46,682 | - | 46,682 |
| Dividends | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - |
| Any other change (Written off) | - | - | - | 36,396 | - | 36,396 |
| Balance at the end of 31st March, 2018 | 519,540 | - | 7,344,000 | 3,498,058 | - | 11,361,598 |
| | | | | | | - |
| Reporting as at 1st April, 2018 | | | | | | |
| Balance at the beginning of the reporting period | 519,540 | - | 7,344,000 | 3,498,058 | - | 11,361,598 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | 100,623 | - | 100,623 |
| Dividends | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - | - |
| Any other change (Written off) | - | - | - | 543,188 | - | 543,188 |
| Balance at the end of the March 2019 | 519,540 | - | 7,344,000 | 3,055,493 | - | 10,919,033 |

CHANDRIMA MERCANTILES LIMITED
Notes to financial statements for the year ended March 31, 2019

Note 2 - Equity Share Capital

| (a) | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-----|---|--------------------------|--------------------------|
| | Authorised : | | |
| | 25,50,000 Equity Shares (Previous Year 2,50,000) of Rs. 10/- each | 25,500,000 | 25,500,000 |
| | TOTAL | <u><u>25,500,000</u></u> | <u><u>25,500,000</u></u> |
| | Issued, Subscribed and Paid-up : | | |
| | 2211300 Equity Shares (Previous Year 245700) of Rs. 10/- each | 22,113,000 | 22,113,000 |
| | 300000 Preference Shares (Previous Year 300000) of Rs. 10/- each | 3,000,000 | 3,000,000 |
| | Add : Share Forfeited (Current year Trf to Reserve) | | |
| | Less : Calls in arrears | - | |
| | TOTAL | <u><u>25,113,000</u></u> | <u><u>25,113,000</u></u> |

(b) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

- i) The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31st March 2019, the Company has not declared any dividend.
- ii) In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| No. of shares at the beginning of the year | 2,511,300 | 2,511,300 |
| Add: Issue of Shares during the year | | |
| Subscriber to the Memorandum | - | - |
| Private Placement | - | |
| | <u>2,511,300</u> | <u>2,511,300</u> |
| Less: Forfeiture of Shares during the Year | - | |
| No. of shares at the end of the year | <u><u>2,511,300</u></u> | <u><u>2,511,300</u></u> |

(d) Aggregate details for five immediately previous reporting periods for each class of shares

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| - No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash | - | - |
| - No. of shares allotted as fully paid by way of Bonus Shares | - | - |
| - No. of shares bought back | - | - |

(e) Details of shareholders holding more than 5% shares in the company

| No. of Shares held by | As at March 31, 2019 | | As at March 31, 2018 | |
|------------------------|----------------------|---|----------------------|---|
| | Nos. | % | Nos. | % |
| Roshanlal D Aggarwal | 175,500 | 0 | 175,500 | 0 |
| Upendra Hiralal Dalal | 171,000 | 0 | 171,000 | 0 |
| Rajeshbhai R. Rajput | 288,000 | 0 | 288,000 | 0 |
| Bimehs Arvindbhai Jani | 313,560 | 0 | 313,560 | 0 |

(f) Detailed note on shares reserved to be issued under options and contracts / commitment for the sale of shares / divestments including the terms and conditions.

The company does not have any such contract / commitment as on reporting date.

(g) Detailed terms of any securities convertible into shares, e.g. in the case of convertible warrants, debentures, bonds etc.

The company does not have any securities convertible into shares as on reporting date.

Note 3 - Other Equity

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| (i) Capital Reserve | | |
| As per last Balance Sheet | - | - |
| Add: Additions during the year (Share Forfeiture) | - | - |
| Less: Utilised / transferred during the year | - | - |
| Closing balance | - | - |
| (ii) Securities premium account | | |
| Opening balance | 7,344,000 | 7,344,000 |
| Add : Premium on shares issued during the year | - | - |
| Less : Utilised during the year for: | - | - |
| Closing balance | 7,344,000 | 7,344,000 |
| (ii) General Reserve | | |
| As per last Balance Sheet | - | - |
| Add: Transferred from Profit and Loss Account | - | - |
| Less: Transferred to Profit and Loss Account | - | - |
| Closing balance | - | - |
| (iii) Special Reserve | 519,540 | 519,540 |
| | 519,540 | 519,540 |
| (iv) Surplus in the Profit & Loss Account | | |
| As per last Balance Sheet | 3,498,058 | 3,487,772 |
| Add: Profit / (Loss) for the year | 100,623 | 46,682 |
| | 3,598,681 | 3,534,454 |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

| | | | | |
|-------------------------------------|------------------|--------------------------|-----------------|--------------------------|
| Amount available for appropriations | 3,598,681 | | 3,534,454 | |
| Appropriations: | | | | |
| Add: Transferred from reserves | | | - | |
| Less: Written Off Balances | (543,188) | | | |
| Income Tax Refundable | - | | (36,396) | |
| | <u>(543,188)</u> | 3,055,493 | <u>(36,396)</u> | 3,498,058 |
| TOTAL | | <u>10,919,033</u> | | <u>11,361,598</u> |

**Note 4: Non Current Liabilities: Financial Liabilities :
Borrowing**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| (a) Loans From Bank and Financial Institutions | | |
| Secured Loans | - | - |
| Unsecured Loans | - | - |
| Term Loan from others | | |
| Secured | - | - |
| Unsecured | - | - |
| (b) Loans and advances from related parties | | |
| Secured | - | - |
| Unsecured | - | - |
| (c) Other Loan & Advances | | |
| Secured Loans | - | - |
| Unsecured Loans | - | - |
| Dimpal Marodia | - | - |

**Note 5: Non- Current Liabilities: Financial Liabilities :
Payables**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------|----------------------|----------------------|
| (i) Trade Payable | - | - |
| (ii) Others | - | - |
| Total | <u>-</u> | <u>-</u> |

**Note 6: Non- Current Liabilities: Financial Liabilities :
Others**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------|----------------------|----------------------|
|-------------|----------------------|----------------------|

CHANDRIMA MERCANTILES LIMITED
Notes to financial statements for the year ended March 31, 2019

| | | |
|-------------------|-------|-------|
| (i) Trade Payable | _____ | _____ |
| | - | - |
| (ii) Others | _____ | _____ |
| | - | - |
| Total | _____ | _____ |
| | - | - |

Note 7: Non Current : Provisions

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------------|----------------------|----------------------|
| (a) Provision for employee's benefits | - | - |
| (b) Others (Specify) | _____ | _____ |
| | - | - |

Note 8: Other Non- Current Liabilities

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------|----------------------|----------------------|
| (i) | _____ | _____ |
| | - | - |
| (ii) | _____ | _____ |
| | - | - |
| Total | _____ | _____ |
| | - | - |

Note 9: Current Liabilities: Financial Liabilities : Borrowing

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------|----------------------|----------------------|
| (a) Loans repayable on demand | | |
| From banks | | |
| Secured | - | |
| Unsecured | - | |
| | _____ | _____ |
| | - | - |
| From Other parties | | |
| (b) Loans and advances | | |
| Secured | - | |
| Unsecured | _____ | _____ |
| | - | - |
| | _____ | _____ |
| | - | - |

Note 10: Current liabilities: Financial Liabilities : Trade Payables

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Outstanding Dues of Micro, Small and Medium Enterprises | - | - |
| Outstanding Dues of Other Creditors | 40,000 | - |
| Outstanding Dues of Other Creditors- Related Party | - | - |

CHANDRIMA MERCANTILES LIMITED
Notes to financial statements for the year ended March 31, 2019

40,000

-

Note 11: Current liabilities: Financial Liabilities : Others

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------|----------------------|----------------------|
| TOTAL | <u>-</u> | <u>-</u> |

Note 12: Other Current Liabilities

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------|----------------------|----------------------|
| TOTAL | <u>-</u> | <u>-</u> |

Note 13 - Current Liabilities : Provisions

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------|----------------------|----------------------|
| Provision for Audit Fees | 80,000 | 25,000 |
| Provision for Accounting Fees | - | 20,000 |
| Provision for Taxation | - | 17,980 |
| TOTAL | <u>80,000</u> | <u>62,980</u> |

Note -14 - Non-Current Assets: Financial Assets: Investments

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Investments (At Cost) | | |
| Investment in Equity Instruments | | |
| i) of Subsidiary: | | |
| ii) of other entities: | | |
| Investment in Shares & Securities | | |
| Investments in Quoted Investments | | |
| Equity Investments:- | | |
| Nihon Electronics Ltd. 140 Shares Face Value Of Rs.10/-each | 4,205 | 4,205 |
| Divya Chemical Ltd. 1000 Shares Face Value Of Rs.10/-each | 54,720 | 54,720 |
| Lakshmi Synthetics Machine Ltd. 500 Shares Face Value Of Rs.2/-each | - | 148,063 |
| Ebony India Limited | 1,154,000 | |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

Dalmia Bharat Sugar & Ind. Ltd. 1500 Shares Face

| | | | | |
|---|---------|------------------|---------|------------------|
| Value Of Rs.2/-each | 115,899 | 1,328,824 | 115,899 | 322,887 |
| Investments in Unquoted Investments | | | | |
| Debentures:- | | | | |
| Kothari General Food Corporation Ltd. | 4,000 | | 4,000 | |
| National Saving Certificates (Pledged With Sales Tax Department) | 2,500 | 6,500 | 2,500 | 6,500 |
| Investment in Gold | | - | | 6,050,000 |
| | | <u>1,335,324</u> | | <u>6,379,387</u> |

Note -16 - Non Current Assets: Financial assets: Loan

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| (a) Capital Advances | - | - |
| (b) Security Deposits | | |
| Security Deposit | - | - |
| Office Deposit | - | - |
| Unsecured Considered good Deposits | - | - |
| (c) Loans & Advances to Related Parties | | |
| Unsecured considered good | - | - |
| (d) Other Loans & Advances (Specify Nature) | | |
| Secured, Considered good | | |
| Unsecured Considered good | 21,556,700 | 15,540,368 |
| Advance to Staff | - | - |
| Due from Others | - | - |
| Doutful or Bad | - | - |
| | <u>21,556,700</u> | <u>15,540,368</u> |

Note -17 - Other Non-Current Assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|----------------------|----------------------|
| (a) Long Term Trade Receivable | | |
| (b) Others (Specify Nature) | | |
| Preliminary Expenses | - | - |
| | <u>-</u> | <u>-</u> |

Note -18 - Current Assets: Investments

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Current Investments (At lower of cost and fair value) | | |
| Gold and Silver | - | - |
| | <u>-</u> | <u>-</u> |

Note 15 - Trade Receivables

CHANDRIMA MERCANTILES LIMITED
Notes to financial statements for the year ended March 31, 2019

| (a) | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-----|--|----------------------|----------------------|
| | (i) Due for a period exceeding six months | | |
| | - Unsecured, considered good | - | - |
| | - Doubtful | - | - |
| | Less: Provision for Doubtful Debts | - | - |
| | | - | - |
| | (ii) Others | | |
| | - Unsecured, considered good | - | 3,404,508 |
| | Other Receivables | | |
| | - Doubtful | | |
| | Less: Doubtful Debts Writtewn off | - | |
| | | - | 3,404,508 |
| | TOTAL | - | 3,404,508 |

Note 19 - Cash & Cash equivalents

| (a) | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-----|--|----------------------|----------------------|
| | Cash & Cash Equivalents | | |
| | (i) Balances with Banks : | | |
| | Bank Accounts | 11,009 | 10,228 |
| | (ii) Cash-on-hand | 14,479 | 168,981 |
| | (iii) Cheques & Drafts on-hand | | |
| | (iv) Others - Stamps on Hand | - | |
| | (b) Other Bank Balances | | |
| | - Margin Money or Security Deposit | | |
| | - Repatriation Restrictions | | |
| | - Deposit Accounts more than 3 month maturity | | |
| | - Deposit Accounts more than 12 month maturity | | |
| | TOTAL | 25,488 | 179,209 |

Note 20 - Current Assets: Financial Assets: Loans

| (a) | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-----|--|----------------------|----------------------|
| | (i) Security deposits | | |
| | Secured, considered good | - | |
| | Unsecured, considered good | - | |
| | Doubtful | - | |
| | | - | - |
| | (ii) Inter-corporate deposits | | |
| | Secured, considered good | - | |
| | Unsecured, considered good | | |
| | Doubtful | - | |
| | | - | - |
| | (iii) Share Application Money Given | | |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

(iv) Advance income tax and TDS - Unsecured,
considered good

| | | | |
|------------------------------------|------------|-------------------|------------------|
| | - | - | - |
| (v) Others | | | |
| Secured, considered good | - | | |
| Unsecured, considered good | 13,234,521 | | 8,980,000 |
| | | 13,234,521 | 8,980,000 |
| Less: Provision for Doubtful Debts | | | |
| TOTAL | | 13,234,521 | 8,980,000 |

Note 21: Other Current Assets

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------|----------------------|----------------------|
| Interest Receivable | - | 1,542,938 |
| TDS | - | 511,168 |
| | - | 2,054,106 |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 22 - Revenue from Operations

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|-----------------------------------|-----------------------------------|
| Sales | - | 6,457,650 |
| TOTAL | - | 6,457,650 |

Note 23 - Other Income

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|-------------------|-----------------------------------|-----------------------------------|
| Interest Received | 563,341 | 300,000 |
| TOTAL | 563,341 | 300,000 |

Note 24 - Purchases

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|-----------------------------------|-----------------------------------|
| Purchase | - | 5,178,974 |
| TOTAL | - | 5,178,974 |

Note 25 - Changes in inventories of finished goods, work in progress and stock in trade

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|-----------------------------------|-----------------------------------|
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | - | - |
| Work-in-progress | - | - |
| Stock-in-trade | - | - |
| | - | - |
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | - | - |
| Work-in-progress | - | - |
| Stock-in-trade | - | 206,795 |
| | - | 206,795 |
| | - | 206,795 |

Note 26 - Employee Benefit Expenses

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|-----------------------------------|-----------------------------------|
| Salary | 62,000 | 314,650 |
| TOTAL | 62,000 | 314,650 |

Note 27 - Financial Costs

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|-----------------------------------|-----------------------------------|
| Bank Charges | 3,888 | 1,700 |
| TOTAL | 3,888 | 1,700 |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 28 - Depreciation & Amortised Cost

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--------------|-----------------------------------|-----------------------------------|
| Depreciation | | |
| TOTAL | <u><u>-</u></u> | <u><u>-</u></u> |

Note 29 - Other Expenses

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|-------------------------|-----------------------------------|-----------------------------------|
| Audit Fees | 30,000 | 25,000 |
| Accounting Fees | 25,000 | 20,000 |
| CDSL Charges | - | 2,950 |
| Bse Fees | 295,000 | 541,600 |
| NSDL Charges | - | 56,640 |
| Other Expenses | - | 4,572 |
| Electric Exp. | - | 5,220 |
| Merchant Banker Charges | - | 81,000 |
| Professional Fees | 15,000 | 54,700 |
| Registrar Fees | 31,830 | 72,980 |
| Rent Expenses | - | 54,800 |
| Telephone Expenses | - | 7,657 |
| TDS Interest Expenses | - | 63,750 |
| Round Off Expenses | | |
| TOTAL | <u><u>396,830</u></u> | <u><u>990,869</u></u> |

Note 30 - Earnings Per Equity Share

(Amount in INR)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|-----------------------------------|-----------------------------------|
| (a) Net profit after tax attributable to equity shareholders for | | |
| Basic EPS | 100,623 | 46,682 |
| Add/Less: Adjustment relating to potential equity shares | | - |
| Net profit after tax attributable to equity shareholders for | 100,623 | 46,682 |
| Diluted EPS | | |
| (b) Weighted average no. of equity shares outstanding during the | | |
| year | | |
| For Basic EPS | 2,211,300 | 2,211,300 |
| (c) Face Value per Equity Share (Rs.) | | |
| For Continuing Operation | | |
| Basic EPS | 0.05 | 0.02 |
| Diluted EPS | 0.05 | 0.02 |
| For Discontinuing Operation | | |
| Basic EPS | - | - |

CHANDRIMA MERCANTILES LIMITED

Notes to financial statements for the year ended March 31, 2019

| | | |
|--|------|------|
| Diluted EPS | - | - |
| For Continuing & Discontinuing Operation | | |
| Basic EPS | 0.05 | 0.02 |
| Diluted EPS | 0.05 | 0.02 |

Note:

The figures of the previous year have been re-arranged, re-grouped and re-classified wherever necessary.

CHANDRIMA MERCANTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Year ended 31st March, 2019 | | Year ended 31st March, 2018 | |
|--|--------------------------------|-------------|--------------------------------|-------------|
| | | Rs. | | Rs. |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax for the year | | 100,623 | | 64,662 |
| Adjustments for : | | | | |
| Income Tax Refundable | (543,188) | | (36,396) | |
| Interest Paid | | | - | |
| | | (543,188) | - | (36,396) |
| Operating Profit before Working Capital change | | (442,565) | | 28,266 |
| Adjustments for : | | | | |
| Decrease/(Increase) in Receivables | 3,404,508 | | 4,259,234 | |
| Decrease/(Increase) in Loans & Advances | (4,254,521) | | (8,980,000) | |
| Decrease/(Increase) in Inventories | - | | 206,795 | |
| Decrease/(Increase) in Short Term Loans & Advances | - | | - | |
| Decrease/(Increase) in Other Current Assets | 2,054,106 | | 36,396 | |
| Increase/(Decrease) in Payables | 40,000 | | (1,314,198) | |
| Increase/(Decrease) in Current Liabilities | - | | - | |
| Increase/(Decrease) in Provisions | 17,020 | 1,261,113 | (14,440) | (5,806,213) |
| Cash Generated From Operations | | 818,548 | | (5,777,947) |
| Income Tax | | - | | 17,980 |
| NET CASH FROM OPERATING ACTIVITIES Total (A) | | 818,548 | | (5,795,927) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Fixed Asset Purchase/sale | - | | - | |
| Non Current Investment | 5,044,063 | | - | |
| Current Investment | - | | - | |
| Non Current Assets Sold | - | | - | |
| Interest Received | | | - | |
| NET CASH USED IN INVESTING ACTIVITIES Total (B) | | 5,044,063 | | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Share Application Money | | | | |
| Increase In Capital | - | | - | |
| Long Term Borrowing | - | | - | |
| Interest Received | - | | - | |
| Long Term Loans & Advances | (6,016,332) | | 5,668,422 | |
| NET CASH FROM FINANCING ACTIVITIES Total (C) | | (6,016,332) | | 5,668,422 |
| Net Increase/(Decrease) in Cash and Cash Equivalents Total (A+B+C) | | (153,721) | | (127,505) |
| Cash and Cash Equivalents -- Opening Balance | | 179,209 | | 306,714 |
| Cash and Cash Equivalents -- Closing Balance | | 25,488 | | 179,209 |
| | | 0 | | - |

Note: Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our separate report of even date

See accompanying notes to the financial statements

For, Gopal C. Shah & Co

Chartered Accountants

Firm No.103296W

**For & on behalf of the Board,
CHANDRIMA MERCANTILES LIMITED**

(Gopal C. Shah)

Proprietor

M. No. 34967

Place : AHMEDABAD

Date : 25th May, 2019

Sd/-

Managing Director

Sd/-

Director

CHANDRIMA MERCANTILES LIMITED

(CIN: L51909GJ1982PLC086535)

Reg. off: 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad, GJ - 380004.

Ph no: +91- 9328523122, EmailId:chandrimamercantile@gmail.com,

Website:www.chandrimamercantiles.com

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at the Annual General Meeting of Chandrima Mercantiles Limited held on Monday, 30th September, 2019 at 02:00 P.M. at 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad - 380004.

| DP ID | Client ID | Folio No. | No. of Shares held |
|--------------|------------------|------------------|---------------------------|
| | | | |
| | | | |

Full Name of Shareholder (In Block Letters)

Signature

Full Name of Proxy (In Block Letters)

Signature

CHANDRIMA MERCANTILES LIMITED

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: L51909GJ1982PLC086535)**

NAME OF THE COMPANY: CHANDRIMA MERCANTILES LIMITED

REGISTERED OFFICE: 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad, GJ-380004

Name of the Member(s)

Registered Address:

Email id

Folio No/Client Id & DP Id:

I/We, being the Member(s), holding shares of CHANDRIMA
MERCANTILES LIMITED, hereby appoint,

1. Name :
Address :
Email Id :
Signature : ; or failing him
2. Name :
Address :
Email Id :
Signature : ; or failing him

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, 30th day of September, 2019
at 02:00 P.M. at 322, Madhvpura Gunj Bazar, Madhvpura, Ahmedabad-380004 and at any
adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Resolution:-

- 1.To consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors.
- 2.To appoint Directors in place of Directors retiring by rotation
- 3.To Ratify the appointment of Auditors of the Company and fixing their remuneration.

Signed this day of.....2019

.....
Signature of the Shareholder

.....
Signature of Proxy Holder(s)

| |
|--|
| Affix Revenue Stamp of Rs.1/- |
|--|

**Notes: 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.**