

VARUN MERCANTILE LIMITED

Corporate Identity Number: L51909MH1985PLC321068

Website: www.vml.org.in

Regd. Office: 147, 14th Floor, Atlanta, Nariman Point, Mumbai 400 021.

Tel.: 22800131, Fax 22800130.

BSE Scrip code: 512511

6th September, 2024

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sirs,

Sub: **Annual Report 2023-24**

We attach herewith Annual Report of the Company for the year 2023-24 pursuant to Regulation 34 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Request you to take the same on record.

Thanking you,

Yours faithfully,

For Varun Mercantile Limited

Sanjay T. More
Director
DIN: 07711625

Encl: As above

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39TH ANNUAL GENERAL MEETING OF THE MEMBERS OF VARUN MERCANTILE LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2024 AT 10:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 147, 14TH FLOOR, ATLANTA, NARIMAN POINT, MUMBAI-400021 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon and, in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon as circulated to the members, be and are hereby considered and adopted."

2. To appoint Shri Sanjay T. More, who retires by rotation, as a Director and, in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Sanjay T. More (DIN: 07711625), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

Special Business:

3. To appoint Shri Mehul R. Shah, as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Mehul R. Shah (DIN: 00094503), who was appointed as an Additional Director designated as Independent Director, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years i.e. upto 1st December, 2028;

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

By Order of the Board of Directors

Place: Mumbai
Dated: 5th September, 2024

Daudayal S. Lakhani
Company Secretary

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Notes:

1. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The proxy holder shall prove his identity at the time of attending the Meeting.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. The prominent landmark for the venue is Vidhan Bhavan.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. In terms of the provisions of Section 152 of the Companies Act, 2013 (the "Act"), Shri Sanjay T. More, Director, retires by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company commend his re-appointment.

Details of Director retiring by rotation, as required to be provided pursuant to the provisions of (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and (ii) Secretarial Standard on General Meeting ("SS-2"), issued by the Institute of Company Secretaries of India are provided herein below:

Details of Director / KMP retiring by rotation / seeking appointment at the Meeting:

Shri Sanjay T. More

| Sr. No. | Particulars | Details |
|---------|---|--|
| 1 | Age | 55 years |
| 2 | Qualification | B.com |
| 3 | Experience (including expertise in specific functional area) / Brief Resume | More than 17 years of rich and varied experience in the field of Banking and Treasury |
| 4 | Terms and Conditions of re-appointment | As per resolution at item no. 2 of the Notice convening this Meeting, in terms of Section 152(6) of the Companies Act, 2013 Shri |

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| | | |
|----|--|--|
| | | Sanjay T. More, is liable to retire by rotation. |
| 5 | Remuneration last drawn | NIL |
| 6 | Remuneration proposed to be paid | NIL |
| 7 | Date of first appointment on the Board | Appointed as an Additional Director w.e.f. May 10, 2021. |
| 8 | Shareholding in Company as on 31 st March, 2024 | 17,000 equity shares |
| 9 | Relationship with other Directors / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel. |
| 10 | Number of meetings of the Board attended during the financial year (2023-24) | 7 |
| 11 | Directorship(s) of other Boards as on 31 st March, 2024 | <ul style="list-style-type: none">• Padma Raga Commercials Private Limited• Relogistics (India) Private Limited |
| 12 | Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024 | NIL |

Shri Sanjay T. More is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. The relatives of Shri Sanjay T. More may be deemed to be interested in the said Resolution set out at Item No. 2 of the Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Businesses set out under Item No. 1 & 2 of the Notice.

- Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of Annual Report.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

DESPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

- In compliance with the MCA Circulars and SEBI Circular dated 5th January, 2023, Notice of the Annual General Meeting (AGM) along with the Annual Report for financial year 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company / Registrar and Transfer Agents / Depository Participants. Members may note that the Notice and Annual Report for financial year 2023-24 will also be available on the Company's website: www.vml.org.in, website of the Stock Exchange, i.e., BSE Limited at: www.bseindia.com and on the website of Company's Share Transfer Agent, KFin Technologies Limited ("KFinTech") at: <https://evoting.kfintech.com/>.
- For receiving all communication (including Annual Report) from the Company electronically:

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- (a) Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to follow the process set out in Note No. 14 in this Notice. NSDL has provided a facility for registration / updation of e-mail address through the link: <https://eservices.nsdl.com/kyc/attributes/#/login>.
- (b) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

PROCEDURE FOR 'REMOTE E-VOTING' AND E-VOTING AT THE AGM ('INSTA POLL'):

10. A. E-VOTING FACILITY:

The Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and the members attending the meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

The manner of voting, including voting remotely by

- (i) individual shareholders holding shares of the Company in demat mode,
- (ii) shareholders other than individuals holding shares of the Company in demat mode,
- (iii) shareholders holding shares of the Company in physical mode, and
- (iv) Members who have not registered their e-mail address is explained in the instructions given under C and D herein below.

The remote e-voting facility will be available during the following voting period:

| | |
|---------------------------------|---|
| Commencement of remote e-voting | 09:00 a.m. (IST) on Thursday, 26 th September, 2024 |
| End of remote e-voting | 05:00 p.m. (IST) on Sunday, 29 th September 2024 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

Voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her/ its shareholding in the paid-up equity share capital of the Company as on the cut-off date, i.e., Monday, 23rd September, 2024 ("Cut-off Date").

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The Board of Directors of the Company has appointed Shri Devesh C. Vasavada, a Practising Chartered Accountant, Mumbai, as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**
- ii. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.**
- iii. A Member can opt for only single mode of voting, that is, through remote e-voting or voting at the Meeting (Insta Poll). If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- iv. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting or participation at the AGM and voting through Insta Poll. A person who is not a member as on the Cut-off Date, should treat the Notice for information purpose only.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

C. REMOTE E-VOTING:

vi. INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE

As per circular of SEBI on e-Voting Facility provided by Listed Entities, dated December 9, 2020, all "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

Procedure to login through websites of Depositories

| National Securities Depository Limited ("NSDL") | Central Depository Services (India) Limited ("CDSL") |
|--|---|
| 1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure: i. Type in the browser / Click on the following e- | 1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure: i. Type in the browser / Click on any of the following links: |

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| National Securities Depository Limited (“NSDL”) | Central Depository Services (India) Limited (“CDSL”) |
|---|--|
| <p>Services link: https://eservices.nsdl.com</p> <p>ii. Click on the button “Beneficial Owner” available for login under ‘IDeAS’ section.</p> <p>iii. A new page will open. Enter your User ID and Password for accessing IDeAS.</p> <p>iv. On successful authentication, you will enter your IDeAS service login. Click on “Access to e-Voting” under Value Added Services on the panel available on the left hand side.</p> <p>v. You will see Company Name: “Varun Mercantile Limited” on the next screen. Click on the e-Voting link available against Varun Mercantile Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p> <p>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <p>i. To register, type in the browser / Click on the following e-Services link: https://eservices.nsdl.com.</p> <p>ii. Select option “Register Online for IDeAS” available on the left hand side of the page.</p> <p>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</p> <p>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p> <p>3. Users may directly access the e-Voting module of NSDL as per the following procedure:</p> <p>i. Type in the browser / Click on the following link: https://www.evoting.nsdl.com/</p> <p>ii. Click on the button “Login” available under “Shareholder/ Member” section.</p> <p>iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL’s e-voting platform)/ through generation of OTP (in case your mobile/email address is registered in your demat account) and Verification Code as shown on the screen.</p> | <p>https://web.cdslindia.com/myeasi/home/login</p> <p>or</p> <p>www.cdslindia.com and click on New System Myeasi / Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox)</p> <p>ii. Enter your User ID and Password for accessing Easi / Easiest.</p> <p>iii. You will see Company Name: “Varun Mercantile Limited” on the next screen. Click on the e-Voting link available against Varun Mercantile Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.</p> <p>2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:</p> <p>i. To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>ii. Proceed to complete registration using your DP ID - Client ID (BO ID), etc.</p> <p>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p> <p>3. Users may directly access the e-Voting module of CDSL as per the following procedure:</p> <p>i. Type in the browser / Click on the following links: https://evoting.cdslindia.com/Evoting/EvotingLogin</p> <p>ii. Provide Demat Account Number and PAN.</p> <p>iii. System will authenticate user by sending OTP on registered Mobile & E-</p> |

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| National Securities Depository Limited (“NSDL”) | Central Depository Services (India) Limited (“CDSL”) |
|--|--|
| iv. You will see Company Name: “Varun Mercantile Limited” on the next screen. Click on the e-Voting link available against Varun Mercantile Limited or select e-Voting service provider “KFinTech” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication. | mail as recorded in the Demat Account. iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against Varun Mercantile Limited or select e-voting service provider “KFinTech” and you will be re-directed to the e-voting page of KFinTech to cast your vote without any further authentication. |

Procedure to login through their demat accounts / Website of Depository Participant

Individual shareholders holding shares of the Company in Demat mode can **access e-Voting facility provided by the Company using their login credentials of their demat accounts** (online accounts) through their demat accounts/ **websites of Depository Participants** registered with NSDL/CDSL. An option for “**e-Voting**” will be available once they have successfully logged-in through their respective logins. Click on the option “**e-Voting**” and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). **Click on the e-Voting link available against Varun Mercantile Limited or select e-Voting service provider “KFinTech”** and you will be re-directed to the e-Voting page of KFinTech to cast their vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID”/ “Forgot Password” options available on the websites of Depositories / Depository Participants

| Contact details in case of any technical issue on NSDL Website | Contact details in case of any technical issue on CDSL Website |
|---|---|
| Members facing any technical issue during login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 48867000/ 022 - 24997000 | Members facing any technical issue during login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43. |

vii. Information and instructions for remote e-voting by (i) shareholders other than individuals holding shares of the company in demat mode and (ii) all shareholders holding shares of the Company in physical mode

I A. In case member receives an e-mail from the Company / KFinTech [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:

- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- Enter the login credentials (**User ID and password provided in the e-mail**). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFinTech for e-voting, you can use the existing password for logging in. If required, please visit: <https://evoting.kfintech.com> or contact toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.
- After entering these details appropriately, click on “LOGIN”.

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- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Varun Mercantile Limited.
- (g) On the voting page, enter the number of shares as on the Cut-off Date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- (h) Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., to the Scrutiniser at e-mail id varun.scrutinizer@kfintech.com with a copy marked to evoting.varun@kfintech.com. Such authorisation shall contain necessary authority for voting by its authorised representative(s). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVEN".

I B. In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered / updated their email address with the Company, are requested to register / update the same by clicking on: <https://rkarisma.kfintech.com/shareholders> or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at dsplmca3@servicesnext.com or to KFinTech at vml@kfintech.com.
- (b) Members holding shares in dematerialized mode who have not registered their e-mail address with their Depository Participant(s) are requested to register/ update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.

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- (c) After due verification, the Company / KFinTech will forward your login credentials to your registered e-mail address.
- (d) Follow the instructions at I(A) (a) to (m) to cast your vote.
- II. Members can also update their mobile number and e-mail address in the “user profile details” in their e-voting login on: <https://evoting.kfintech.com>.
- III. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off Date/ any Member who has forgotten the User ID and Password, may obtain/generate/retrieve the same from KFinTech in the manner as mentioned below:
- (a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the member may send SMS: **MYEPWD <SPACE> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399**
- Example for NSDL: MYEPWD<SPACE> IN12345612345678
- Example for CDSL: MYEPWD<SPACE> 1402345612345678
- Example for Physical: MYEPWD<SPACE> XXXX123456789
- (b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of: <https://evoting.kfintech.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call on KFinTech’s toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days).
- (d) Member may send an e-mail request to evoting.varun@kfintech.com. After due verification of the request, User ID and password will be sent to the member.
- (e) If the Member is already registered with KFinTech’s e-voting platform, then he/she/ it can use his/her/its existing password for logging in.
- IV. In case of any query on e-voting, Members may refer to the “Help” and “FAQs” sections / E-voting user manual available through a dropdown menu in the “Downloads” section of KFinTech’s website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given under sub-point no. V below.
- V. Members are requested to note the following contact details for addressing e-voting related grievances:

Shri V. Balakrishnan,
Vice President,
KFin Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032, India
Toll-free No. : 1800-309- 4001
(from 9:00 a.m. to 6:00 p.m. on all working days)
E-mail : evoting.varun@kfintech.com

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D. INSTA POLL:

viii. Information and instructions for Insta Poll:

Facility to vote through Insta Poll will be made available at the Meeting and will be activated once the Insta Poll is announced at the Meeting. Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote using remote e-voting will be able to cast their vote through Insta Poll.

E. E-VOTING RESULT:

- ix. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.vml.org.in and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the stock exchange.
- x. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, 30th September, 2024.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e., except Saturdays, Sundays and Public Holidays) during business hours up to the date of the AGM. The aforesaid documents will also be available for inspection by the members during the Meeting.

OTHER INFORMATION

12. As mandated by the Securities and Exchange Board of India ("SEBI"), shares of the Company can be transferred/ traded only in dematerialised form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
13. SEBI has vide Circular No. EBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 ("SEBI Circulars") and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 mandated furnishing of Permanent Account Number ('PAN'), KYC details viz. Contact Details (Postal Address, Mobile Number and E-mail), Bank Details, Nomination etc. by holders of physical securities. Any service request shall be entertained by KFinTech only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after 1st October, 2023, the folio(s) shall be frozen by KFinTech in compliance with the aforesaid SEBI Circulars. If the folio(s) continue to remain frozen as on 31st December, 2025, the frozen folios shall be referred by KFinTech/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

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14. Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.

- For shares held in electronic form to their Depository Participant for making necessary changes. NSDL has provided a facility for registration/updation of e-mail address through the link: <https://eservices.nsd.com/kyc-attributes/#/login> and opt-in/opt-out of nomination through the link: <https://eservices.nsd.com/instademat-kyc-nomination/#/login>.
- For shares held in physical form by submitting to KFinTech the forms given below along with requisite supporting documents:

| Sr. No. | Particulars | Form |
|---------|--|-------|
| 1 | Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /updation thereof. | ISR-1 |
| 2 | Confirmation of Signature of shareholder by the Banker. | ISR-2 |
| 3. | Registration of Nomination. | SH-13 |
| 4. | Cancellation or Variation of Nomination. | SH-14 |
| 5. | Declaration to opt out of Nomination. | ISR-3 |

15. Members may please note that the Listing Regulations mandates transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 along with requisite supporting documents to KFinTech as per the requirement of the aforesaid circular.

16. The Register of Members and Transfer Books of the Company will be closed from 18th September, 2024 to 21st September, 2024 (both days inclusive).

By Order of the Board of Directors

Daudayal S. Lakhani
Company Secretary

Place: Mumbai

Dated: 5th September, 2024

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Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 3

The Board of Directors of the Company appointed Shri Mehul R. Shah (DIN: 00094503) as an Additional Director designated as Independent Director of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company. He shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Mehul R. Shah for the office of Director of the Company.

The Nomination and Remuneration Committee (the 'NRC Committee') of the Board of Directors, on the basis of the report of performance evaluation, has recommended appointment of Shri Mehul R. Shah as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company. The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Shri Mehul R. Shah would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to appoint Shri Mehul R. Shah as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years i.e. upto 1st December, 2028.

Shri Mehul R. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and has given his consent to act as a Director. The Company has also received declaration from Shri Mehul R. Shah that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Mehul R. Shah fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri Mehul R. Shah is independent of the management.

Details of Shri Mehul R. Shah are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Shri Mehul R. Shah setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Shri Mehul R. Shah is interested in the resolution set out at Item No. 3 of the Notice with regard to his appointment. Relatives of Shri Mehul R. Shah may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

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The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Annexure to the Notice dated 5th September 2024

Details of Directors seeking appointment / re-appointment at the Meeting

Shri Mehul R. Shah

| Sr. No. | Particulars | Details |
|---------|--|---|
| 1 | Age | 59 years |
| 2 | Qualification | Chartered Accountant |
| 3 | Experience | More than 37 years of rich and varied experience in the field of Accounting and Direct Taxes. |
| 4 | Terms & conditions of Appointment | The Company proposes to appoint him as an Independent Director of the Company. |
| 5 | Remuneration last drawn | NIL |
| 6 | Remuneration proposed to be paid | NIL |
| 7 | Date of appointment on the Board | Appointed as an Additional Director w.e.f. 02/12/2023. |
| 8 | Shareholding in Company as on 31 st March 2024 | NIL |
| 9 | Relationship with other Directors / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel. |
| 10 | Number of meetings of the Board attended during the financial year (2023-24) | 7 |
| 11 | Directorships of other Boards as on 31 st March, 2024 | 1. Synergy Synthetics Private Limited 2. Whitegold Holdings Private Limited |
| 12 | Membership / Chairmanship of Committees of other Boards as on 31 st March, 2024 | NIL |

VARUN MERCANTILE LIMITED

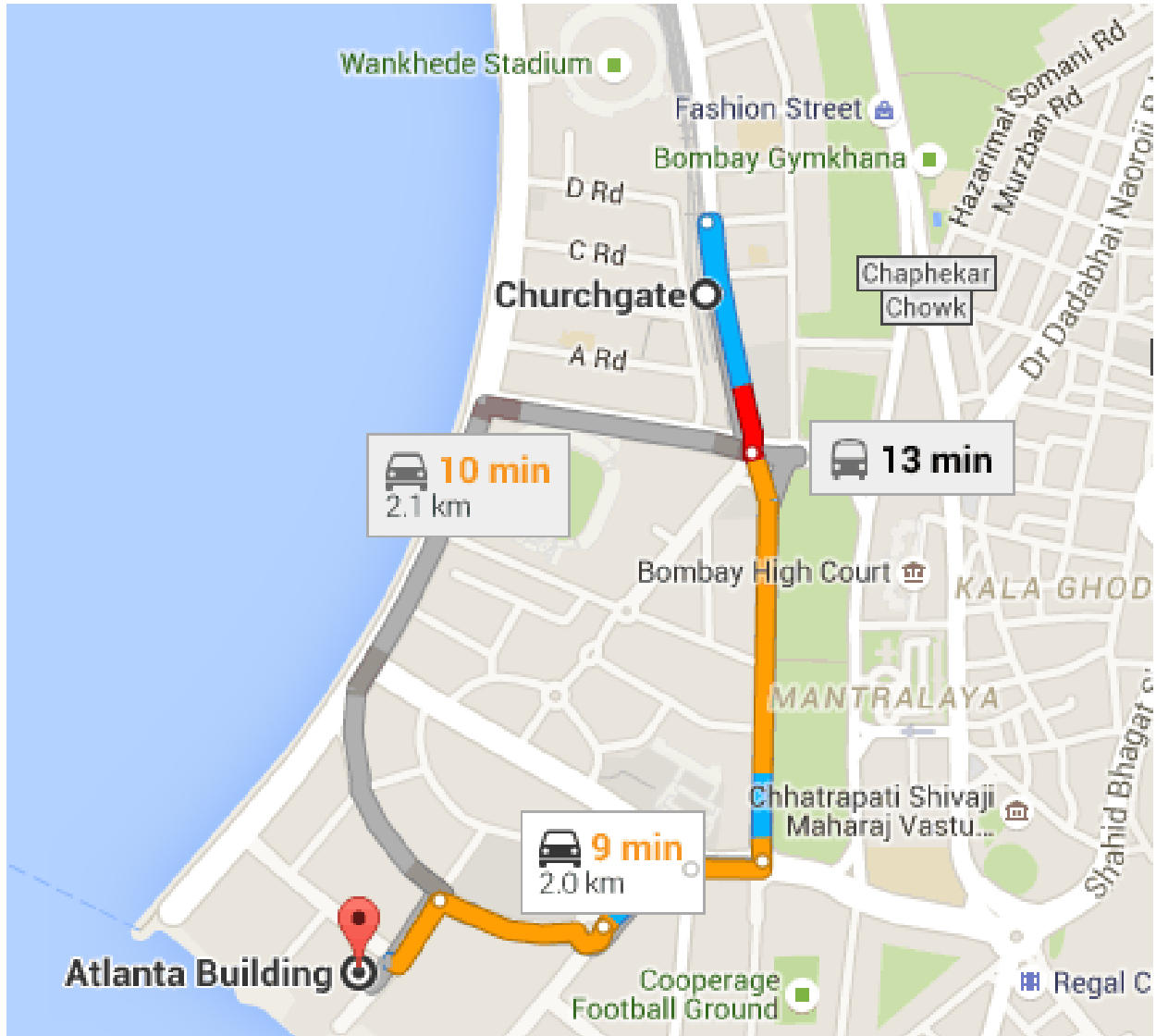
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ROUTE MAP OF THE ANNUAL GENERAL MEETING VENUE



Varun Mercantile Limited

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PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
 Joint shareholders may obtain additional slip at the venue of the Meeting.

| | |
|--------|--|
| DP Id* | |
|--------|--|

| | |
|-----------|--|
| Folio No. | |
|-----------|--|

| | |
|------------|--|
| Client Id* | |
|------------|--|

| | |
|---------------|--|
| No. of Shares | |
|---------------|--|

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the **39th ANNUAL GENERAL MEETING** of the members of the Company held on Monday, 30th September, 2024 at 10:30 a.m. at the Registered Office of the Company at 147, 14th Floor, Atlanta, Nariman Point, Mumbai-400021.

 Signature of Shareholder / Proxy

*Applicable for investors holding shares in electronic form.

PROXY FORM

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

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| | | |
|------------------------|--|-----------------------|
| Name of the member(s): | | e-mail id: |
| Registered address: | | Folio No./*Client Id: |
| | | *DP Id: |

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

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **39th Annual General Meeting** of the members of the Company to be held on Monday, 30th September, 2024 at 10:30 a.m. at the Registered Office of the Company at 147, 14th Floor, Atlanta, Nariman Point, Mumbai-400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy to vote in the manner as indicated in the box below:

| Resolutions | For | Against |
|---|-----|---------|
| 1. Consider and adopt Audited Financial Statement of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon | | |
| 2. Appointment of Shri Sanjay T. More who retires by rotation as a Director | | |
| 3. Appointment of Shri Mehul R. Shah as an Independent Director | | |

*Applicable for investors holding shares in electronic form.

Signed this _____ day of _____ 2024

 Signature of shareholder

Affix a
 Revenue
 Stamp

 Signature of first proxy holder

 Signature of second proxy holder

 Signature of third proxy holder

Notes:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.**
- (2) **A Proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote (on poll) at the Meeting in the manner he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy will stand automatically revoked.
- (6) In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- (7) This form of proxy shall be signed by the appointer or his attorney duly authorizing in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
- (8) This form of Proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
- (9) Undated proxy form will not be considered valid.
- (10) If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 39th Annual Report and the Company's audited financial statements for the financial year ended 31st March, 2024.

Financial Results:

The Company's financial performance, for the year ended 31st March, 2024 is summarized below:

| Particulars | (Rs. In Lakhs) | |
|----------------------------|---------------------------|----------------------------|
| | Current Year (2023-24) | Previous Year (2022-23) |
| Income | 33.10 | 26.00 |
| Less: Expenses | 14.79 | 12.35 |
| Profit / (Loss) before Tax | 18.31 | 13.65 |
| Less: Tax Adjustments | 8.34 | 6.57 |
| Profit / (Loss) After Tax | 9.97 | 7.08 |

Working and State of Company's Affairs:

During the year under review, your Company earned a net profit of Rs. 9.97 lakhs after incurring necessary expenditure and providing for tax. Your Directors continue their efforts to improve the working of the Company.

There has been no change in the nature of business of the company.

Dividend:

Your Directors have not recommended any dividend on Equity Shares for the year under review.

Reserves:

In order to conserve the resources, there is no transfer of profits to reserves during the year.

Net worth:

The net worth of the Company as on 31st March, 2024 was Rs. 526.15 Lakhs (Rs. 516.18 Lakhs as on 31st March, 2023).

Material changes and commitments affecting the financial position of the company which have occurred between the end of the year and the date of the Report:

There are no material changes and commitments that have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

Management's Discussion and Analysis Report:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is as under.

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Industry Structure, Developments, Opportunities and Outlook:

In the recent years, global sentiment around Indian economy has been positive. Despite the unrests triggered by geopolitical tensions in other parts of the world, India's economy is progressing with remarkable resilience. As India gears up for the "ViksitBharat@2047" vision, it is expected that this will spur activity in the trading sector.

The Company will continue to keep its focus in the trading of general commodities.

Segment-wise or product-wise performance:

The Company is involved only in trading of general commodities and does not have segments.

Challenges, Risks and Concerns:

Some of the challenges that hinder progress of the general commodities sector are easy access to finance, availability of materials and delays in logistics leading to cost and time overruns. However, the Government has undertaken some key reforms that include stronger co-operation between the private and public sectors, enforcing of a unified legal framework, creation of better dispute resolution mechanisms and removing bottlenecks. As a part of the overall risk management strategy, the Company consistently insures its assets wherever necessary and generally follows a conservative financial profile by following prudent business practices.

Internal Controls:

The Company has robust internal control systems and procedures commensurate with its nature of business which meets the following objectives:

- providing assurance regarding the effectiveness and efficiency of operations;
- efficient use and safeguarding of resources;
- compliance with policies, procedures and applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

The Company continues to have periodical internal audits conducted of all its functions and activities to ensure that systems and processes are followed across all areas.

The Audit Committee of Directors of the Company regularly reviews the adequacy of internal control systems through such audits. The Internal Auditor reports directly to the Audit Committee.

Internal Financial Controls:

Internal Financial Controls are an integrated part of the risk management framework and process that address financial and financial reporting risks. The Company has in place adequate internal financial controls with reference to financial statement.

Assurance on the effectiveness of internal financial controls is obtained through management reviews and self-assessment, continuous control monitoring by functional experts as well as testing of the internal financial control systems by the Statutory Auditors and Internal Auditors during the course of their audits.

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The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended.

Risk Management:

The Company has in place a Risk Management Policy which provides for a robust risk management framework to identify and assess risks such as safety, health and environment, operational, strategic, financial, security, property, regulatory, reputational, operational and other risks and put in place an adequate risk management infrastructure capable of addressing these risks.

There is an adequate risk management infrastructure in place capable of addressing these risks.

Financial Performance and Operational Performance:

The expenses of the Company have marginally increased in comparison to the previous year. However, due to marginal increase in income the Company earned a net profit during the year.

During the year, the Board of Directors explored various avenues to increase its general trading activities and its operations.

Human Resource Development:

The Company does not have any employees on the pay roll of the Company.

Disclosure of Accounting Treatment:

In the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

Significant changes in key financial ratios, along with detailed explanations:

The changes in the key financial ratios are as indicated below:

| Particulars | Current Year (2023-24) | Previous Year (2022-23) | % Change |
|--------------------------------|---------------------------|-------------------------------|----------|
| Debtors Turnover (Days) | - | - | - |
| Inventory Turnover (Days) | - | - | - |
| Interest Coverage Ratio | - | - | - |
| Current Ratio | 2274.86 | 617.17 | 269 |
| Debt Equity Ratio (Gross) | - | - | - |
| Debt Equity Ratio (Net) | - | - | - |
| Operating Profit Margin (%) | - | - | - |
| Net Profit Margin (%) | - | - | - |
| Return on Equity Ratio (%) | 1.89 | 1.37 | 38 |
| Return on Capital Employed (%) | 3.48 | 2.64 | 31.58 |
| Return on Investment (%) | 6.55 | 5.24 | 25.04 |

Subsidiary, Associate and Joint Ventures:

The Company has no Subsidiary, Associate and Joint Venture companies.

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Report on the highlights of performance of Subsidiary, Associates and Joint Venture Companies and their contribution to overall performance of the Company:

The Company has no Subsidiary, Associate and Joint Venture Companies and therefore report on the highlights of performance of such companies and their contribution to overall performance of the Company is not given.

Policy for determination of material subsidiaries:

The Company has formulated a policy for determining material subsidiaries.

Secretarial Standards:

The Company has followed applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

Directors' Responsibility Statement:

Your Directors state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 ("the Act"), have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and arrangements with Related Parties:

Your Directors draw attention of the members to Note No. 21 to the financial statement which sets out related party disclosures pursuant to Ind AS 24. The transactions disclosed therein are in the ordinary course of business and are at an arm's length basis. Hence, they are not required to be reported in Form No. AOC-2 in terms of section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. There are no related party transactions with any person or entity belonging to promoter/ promoter group during the year under review.

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Corporate Governance:

As per Regulation 15 of the Listing Regulations, the listed companies having paid up equity share capital and net worth on the last day of the previous financial year not exceeding rupees ten crores and rupees twenty five crores respectively, are exempted to comply with provisions relating to Corporate Governance.

Since, the paid up equity share capital and net worth of the Company as on the last day of the financial year i.e. 31st March, 2024 does not exceed rupees ten crores and rupees twenty five crores respectively, the Company is exempted from compliance of provisions relating to Corporate Governance.

Directors and Key Managerial Personnel:

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Sanjay T. More (DIN: 07711625), Director of the Company, retires by rotation at the ensuing Annual General Meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ("NRC"), has recommended his appointment.

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee appointed Shri Mehul R. Shah, as an additional Director designated Independent Director of the Company. Considering his background, experience and contributions made by him during his tenure, the continued association of Shri Mehul R. Shah would be beneficial to the Company and hence the Board of Directors recommended his appointment as an Independent Director of the Company, not liable to retire by rotation and to hold the office for a term upto 1st December, 2028.

After closing of the financial year, Shri Yogesh S. Kadam has resigned as Company Secretary of the Company with effect from 29th May, 2024 and Shri Daudayal S. Lakhani has been appointed as Company Secretary of the Company with effect from 6th August, 2024, in place of him.

The Company has received declarations from all the Independent Directors of the Company confirming that:

- i. they meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- ii. they have registered their names in the Independent Directors' Data bank.

The Company has devised, inter alia, the following Policies:

- a. Policy for selection of Directors and determining Directors' Independence; and
- b. Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The aforesaid policies are available on the Company's Website and can be accessed at <http://www.vml.org.in>.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying persons who are qualified to become Directors and to determine the independence of Directors, while considering their appointment as independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the

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Company's operations. There has been no change in the aforesaid policy during the year under review.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees sets out the guiding principles for the NRC for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. There has been no change in the policy during the year under review.

Performance Evaluation:

The Company has a Policy for performance evaluation of the Board, Committees and individual Directors (including Independent Directors) which includes criteria for performance evaluation of Non-executive Directors.

In accordance with the manner of evaluation specified by the Nomination and Remuneration Committee (NRC), the Board carried out annual performance evaluation of the Board and individual Directors. The NRC carried out performance evaluation of the Committees of the Board based on the evaluation reports submitted by each Committee and the report of such evaluation was presented to the Board. The Independent Directors carried out annual performance evaluation of the Board as a whole. A consolidated report was shared with the Board for review and giving feedback to each Director.

Auditors and Auditors' Report:

Statutory Auditors

M/s. N J Karia & Associates, Chartered Accountants (Registration No. 106742W), were appointed as Statutory Auditors of the Company at the Annual General Meeting of the Company held on 29th September, 2023, for a term of five consecutive years.

M/s. N J Karia & Associates, Chartered Accountants, have confirmed their eligibility and qualification required under the Act to continue to hold the office, as Statutory Auditors of the Company.

Auditors' Report for the financial year ended 31st March, 2024 does not contain any qualification, reservation or adverse remark or disclaimer.

Maintenance of Cost Records:

The provisions of Section 148 of the Act relating to maintenance of cost records as specified by the Central Government are not applicable to the Company.

Secretarial Auditor:

The Board has appointed Ms. Rakhi Jethlia, a Practising Company Secretary, to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended 31st March, 2024 is annexed herewith and marked as **Annexure 'I'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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Disclosures:

Meetings of the Board:

Seven meetings of the Board of Directors were held during the year. The details of Board meetings held are given below:

| Date | Board Strength | No. of Directors Present |
|------------|----------------|--------------------------|
| 13.04.2023 | 4 | 4 |
| 24.05.2023 | 4 | 4 |
| 08.08.2023 | 4 | 4 |
| 04.09.2023 | 4 | 4 |
| 07.11.2023 | 4 | 4 |
| 31.01.2024 | 4 | 4 |
| 09.02.2024 | 4 | 4 |

Attendance of Directors at Board meetings, last Annual General Meeting (AGM) and number of other Directorship(s) of each Director in various companies:

| Name of the Director | Attendance at meetings during 2023-24 | | No. of Other Directorship(s) as on March 31, 2024 |
|----------------------|---------------------------------------|-----------------------|---|
| | Board Meetings | Last AGM (29/09/2023) | |
| Lopamudra Dixit | 7 | Yes | 2 |
| Mehul R. Shah | 7 | Yes | 2 |
| Ambalal T. Jain | 7 | Yes | 1 |
| Sanjay T. More | 7 | Yes | 2 |

Audit Committee:

As on the end of the financial year, the Audit Committee comprised of Shri Mehul R. Shah (Chairman), Ms. Lopamudra Dixit, as Independent Directors and Shri Sanjay T. More, Director.

Four meetings of the Committee were held during the year on 24th May, 2023, 8th August, 2023, 7th November, 2023 and 31st January, 2024.

Attendance of each Member at the Audit Committee meetings held during the year:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Lopamudra Dixit | 4 |
| Mehul R. Shah | 4 |
| Sanjay T. More | 4 |

During the year all the recommendations made by the Audit Committee were accepted by the Board.

VARUN MERCANTILE LIMITED

Corporate Identity Number: L51909MH1985PLC321068

Website: www.vml.org.in

Regd. Office: 147, 14th Floor, Atlanta, Nariman Point, Mumbai 400 021.

Tel.: 22800131, Fax 22800130.

Nomination and Remuneration Committee:

As on the end of the financial year, the Nomination and Remuneration Committee comprised of Ms. Lopamudra Dixit (Chairperson), Shri Mehul R. Shah as Independent Directors and Shri Sanjay T. More, Director.

Two meetings of the Nomination and Remuneration Committee were held on 13th April, 2023 and 24th May, 2023.

Attendance of each Member at the Nomination and Remuneration Committee meetings held during the year:

| Name of the Committee Member | No. of meetings attended |
|------------------------------|--------------------------|
| Lopamudra Dixit | 2 |
| Mehul R. Shah | 2 |
| Sanjay T. More | 2 |

During the year all the recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

Corporate Social Responsibility:

The provisions of Section 135 of the Act are not applicable to the Company and hence no committee is constituted and the Company has not spent any amount on Corporate Social Responsibility.

Vigil Mechanism:

The Company has established a robust Vigil Mechanism and a Whistle-blower Policy in accordance with provisions of the Act and the Listing Regulations, for Directors and employees to report genuine concerns or grievances including unethical behaviour, fraud or violation of the Company's Code of Conduct. The authority for the implementation of the Policy rests with the Board of Directors. The Vigil Mechanism and Whistle-blower policy is available on the Company's website and can be accessed at www.vml.org.in.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism and Whistle Blower Policy of the Company was received by the Company.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

The Company has not given any loans and has not provided any guarantees or any securities in terms of Section 186 of the Act. Please refer Note no. 4 for the investments made during the year under review.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

- i) Energy conservation measures taken: Not Applicable.

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ii) Steps taken by the Company for utilising alternate sources of energy: Not Applicable.

iii) Capital investment on energy conservation equipment's: Not Applicable.

B. Technology Absorption:

i) Major efforts made towards technology absorption: Not Applicable

ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

iii) Information regarding imported technology (Imported during the last three years): Not Applicable

iv) Expenditure incurred on research and development: Nil

C. Foreign Exchange Earnings and Outgo:

i) Foreign exchange earned in terms of actual inflows- Nil

ii) Foreign exchange outgo in terms of actual outflows- Nil

Annual Return:

As required under Section 134(3)(a) of the Act, the Annual Return of the Company as on 31st March, 2024 is available on the Company's website and can be accessed at www.vml.org.in.

Particulars of Employees and related disclosures:

The Company has not paid any remuneration attracting the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof. Hence, no information is required to be appended to this report in this regard.

Further the disclosure in the Board Report under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per **Annexure 'II'** and forms part of this Report.

Prevention of sexual harassment at workplace:

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has constituted Internal Complaints Committee to address and resolve any complaints pertaining to sexual harassment in accordance with POSH Act. There were no cases/ complaints filed during the year, under the POSH Act.

General:

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.

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2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares and ESOS) to the employees of the Company under any scheme.
4. The Company has no holding company or subsidiary company, hence the provisions of Section 197(14) of the Act relating to receipt of remuneration or commission by the Whole time Director from holding company or subsidiary company of the Company are not applicable to the Company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and the Company's operations in future.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
7. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
8. Appointment of a Cost Auditor.
9. There is no application made or proceedings pending under the Insolvency and Bankruptcy Code, 2016.
10. There was no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgement:

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the Government and regulatory authorities, stock exchange, banks, other business constituents and members during the year under review.

For and on behalf of the Board of Directors

Sanjay T. More
Director
DIN: 07711625

Ambalal T. Jain
Director
DIN: 01073113

Place: Mumbai
Dated: 5th September 2024

Office:-
294/A, Govindwadi
Room No. 18, Kalbadevi Road
Mumbai- 400002.
Phone: - 022-22077403
7718829692

Annexure 'I'

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2024

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

To,
The Members
Varun Mercantile Limited
147, 14th Floor, Atlanta,
Nariman Point, Mumbai-400021

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

Based on my verification of 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 hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ("**the Audit Period**"), 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ending 31st March, 2024 according to the provisions of:
 - i. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. 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, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with the client;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Provisions of the following Regulations and Guidelines prescribed under the SEBI Act were not applicable to the Company during the Audit Period:-
- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - iii. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - v. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the Audit Period.

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

- i. Secretarial Standards with respect to 'Meetings of the Board of Directors' i.e. SS-1 and 'General Meetings' i.e. SS-2, issued by The Institute of Company Secretaries of India; and
- ii. The Listing Agreement entered into by the Company with the Stock Exchange.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Meetings of the Board and Committee. The 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.

All decisions at Board Meetings and Committee Meetings have unanimous consent of directors as recorded in the minutes of the meetings. The circular resolutions passed by the Board of Directors were approved with requisite majority.

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

I further report that during the Audit Period I have found that the company was generally regular in complying with various statutory compliances.

Rakhi Jethlia
Practicing Company Secretary
ACS No.: 28351
CP No.: 13698
UDIN: A028351F001152298

Place: Mumbai

Dated: 5th September, 2024

Annexure 'II'

Details pertaining to remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager in the financial year 2023-24 is as under:

| Sr. No. | Name of Director / KMP | Remuneration of Director / KMP for financial year 2023-24 (Rs.in lakh) | Ratio of the remuneration of each Director to median remuneration of the employees | % increase in remuneration over previous year |
|---------|-----------------------------------|--|--|---|
| | Non-Executive Director | | | |
| 1. | Lopamudra Dixit | Nil | Nil | Nil |
| 2. | Mehul R. Shah | Nil | Nil | Nil |
| 3. | Ambalal T. Jain | Nil | Nil | Nil |
| 4. | Sanjay T. More | Nil | Nil | Nil |
| | Company Secretary | | | |
| 5. | Yogesh S. Kadam | 0.60 | - | Nil |
| | Chief Financial Officer | | | |
| 6. | Deepak A. Karkera (on secondment) | #0.78 | - | - |
| | Manager | | | |
| 7. | Kirti Chaudhari (on secondment) | #7.08 | - | - |

Paid on secondment and inclusive of Goods and Service Tax.

- (ii) Percentage increase in the median remuneration of employees in the financial year 2023-24: This percentage is not provided for, as the Company had no employees during the year under review.
- (iii) Number of permanent employees on the rolls of the Company- The Company does not have permanent employees on the rolls of the Company.

- (iv) Comparison of average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 and its comparison with the percentile increase in the managerial remuneration:

| | |
|---|------|
| Average increase in salary of employees (other than managerial personnel) | Nil |
| Average increase in remuneration of managerial personnel | N.A. |

- (v) The remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sanjay T. More
Director
DIN: 07711625

Ambalal T. Jain
Director
DIN: 01073113

Place: Mumbai
Dated: 5th September, 2024



N. J. KARIA & ASSOCIATES
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INDEPENDENT AUDITOR'S REPORT

To the Members of Varun Mercantile Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Varun Mercantile Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2024, the statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, 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 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements 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 (ICAI) 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 ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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.



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We have determined the matters described below to be the key audit matters to be communicated in our report.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other Than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

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

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

Responsibility of the Management for the 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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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



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either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 a part of an audit in accordance with SAs, we exercise professional judgement 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of 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



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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 the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matter that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f) With respect to the adequacy of the internal financial controls with reference to Financial Statements and the operating effectiveness of such controls, refer to our separate report in “Annexure B” to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and according to the information and explanation given to us, the same are not applicable to the Company
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (‘the intermediaries’), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘the Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf



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of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The company has not declared any dividend for the year ended 31st March, 2024.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for the record retention is not applicable for the financial year ended March 31, 2024.

For N J Karia & Associates
Chartered Accountants
(Registration No: 106742W)

Dipika G Patel
Partner
Membership No.: 146359
UDIN: 24146359BKAJPC8314

Place: Mumbai
Date: 22/05/2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VARUN MERCANTILE LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

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

- i). a) The Company does not have any Property, Plant and Equipment and intangible assets during the year under consideration, hence the requirement to report on clause 3(i)(a), 3(i)(b), 3(i)(c) and 3(i)(d) of the Order is not applicable to the Company.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The Company does not have inventory during the year under review, hence the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- b) According to the information and explanation given to us and on the basis of our examination of the books of account the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not provided any loans, advances in the nature of loans, provided guarantee and security to any other entity.
- (b) During the year the investments made are not prejudicial to the Company's interest. The Company has not provided guarantees, or given security or granted loans and advances in the nature of loans and guarantee.
- (c) There are no stipulations for repayment of loans & Advances or interest.
- (d) There are no amounts of loans granted which are overdue for more than ninety days.
- (e) There were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.

Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- iv) The Company has not granted any loans or provide any guarantees or securities to parties covered under Section 185 of the Act. Further, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company.
- v) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the 2013 Act.
- vii)(a) According to the records of the company, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, duty of Customs, duty of Excise, Value added tax, cess and any other statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, duty of Customs, duty of Excise, Value added tax, cess and any other statutory dues which have not been deposited on account of any disputes.
- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) The Company has not taken any loans during the year hence the question of defaulting in repayment of loans or other borrowings or in the payment of interest thereon to any lender does not arise.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any Term loans during the year under audit. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) On an overall examination of the financial statements of the Company, no funds have been raised during the year under review. Hence, the requirement to report on clause 3(ix)(d) of the Order for usage of funds on short-term basis have been used for long-term purposes by the Company is not applicable to the Company
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x) a) Based on our audit procedures and on the information given by the management, we report that the company has not raised any funds through initial public offer or further public offer (including debt instruments) during the year under audit and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company
- b) Based on our audit procedures and on the information given by the management, we report that the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year no report under sub-section (12) of Section 143 of the Act has been filed by Cost Auditor or Secretarial Auditor or us, in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us the Company has not received any whistle blower complaints during the year.
- xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv)(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and till the date of the audit report covering period upto 31st March, 2024.
- xv) According to the information and explanation given to us and based on our examination of the record of the company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii) According to the information and explanation given to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii) There has been change in Auditors due to mandatory rotation as prescribed under the Companies Act, 2013 and no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) On the basis of the financial ratios disclosed in Note 29 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) The provisions of Sec 135 of the Companies Act, 2013 are not applicable to the Company. Hence, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

xxi) The company has not made investments in the subsidiary company. Therefore, the company does not require to prepare a consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company

For N J Karia & Associates

Chartered Accountants

(Registration No: 106742W)

Dipika G Patel

Partner

Membership No.: 146359

UDIN: 24146359BKAJPC8314

Place: Mumbai

Date: 22/05/2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VARUN MERCANTILE LIMITED

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

We have audited the internal financial controls with reference to Financial Statements of VARUN MERCANTILE LIMITED (“the Company”) as of March 31, 2024 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 Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Financial Statements 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to these Financial Statements 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 with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Financial Statements included obtaining an understanding of internal financial controls with reference to these Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to these Financial Statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial control with reference to these Financial Statements 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 with reference to these Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Financial Statements, 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 with reference to these Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Financial Statements 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 with reference to these Financial Statements and such internal financial controls with reference to these Financial Statements were operating effectively as at March 31, 2024, 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 issued by the Institute of Chartered Accountants of India.

For N J Karia & Associates

Chartered Accountants

(Registration No: 106742W)

Dipika G Patel

Partner

Membership No.: 146359

UDIN: 24146359BKAJPC8314

Place: Mumbai

Date: 22/05/2024

VARUN MERCANTILE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2024

(₹in lakhs)

| | Notes | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------|---------------------------|---------------------------|
| ASSETS | | | |
| 1) Non-current Assets | | | |
| a) Financial assets | | | |
| i) Investments | 1 | - | - |
| b) Deferred Tax Assets (Net) | 2 | | |
| c) Other Non-Current Assets | 3 | 5.50 | 5.50 |
| Total Non-current assets | | 5.50 | 5.50 |
| 2) Current Assets | | | |
| a) Financial assets | | | |
| i) Investments | 4 | 50.21 | |
| ii) Cash and cash equivalents | 5 | 455.02 | 499.48 |
| iii) Other Financial Assets | 6 | 15.70 | 12.03 |
| b) Current Tax Assets (Net) | 7 | | |
| Total Current assets | | 520.93 | 511.51 |
| Total Assets | | 526.43 | 517.01 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity Share Capital | 8 | 199.20 | 199.20 |
| b) Other Equity | 9 | 326.95 | 316.98 |
| Total Equity | | 526.15 | 516.18 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| a) Deferred Tax Liabilities (Net) | 10 | 0.05 | - |
| Total Non-current liabilities | | 0.05 | - |
| Current Liabilities | | | |
| a) Financial Liabilities | | | |
| Trade payables: | | | |
| i) total outstanding dues of micro enterprises and small enterprises; and | | | |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 11 | - | 0.64 |
| b) Other Current Liabilities | 12 | 0.19 | 0.05 |
| c) Current Tax Liabilities (Net) | 13 | 0.04 | 0.14 |
| Total Current liabilities | | 0.23 | 0.83 |
| Total Liabilities | | 0.28 | 0.83 |
| Total Equity and Liabilities | | 526.43 | 517.01 |
| Material Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 32 | | |

As per our report of even date

For and on behalf of the Board

For N.J. Karia & Associates
Chartered Accountants
(Registration No. 106742W)

Sanjay T. More
Director
DIN : 07711625

Ambalal T. Jain
Director
DIN : 01073113

Dipika G Patel
Partner
Membership No.146359
Place: Mumbai
Date : 22-05-2024

Yogesh S. Kadam
Company Secretary

Deepak A. Karkera
Chief Financial Officer

VARUN MERCANTILE LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

(₹in lakhs)

| | Notes | 2023-24 | 2022-23 |
|---|-------|--------------|--------------|
| <u>INCOME:</u> | | | |
| Other income | 14 | 33.10 | 26.00 |
| Total Income | | 33.10 | 26.00 |
| <u>EXPENSES:</u> | | | |
| Employee Benefit Expenses | 15 | 8.45 | 7.47 |
| Other expense | 16 | 6.34 | 4.89 |
| Total Expenses | | 14.79 | 12.35 |
| Profit before tax | | 18.31 | 13.65 |
| Tax Expenses | | | |
| - Current tax | 17 | 8.30 | 6.56 |
| - Deferred Tax | | 0.05 | |
| - Short/(Excess)Provision for taxation | | (0.01) | 0.01 |
| Profit for the year | | 9.97 | 7.08 |
| 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 or loss | | - | - |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total comprehensive income for the year | | 9.97 | 7.08 |
| Earnings per equity share of face value of ₹ 10 each | | | |
| a) Basic | 18 | 0.50 | 0.36 |
| b) Diluted | | 0.50 | 0.36 |

Material Accounting Policies
See accompanying Notes to the Financial Statements

1 to 32

As per our Report of even date

For and on behalf of the Board

For N.J. Karia & Associates
Chartered Accountants
(Registration No. 106742W)

Sanjay T. More
Director
DIN : 07711625

Ambalal T. Jain
Director
DIN : 01073113

Dipika G Patel
Partner
Membership No.146359
Place: Mumbai
Date : 22-05-2024

Yogesh S. Kadam
Company Secretary

Deepak A. Karkera
Chief Financial Officer

VARUN MERCANTILE LIMITED

Cash flow Statement for the year ended 31st March,2024

₹ in lakhs

| | <u>2023-24</u> | <u>2022-23</u> |
|---|----------------|----------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax as per Statement of Profit and Loss | 18.31 | 13.65 |
| Adjusted for: | | |
| Interest Income | (32.89) | (26.00) |
| Unrealised gain | (0.21) | |
| Operating (Loss) before working capital changes | (14.79) | (12.35) |
| Adjusted for: | | |
| Trade and Other Payable | (0.49) | (0.87) |
| Trade and Other receivables | (3.67) | (1.15) |
| Cash (Used In) / Generated from operations | (18.95) | (14.37) |
| Taxes paid (Net) | (8.40) | (5.78) |
| Net Cash (Used in) Operating Activities | (27.35) | (20.15) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Redemption of Investments | | |
| Interest Income | 32.89 | 26.00 |
| Purchase of Investments | (50.00) | |
| Net Cash flow from Investing Activities | (17.11) | 26.00 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Cash from financial Activities | - | - |
| Net Increase in Cash and Cash Equivalents | (44.46) | 5.85 |
| Opening Balance of Cash and Cash Equivalents | 499.48 | 493.63 |
| Closing Balance of Cash and Cash Equivalents | <u>455.02</u> | <u>499.48</u> |

Notes:

- 1 The previous year's figures have been regrouped and reclassified wherever necessary.
- 2 Cash and cash equivalents represent cash and bank balance.

As per our Report of even date

For and on behalf of the Board

For N.J. Karia & Associates
Chartered Accountants
(Registration No. 106742W)

Sanjay T. More
Director
DIN : 07711625

Ambalal T. Jain
Director
DIN : 01073113

Dipika G Patel
Partner
Membership No.146359
Place: Mumbai
Date : 22-05-2024

Yogesh S. Kadam
Company Secretary

Deepak A. Karkera
Chief Financial Officer

VARUN MERCANTILE LIMITED

Statement of Changes of Equity for the year ended 31st March, 2024

A EQUITY SHARE CAPITAL

| | As At 1st April, 2022 | Change in equity share capital during 2022-23 | As At 31st March, 2023 | Change in equity share capital during 2023-24 | As At 31st March, 2024 |
|---|--------------------------|--|---------------------------|--|---------------------------|
| Equity shares of ₹ 10/- each, fully paid up | 199.20 | - | 199.20 | - | 199.20 |

B: OTHER EQUITY

As on 31st March, 2024

| Particulars | Reserves & Surplus | | | Total |
|---|--------------------|-------------------|----------------------------|---------------|
| | General Reserve | Retained Earnings | Other Comprehensive Income | |
| Balance at beginning of the reporting period i.e. 1st April, 2023 | 0.10 | 316.88 | - | 316.98 |
| Total Comprehensive Income for the year | - | 9.97 | - | 9.97 |
| Balance at the end of the reporting period i.e. 31st March, 2024 | 0.10 | 326.85 | - | 326.95 |

As on 31st March, 2023

| | | | | |
|---|-------------|---------------|---|---------------|
| Balance at beginning of the reporting period i.e. 1st April, 2022 | 0.10 | 309.80 | - | 309.90 |
| Total Comprehensive Income for the year | - | 7.08 | - | 7.08 |
| Balance at the end of the reporting period i.e. 31st March, 2023 | 0.10 | 316.88 | - | 316.98 |

As per our report of even date attached

For and on behalf of the Board

For N.J. Karia & Associates

Chartered Accountants
(Registration No. 106742W)

Sanjay T. More
Director
DIN : 07711625

Ambalal T. Jain
Director
DIN : 01073113

Dipika G Patel

Partner
Membership No.146359
Place: Mumbai
Date : 22-05-2024

Yogesh S. Kadam
Company Secretary

Deepak A. Karkera
Chief Financial Officer

Notes on the Financial Statement for the year ended 31st March, 2024

A CORPORATE INFORMATION

Varun Mercantile Limited ("the company") is a Limited company incorporated in India having CIN L51909MH1985PLC320168. The register office of the Company is located at 147, 14th Floor, Atlanta, Nariman Point, Mumbai-400 021 .

The Company will Continue to keep its focus in the trading of general commodities.

B MATERIAL ACCOUNTING POLICIES INFORMATION

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount :

Certain financial assets measured at fair value.

The financial statements of the company have been prepared to comply with the Indian Accounting standard ("Ind AS") including the Accounting Standard notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

B.2 USE OF ESTIMATES

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets & liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Provision, Contingent Liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(b) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current Tax

Current Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(c) Revenue recognition

The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

Interest income from a financial asset is recognised using effective interest rate method.

Dividend is recognised when the Company's right to receive the payment has been established.

Material Accounting Policies (Contd.)

(d) Earning Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(e) Cash and Cash Equivalents:

Cash and Cash equivalents comprise cash and cash deposit with banks. The company considers all highly liquid investments with remaining maturity of the date of purchase a three months or less and that are readily convertible to the known amount or cash to be cash equivalent.

(f) Cash Flow Statement

Cash flows are reported using the indirect -method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and Financing activities of the company are segregated.

(g) Financial instruments

1. Financial Assets

A. Initial recognition and measurement :

All financial assets and liabilities are initially recognised at fair value as and when acquired. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

B. Subsequent measurement :

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flow and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Other equity instruments

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in "Other Comprehensive Income".

2. Financial Liabilities

A. Initial recognition and measurement :

All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement :

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Material Accounting Policies (Contd.)

C CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY :

The preparation of the Company's financial statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Provisions:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

b) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

d) Recognition of Deferred Tax Assets and Liabilities :

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profit and business development.

- D Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

VARUN MERCANTILE LIMITED

Notes on the Financial Statement for the year ended 31st March, 2024

(₹ in lakhs)

| | As at 31st March,2024 | As at 31st March,2023 |
|--|--------------------------|--------------------------|
| 1 Non Current Investments | | |
| Total | - | - |
| 2 Deferred Tax Assets (NET) | As at 31st March,2024 | As at 31st March,2023 |
| Deferred Tax Liability Related to Fixed Assets | - | - |
| Deferred Tax Assets On account of Brought Forward losses | - | 12.76 |
| Total | - | 12.76 |
| 3 Other Non Current Assets | As at 31st March,2024 | As at 31st March,2023 |
| Unsecured, considered good Advance Income Tax (Net of Provision for Taxation) | 5.50 | 5.50 |
| Total | 5.50 | 5.50 |
| 4 CURRENT INVESTMENTS | As at 31st March,2024 | As at 31st March,2023 |
| Investments measured at Fair Value through Profit & Loss In Mutual Fund - Unquoted | Units | |
| Edelweiss Liquid Fund - Regular Plan Growth | 1,640.439 | 50.21 |
| | | - |
| Total | 50.21 | - |
| 5 Cash and cash equivalents | As at 31st March,2024 | As at 31st March,2023 |
| Cash on hand | - | - |
| Balance with banks * | 455.02 | 499.48 |
| Total | 455.02 | 499.48 |
| * Includes fixed deposits of ₹ 313.00 Lakhs (Previous year ₹ 356.95 Lakhs) with maturity of more than 3 months but less than 12 months. | | |
| 5.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. | | |
| 6 Other Financial Assets | As at 31st March,2024 | As at 31st March,2023 |
| Interest accrued on fixed deposits and bonds | 15.70 | 12.03 |
| Total | 15.70 | 12.03 |
| 7 Current Tax Assets (Net) | As at 31st March,2024 | As at 31st March,2023 |
| Unsecured, considered good Advance Income Tax (Net of Provision for Taxation) | - | - |
| Total | - | - |
| Current Tax Assets (Net) | | |
| At start of the year | - | - |
| At the end of the year | - | - |
| Total | - | - |

VARUN MERCANTILE LIMITED

Notes on the Financial Statement for the year ended 31st March, 2024

(₹ in lakhs)

8 Share capital

| | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Authorised Capital | | |
| 30 00 000 (Previous Year: 30 00 000) | | |
| Equity shares of ₹10/- each | 300.00 | 300.00 |
| Total | 300.00 | 300.00 |
| Issued, Subscribed and Fully Paid up | | |
| 19 92 000 (Previous Year: 19 92 000) | | |
| Equity shares of ₹ 10/- each, fully paid up | 199.20 | 199.20 |
| Total | 199.20 | 199.20 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

| Name of the Shareholder | No of Shares | |
|--|------------------|------------------|
| | 31st March, 2024 | 31st March, 2023 |
| Equity Shares | | |
| Shares outstanding at the beginning of | 19 92 000 | 19 92 000 |
| Outstanding at the end of the year | 19 92 000 | 19 92 000 |

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. 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.

(b) Non of the shareholders holding more than 5% shares in the Company

8.1 Details of Promotor Shareholding

| Sr.No. | Promotor Name | As at 31st March 2024 | | | As at 31st March 2023 | | | |
|--------|-------------------|-----------------------|-------------------|--------------------------|-----------------------|--------------|-------------------|--------------------------|
| | | No of Shares | % of Total Shares | % change during the year | Promotor Name | No of Shares | % of Total Shares | % change during the year |
| 1 | Shri Lalit Shroff | - | - | - | Shri Lalit Shroff | - | - | - |

9 Other Equity

| | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| General Reserve | | |
| As per Last Balance Sheet | 0.10 | 0.10 |
| Retained Earnings | | |
| As per Last Balance Sheet | 316.88 | 309.80 |
| Add: Profit for the year | 9.97 | 7.08 |
| | <u>326.85</u> | <u>316.88</u> |
| Other Comprehensive Income (OCI) | | |
| As per Last Balance Sheet | - | - |
| Add: Movement in OCI during the year | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u><u>326.95</u></u> | <u><u>316.98</u></u> |

10 Deferred Tax Liability

| | As at 31st March, 2024 | As at 31st March, 2023 |
|-------------------------------|---------------------------|---------------------------|
| Deferred Tax Liability | | |
| Related to Unrealised Gain | 0.05 | - |
| Total | <u><u>0.05</u></u> | <u><u>-</u></u> |

11 Trade payables

| | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | 0.64 |
| Total | <u><u>-</u></u> | <u><u>0.64</u></u> |

11.1 There are no overdue to Micro, Small and Medium Enterprises as at March 31, 2024.

11.2 Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2024, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

Trade Payables ageing schedule: As at 31st March 2024

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) MSME | | | | | |
| ii) Others | - | | | | - |
| iii) Disputes dues-MSME | | | | | |
| iv) Disputed dues -Others | | | | | |

Trade Payables ageing schedule: As at 31st March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) MSME | | | | | |
| ii) Others | 0.64 | | | | 0.64 |
| iii) Disputes dues-MSME | | | | | |
| iv) Disputed dues -Others | | | | | |

12 Other Current Liabilities

| | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------------|---------------------------|---------------------------|
| Statutory Dues | 0.05 | 0.05 |
| Others | 0.14 | - |
| Total | <u><u>0.19</u></u> | <u><u>0.05</u></u> |

13 Current Tax Liabilities (Net)

| | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Unsecured, considered good | | |
| Provision for Taxation (Net of Advance Income Tax) | 0.04 | 0.14 |
| Total | <u><u>0.04</u></u> | <u><u>0.14</u></u> |

Current Tax Liabilities (Net)

| | | |
|---|--------------------|--------------------|
| At start of the year | - | - |
| Charged for the year- Current tax (Net) | 8.30 | 6.56 |
| Tax paid (Net) during the year | 8.26 | 6.41 |
| At the end of the year | <u><u>0.04</u></u> | <u><u>0.14</u></u> |

VARUN MERCANTILE LIMITED

Notes on the Financial Statement for the year ended 31st March, 2024

(₹ in lakhs)

| 14 Other income | 2023-24 | 2022-23 |
|--|----------------|----------------|
| Interest Income on | | |
| Bank Fixed Deposits (Net) | 32.89 | 26.00 |
| Interest on Income Tax Refund | - | - |
| | 32.89 | 26.00 |
| Other Non Operation Income | | |
| <u>Gain on Financial assets carried at FVTPL</u> | | |
| Unrealised Gain (Net) | 0.21 | |
| Total | 33.10 | 26.00 |
| 15 Employee Benefit Expenses | 2023-24 | 2022-23 |
| Salaries | 8.45 | 7.47 |
| Total | 8.45 | 7.47 |
| 16 Other expense | 2023-24 | 2022-23 |
| Auditor's Remuneration (Refer Note No.25) | 0.14 | 0.14 |
| Advertisement | 0.30 | 0.35 |
| Filing Fees | 0.05 | 0.05 |
| Listing Fees | 3.84 | 3.54 |
| Legal & Professional Charges | 0.79 | 0.72 |
| Maintenance Charges | 1.04 | - |
| Miscellaneous Expenses | 0.02 | 0.02 |
| Rates and Taxes | 0.03 | 0.03 |
| E-Voting Fees | 0.12 | - |
| General Expenses | 0.02 | 0.04 |
| Total | 6.34 | 4.89 |
| 17 Taxation | 2023-24 | 2022-23 |
| Income Tax recognised in statement of Profit and Loss | | |
| Current Tax | 8.30 | 6.24 |
| Deferred Tax | 0.05 | - |
| Total Income Tax expenses recognised in the current year | 8.35 | 6.24 |
| The income tax expenses for the year can be reconciled to the accounting profit as follows | | |
| Profit Before Tax | 18.31 | 13.65 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expenses | 4.61 | 3.43 |
| Tax effects of : | | |
| Exempted Income | - | - |
| Expenses Disallowed | 3.72 | 3.11 |
| Other Item | 0.02 | 0.00 |
| Current Tax Provisions | 8.35 | 6.55 |
| Effective Tax Rate | 45.60% | 47.96% |
| 18 Earning per share (EPS) | 2023-24 | 2022-23 |
| Net Profit after Tax as per Statement of Profit and Loss Account attributable to Equity Shareholders | 9.97 | 7.08 |
| Weighted average number of equity shares used as denominator for calculating Basic EPS | 19 92 000 | 19 92 000 |
| Total Weighted Average Potential Equity Shares | 19 92 000 | 19 92 000 |
| Weighted average number of equity shares used as denominator for calculating Diluted EPS | 19 92 000 | 19 92 000 |
| Basic earning per share | 0.50 | 0.36 |
| Diluted earning per share | 0.50 | 0.36 |
| Face Value per equity share | 10 | 10 |

- 19 The Previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year presentation.
- 20 The Income -Tax assessment of the Company has been completed upto Assessment Year 2023-24. The demand upto the said Assessment year is NIL.
- 21 As per Ind AS 24, the disclosure of transaction with related parties are given below :

i) List of related parties where control exists and whom transactions have been taken place and relationships:

| Sr. No. | Name of Related Party | Relationship |
|---------|------------------------|--------------------------|
| 1 | Mr Yogesh S. Kadam | Key Managerial Personnel |
| 2 | Ms Lopamudra Dixit | Key Managerial Personnel |
| 3 | Mr Sanjay T More | Key Managerial Personnel |
| 4 | Ms. Kirti Chaudhari | Key Managerial Personnel |
| 5 | Shri Mehul R. Shah | Key Managerial Personnel |
| 6 | Shri Ambalal T. Jain | Key Managerial Personnel |
| 7 | Shri Deepak A. Karkera | Key Managerial Personnel |

ii) Transactions during the year with related parties :

(₹ in lakhs)

| Sr. No. | Nature of Transaction | Key Managerial Personnel | |
|---------|-----------------------|--------------------------|----------------|
| | | Personnel | Total |
| 1 | Salaries Paid | 8.45 (7.47) | 8.45 (7.47) |

22 Segment Reporting :

The Company's operating segment are established on the basis of those components of the company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments') in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting system.

Since the Company is holding investments and that other activities are incidental thereto, in the opinion of the management there are no reportable segment. Therefore information relating to segment reporting has not been furnished.

- 23 The Board has not recommended any dividend.

24 Financial Instruments

Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below :

- a) The fair value of investment in Subsidiary and associates in measured at cost
- b) The fair value of investment in quoted Equity Shares, Bonds, Government Securities, Treasury Bills and Mutual Funds is measured at quoted price or NAV.
- c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Fair Valuation Measurement hierarchy

(₹ in lakhs)

| Particulars | As at 31st March, 2024 | | | | As at 31st March, 2023 | | | |
|------------------------------|------------------------|------------------------|---|--------|------------------------|------------------------|---|--------|
| | Carrying Amount | Level of input used in | | | Carrying Amount | Level of input used in | | |
| | | 1 | 2 | 3 | | 1 | 2 | 3 |
| Financial Assets | | | | | | | | |
| At Amortised Cost | | | | | | | | |
| Cash and Cash | 455.02 | - | - | 455.02 | 499.48 | - | - | 499.48 |
| Equivalents | | | | | | | | |
| Other Financial Assets | 15.70 | - | - | 15.70 | 12.03 | - | - | 12.03 |
| At FVTPL | | | | | | | | |
| Investments | 50.21 | 50.21 | - | - | - | - | - | - |
| Financial Liabilities | | | | | | | | |
| At Amortised Cost | | | | | | | | |
| Trade Payable | - | - | - | - | 0.64 | - | - | 0.64 |

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below :

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly,

Level 3 : Inputs that have a significant effect on the recorded fair value that are not based on observable market data.

25 Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management Board.

Market Risk

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market Risk is attributable to all market risk sensitive financial instruments including investment and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through its treasury department, which evaluate and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since entire borrowings of the company is interest free, the Company is not exposed to significant interest risk as at the respective reporting dates

Foreign Currency Risk

The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts on the basis of expected cash flows.

Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking in to account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

The company considers the possibility of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

26 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

The Gearing ratio at end of the reporting period was as follows

(₹ in lakhs)

| | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Debt | - | - |
| Cash and bank balance (Including liquid investments) | 455.02 | 499.48 |
| Net debt (A) | <u>(455.02)</u> | <u>(499.48)</u> |
| Total Equity (as per Balance Sheet) (B) | 526.15 | 516.18 |
| Net Gearing ratio (A/B) | (0.86) | (0.97) |

27 Auditors Remuneration

| | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------|---------------------------|---------------------------|
| Statutory Audit Fees | 0.12 | 0.12 |
| Certification | 0.02 | 0.02 |
| | <u>0.14</u> | <u>0.14</u> |

28 Additional Regulatory Information

Clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xiii), (xiv) of additional regulatory information is not applicable to the company.

VARUN MERCANTILE LIMITED

Notes on the Financial Statement for the year ended 31st March, 2024

29 Financial Ratio

| Ratio | Numerator | Denominator | FY 2023-24 | FY 2022-23 | % Variance | Remarks for variance more than 25% |
|---|-----------------------------------|------------------------------|----------------|----------------|------------|---|
| Current Ratio (in times) | Current Assets | Current Liabilities | 2274.86 | 617.17 | 269% | Increase in Current Assets |
| Debt-Equity Ratio (in times) | Total Debt | Shareholder's Equity | Not Applicable | Not Applicable | - | Not Applicable |
| Debt Service Coverage Ratio (in times) | Earnings before Interest and Tax | Debt Service | Not Applicable | Not Applicable | - | Not Applicable |
| Return on Equity Ratio(%) | Net profit After Tax | Shareholder's Equity | 1.89% | 1.37% | 38% | Increase in Other Income |
| Inventory turnover ratio(in times) | Cost of Goods Sold | Average Inventory | Not Applicable | Not Applicable | - | Not Applicable |
| Trade Receivables turnover ratio (in times) | Net Credit Sales/ Services | Average Accounts Receivables | Not Applicable | Not Applicable | - | Not Applicable |
| Trade Payables turnover ratio (in times) | Purchases/Services Utilised | Average Accounts Payables | Not Applicable | Not Applicable | - | Not Applicable |
| Net capital Turnover raton(in times) | Net Credit Sales / Services | Working Capital | Not Applicable | Not Applicable | - | Not Applicable |
| Net Profit Ratio(%) | Net profit after tax | Net Credit Sales / Services | Not Applicable | Not Applicable | - | Not Applicable |
| Return on Capital Employed(%) | Earnings before Interest and Tax | Capital Employed | 3.48% | 2.64% | 31.58% | Increase in Other Income |
| Return on Investment (%) | Income Generated from investments | * Average Investment | 6.55% | 5.24% | 25.04% | Increase in Income Generated From Investments |

* Investment includes Fixed Deposits

30 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

31 The Company is not covered under section 135 of the Companies Act with respect to Corporate Social Responsibility (CSR).

32 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date

For and on behalf of the Board

For N.J. Karia & Associates
Chartered Accountants
(Registration No. 106742W)

Sanjay T. More
Director

Ambalal T. Jain
Director

Dipika G Patel
Partner
Membership No.146359
Place: Mumbai
Date : 22-05-2024

Yogesh S. Kadam
Company Secretary

Deepak A. Karkera
Chief Financial Officer