ADARSH MERCANTILE LIMITED

CIN: L51109WB1992PLC055082
Registered Office: 8A & 8B, Satyam Towers, 3, Alipore Road,
Kolkata – 700 027.
Phone No. : (033) 2479-1951, Fax: (033) 2479-1952
Email: adarshmercantile@gmail.com,Website:www.adarshmercantile.in

20.08.2021

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

Dear Sir,

Code No.- 538563

Reg : Submission of Annual Report for the financial year 2020-21.

As per Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of **Annual Report** of the Company for the financial year 2020-21 containing Notice, Directors Report, etc. of the Annual General Meeting of the Company scheduled to be held on **14th September, 2021.**

The Annual Report for the Financial Year 2020-21 is also available on the website of the Company at www.adarshmercantile.in.

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

Thanking You,

Yours faithfully,

For Adarsh Mercantile Limited

Ankita Banerjee

Ankita Banerjee
Company Secretary

Encl: As above

ANNUAL REPORT

2020-21

ADARSH MERCANTILE LIMITED

ADARSH MERCANTILE LIMITED

CIN: L51109WB1992PLC055082

CORPORATE INFORMATION

BOARD OF DIRECTORS

SUCHITA CHHAWCHHARIA – EXECUTIVE DIRECTOR

ARITRA BASU - NON-EXECUTIVE DIRECTOR

SUNDAR LAL MOHTA - INDEPENDENT DIRECTOR

MANISH KHAITAN - INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER

MR. SHIV SHANKAR SHARMA

COMPANY SECRETARY

MS. ANKITA BANERJEE

STATUTORY AUDITORS

M/S. NKSJ & ASSOCIATES
CHARTERED ACCOUTANTS
EMBASSY BUILDING,
FLAT 1B, 1ST FLOOR,
4, SHAKESPEARE SARANI,
KOLKATA - 700071

REGISTERED OFFICE

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

REGISTRAR

NICHE TECHNOLOGIES PRIVATE LIMITED
3 A, AUCKLAND PLACE,
ROOM NO. 7A & 7B, 7TH FLOOR,
KOLKATA-700017

ADARSH MERCANTILE LIMITED

CONTENTS

Corporate Information	2
Notice	4
Director's Report	15
Standalone Independent Auditor's Report	59
Standalone Balance Sheet	70
Standalone Statement of Profit & Loss Account	71
Standalone Cash Flow Statement	72
Notes on Standalone Financial Statement	73
Consolidated Independent Auditor's Report	90
Consolidated Balance Sheet	99
Consolidated Statement of Profit & Loss Account	100
Consolidated Cash Flow Statement	101
Notes on Consolidated Financial Statement	102
Email-id Registration Form	117
Attendance Slip	118
Proxy Form	119
ECS Form	120
Nomination Form	121

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

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of **M/s. ADARSH MERCANTILE LIMITED** will be held at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 on **Tuesday, the 14th day of September, 2021** at **12:30 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company which comprises of Balance Sheet as at 31st March, 2021, Profit & Loss Account and the Cash Flow Statement for the year ended as on that date together with Report of Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. Aritra Basu (DIN: 06779222), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **CHANGE OF PLACE OF KEEPING REGISTER OF MEMBERS & OTHER RECORDS BY REGISTRAR & SHARE TRANSFER AGENTS**

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

   "RESOLVED THAT pursuant to Section 94 and all other applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded to shift and maintain the Register of Members, Index of Members and Share Transfer Books and other statutory records with the Company's existing Registrars and Share Transfer Agents, **M/s. NICHE TECHNOLOGIES PRIVATE LIMITED** at its new address at 3A, Auckland Place, 7th Floor, Kolkata -700 017 w.e.f. 15th September, 2021."

4) APPROVAL OF CHARGES FOR SERVICE OF DOCUMENTS ON THE SHAREHOLDERS

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules made thereunder and as amended from time to time, consent of the members be and is hereby accorded to charge and receive in advance along with the request such fees which shall be equivalent to the actual expenses as estimated for dispatch of the documents in the desired mode as may be requested by a member.

FURTHER RESOLVED THAT the Board of Directors of the Company 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
For Adarsh Mercantile Limited

Sd/-
Ankita Banerjee
Company Secretary

Place: *Kolkata*
Date: *12.08.2021*

NOTES:

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013("the Act"), with respect to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

2. The profile of the Directors seeking appointment/ re-appointment, as required in terms of applicable regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India is annexed hereto and forms part of this Notice.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

4. **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBERS HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**

5. The instrument appointing proxy must be duly stamped, completed, dated, signed and deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The instrument of proxy is valid only for the Annual General Meeting and any adjournment thereof. A proxy form is enclosed.

6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. The proxy shall carry his / her / their Identity proof for attending the meeting to proof his/her/their credentials in terms of the Secretarial Standards.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business on 06.08.2021.

10. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 07.09.2021 are requested to send the duly signed written / email communication to the Company at adarshmercantile@gmail.com and to the RTA at nichetechpl@nichetechpl.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 07.09.2021. A person who is not a member as on cut-off date should treat this notice for information purpose only.

12. The shareholders shall have one vote per equity share held by them as on the cut-off date i.e. 07.09.2021 .The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

13. Members holding shares in physical form are advised to file nominations in respect of their shareholding in the Company, if not already registered and to submit the same to the Registrar and Share Transfer Agent. The nomination form may also be downloaded from the Company's website : www.adarshmercantile.in

14. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 8th day of September, 2021 to Tuesday, the 14thday of September, 2021 (both days inclusive) for the purpose of this AGM.**

15. There is no un-paid or un-claimed dividend for any of the dividend in the earlier years.

16. Relevant documents referred to in this Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours and also at the AGM in physical mode.

17. Members whose shareholding is in the electronic mode are requested to update address & bank account details to their respective Depository Participant(s) and the Members whose shareholding is in the physical mode are requested to provide the same to RTA.

18. **The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Quarterly Reports, Notices, Annual Reports including financial statements, Board Reports, etc. and any other communications via email. All the shareholders holding shares in physical mode, who have not registered their e-mail addresses so far, are requested to register their e-mail address to the RTA/ Company for receiving all aforesaid communication from the Company, electronically.**

19. The Notice of the AGM, along with the Annual Report, Attendance Slip and Proxy Form along with the process, instructions and the manner of conducting e-voting are being sent by electronic mode only to all those members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report'2021 are being sent in the permitted mode. The documents referred to above are also available on the Company's website: www.adarshmercantile.in

20. As an austerity measure copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their copy of Annual report to the Meeting.

21. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s) and Members holding shares in physical form are requested to submit their PAN details to the Company/ R&TA.

22. **Voting Through Electronic Means**

I. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting vote through the electronic voting system("remote-voting") under an arrangement with The Central Depository Services (India) Limited ("CDSL") as specified more particularly in the instruction hereunder provided that once the vote on a Resolution is casted through e-voting, a Member shall not be allowed to change it subsequently.

II. Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid.

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

(i) The voting through electronic means will commence on Saturday, the 11th day of September, 2021 at 10.00 A.M. (IST) and will end on Monday, the 13th day of September, 2021 at 5.00 P.M. (IST). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-Voting module shall be disabled by CDSL for voting thereafter. The Shareholders as on the cut-off date 07.09.2021 may cast their vote.

(ii) Shareholders who have already voted prior to the meeting date (by remote e-voting) shall not be entitled to vote at the meeting venue.

(iii) Log on to the e-voting website www.evotingindia.com during the voting period.

(iv) Click on "Shareholders" tab.

(v) After that enter your user ID;
   a. For CDSL: 16 digits beneficiary ID;
   b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID; and
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company excluding the special characters.

(vi) Next enter the image verification as displayed and click Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical Shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Date of Birth (DOB)	Enter the Date of Birth as recorded in your demat account with the depository or in the Company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio. • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or Company then please enter the member-ID / Folio Number in the Bank Account Number details field as mentioned in above instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

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

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

(xii) Click on the EVSN for the relevant **<ADARSH MERCANTILE LIMITED>** on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

(xviii) If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Note for Institutional Shareholders and Custodians.**

- Non-Individual shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodian are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533.

(xxi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

1. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at santibrewalla@gmail.com with a copy mark to helpdesk.evoting@cdslindia.com and the same may also be send to the Scrutinizer in physical mode also on or before 07.09.2020 upto 5.00 p.m. without which the vote shall not be treated as valid.
2. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.
3. However, in case the members who have casted their votes by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
4. Mr. Santosh Kumar Tibrewalla, Practising Company Secretary has been appointed as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall not later than 3(three) days of conclusion of the meeting make a consolidated Scrutinizer's Report (which includes remote e-voting and voting as may be permitted at the venue of the AGM by means of ballot paper/poll) of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith.
5. Subject to casting of requisite number of votes in favour of the resolution(s), the resolution(s) shall be deemed to be passed on the date of Annual General Meeting of the Company.
6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adarshmercantile.in and on the website of CDSL immediately after declaration of results of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited, where the shares of the Company are listed.
7. Shareholders are requested to give their valuable suggestions for improvement of our investor services.

8. Route-map to the venue of the AGM is annexed for the convenience of the members.

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

Place: *Kolkata*
Date: ***12.08.2021***

ANNEXURE TO NOTICE OF AGM

A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting
[In pursuance to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India]

Sl. No.	Name of the Director	Mr. Aritra Basu
1.	DIN	06779222
2.	Date of Birth and Age	30.05.1986, 35 years
3.	Nationality	Indian
4.	Date of appointment on Board	31.03.2016
5.	Terms & Conditions of appointment/ re-appointment	N.A.
6.	Remuneration proposed	N.A.
7.	Remuneration last drawn	N.A.
8.	No. of shares held in the Company	-
9.	Qualification & Expertise in specific functional area	B.Com. Expertise in Accounts & Finance
10.	No. of Board Meetings Attended during the F.Y. 2020-21	4
11.	List of other listed / Companies in which Directorships held as on 31st March, 2021	NIL
12.	List of other Companies in which Directorships held as on 31st March, 2021	1. Downhill Distributors Pvt. Ltd. 2. Edition Sales Pvt. Ltd. 3. Mapps IT Services Pvt. Ltd.
13.	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31st March, 2021	NIL
14.	Disclosure of relationship between Directors, Managers and Key Managerial Personnel inter se	NIL

ITEM 3:

The Members of the Company previously approved to maintain the Register of Members, Index of Members and Share Transfer Books and other statutory records with its Registrars and Share Transfer Agents (RTA) viz. M/s. Niche Technologies Pvt. Ltd. at D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata - 700 001, a place other than the registered office of the Company.

The aforesaid RTA proposed to shift and maintain the records of the Company at its new place at 3A, Auckland Place, 7th Floor, Kolkata -700 017, for their operational and administrative convenience. In accordance to the provisions of Section 94 of the Companies Act, 2013 approval of the Shareholders is required for effecting the change in the place at which the Register, Index of Members and other documents are proposed to be kept.

The Board recommends for approval of the special resolution by the shareholders as set out under Item No.3 of the Notice.

None of the Directors, Key managerial personnel of your Company and their relatives are in any way financially or otherwise, directly or indirectly is concerned or interested in the proposed resolution.

ITEM NO. 4

As per the provisions of sections 20 of the Companies Act, 2013, a document which are required to be served under the Act, may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its annual general meeting. The Board has proposed to charge actual estimated expenses for the purpose.

Accordingly, the Board of Directors recommends the resolution for your approval by an ordinary resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

ROUTE MAP FOR AGM ON 14.09.2021
AT THE REGISTERED OFFICE OF THE COMPANY



DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Annual Report together with the Audited Annual Accounts of your Company for the year ended March 31, 2021.

(Amount in Rs.)

	Standalone		Consolidated	
Financial Results	**FY 2020-21**	**FY 2019-20**	**FY 2020-21**	**FY 2019-20**
Particulars	**Amount**	**Amount**	**Amount**	**Amount**
i. Total Revenue	1,20,22,857	73,48,688	1,20,22,857	73,48,688
ii. Earnings Before Interest, Depreciation, Taxation and Amortization(EBIDTA)	(9,18,142)	(3,20,726)	(9,18,142)	(3,20,726)
iii. Finance Cost	21,88,221	19,15,657	21,88,221	19,15,657
iv. Profit before Taxation (PBT)	(23,44,119)	(22,36,383)	(23,44,119)	(22,36,383)
v. Tax	-	-	-	-
vi. Profit after Taxation (PAT)	(23,44,119)	(22,36,383)	(23,44,119)	(22,36,383)
vii. Share of Profit/ (Loss) of Associate	-	-	1,81,903	(2,89,438)
viii. Profit for the period	(23,44,119)	(22,36,383)	(21,62,217)	(25,25,821)
ix. Other Comprehensive Income (net of tax)	52,34,346	(54,63,923)	(62,94,531)	(57,42,423)
x. Total Comprehensive Income	28,90,227	(77,00,306)	41,32,314	(82,68,244)
xi. Profit brought forward from previous year	1,70,60,812	1,94,24,163	1,96,76,808	2,23,29,596
xii. Surplus/ (Deficit) in the Statement of Profit & Loss Account	(23,44,119)	(22,36,383)	(21,62,217)	(25,25,821)
xiii. Transfer to General Reserve	Nil	Nil	Nil	Nil
xiv. Other Adjustments- Income Tax for earlier years	(11,861)	(3,21,368)	(11,861)	(3,21,368)
xv. Transfer from OCI Reserve	9,11,948	1,94,400	9,11,948	1,94,400
xvi. Balance Carried to Balance Sheet	1,56,16,780	1,70,60,812	1,84,14,678	1,96,76,808

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company is engaged in the business of Trading of goods, shares and securities and investments in Mutual Funds, Shares & Securities. and has earned revenue of Rs. 120.23 lakhs compared to Rs 73.48 lakhs which is higher by 63.62 % than last year.

Your Company has incurred a net loss of Rs. 23.44 lakhs during the year compared to the net loss of Rs. 22.36 lakhs in the previous year. A detailed review of the operations, performance of the Company and its business is given in the Management Discussion & Analysis, which forms part of the Annual Report.

There is no change in the business of the Company during the financial year 2020-21.

PERFORMANCE & FINANCIAL POSITION OF ASSOCIATE

ASSOCIATE - AVON CREDIT PVT LTD

The Company has reported total revenue of Rs. 77.33 lakhs during the year as compared to Rs. 52.93 lakhs in the previous year and has earned a Net Profit of Rs. 14.54 lakhs as compared to a net loss of Rs. 1.80 lakhs in the previous year.

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

OUTLOOK

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

DIVIDEND

In view of the loss incurred by Company, the Board is unable to declare any dividend on equity shares of the Company for the financial year ended 31st March, 2021.

ISSUE OF SHARES

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

TRANSFER TO RESERVES

Since there is no profit during the year, the Board is unable to transfer any amount to the Reserves.

DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv) The Directors have prepared the annual accounts on a going concern basis;

v) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

CORPORATE GOVERNANCE

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

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

CODE OF CONDUCT

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

PERSONNEL

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

COMPANY'S WEBSITE

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

LISTING OF SECURITIES IN STOCK EXCHANGES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Retirement by Rotation

Mr. Aritra Basu (DIN :06779222), Director of the Company, pursuant to the provisions of Section 152(6) and other applicable provisions, of the Companies Act, 2013, retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

b) Appointment / re-appointment of Whole time Director & Key Managerial Personnel (KMP):

The present Whole-time Key Managerial Personnel of the Company as on 31st March, 2021 are as follows :-

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

However, the terms of appointment of Mrs. Suchita Chhawchharia as an Executive Director and KMP would expire from 1st April, 2021 and the Board Directors on recommendation of Nomination and Remuneration Committee has proposed for her re-appointment for a further period of 3 years on revised remuneration for approval of the Shareholders in the Annual General meeting.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDITORS AND THEIR REPORTS

(i) Statutory Auditors:

The present Statutory Auditor, **M/s NKSJ & Associates, (Firm Registration No. 329563E)**, Chartered Accountants, holds office upto the conclusion of the Annual General Meeting (AGM) to be held for the Financial Year 2024-25.

The observations made by the Statutory Auditors in their Auditors Report together with the notes to accounts, as append thereto areself-explanatory and hence does not call for any further explanation.

(ii) Internal Auditors:

The Company had appointed M/s NST & Associates, Chartered Accountants, as the Internal Auditor of the Company for the Financial Year 2020-21 and they have furnished their report. The Board has re-appointed them as Internal Auditor for the FY 2021-22.

(iii) Secretarial Auditor:

The Board had appointed Mr. Subhajit Das, Practicing Company Secretary, as the Secretarial Auditor of the Company to carry out the Secretarial Audit for the year 2020-21 under the provisions of section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR 3 is enclosed as **Annexure - 'H'** to this Board's Report, which is self-explanatory and hence do not call for any further explanation.

Secretarial Compliance Report

Pursuant to Regulation 24A of the SEBI Listing Regulation and recent amendment on the same thereto, Every Listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial Compliance Report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity.

The Company during the year under review does not have any material unlisted subsidiary and herewith attached as **Annexure –'I'**. The Secretarial Compliance Report issued by Mr. Santosh Kumar Tibrewalla, Practicing Company Secretary (FCS 3811) for the year ended on 31st March, 2021.

DISCLOSURES AS PER APPLICABLE ACT AND LISTING AGREEMENT

i) Related Party Transactions:

All transaction entered with related parties during the FY 2020-21 were on arm's length basis and were in the ordinary course of business and provisions of Section 188(1) are not attracted. There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which may have potential conflict of interest with the Company at large.

The necessary disclosures regarding the related party transactions in accordance to the IND AS required in Form-AOC-2 are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has not entered into any specific contract with related parties.

Since the Company has entered into transaction with its Associates, firms/ Companies in which Directors are interested disclosure as per Para A of Schedule V is provided in Notes to the Accounts under 'Related Party Disclosures'.

ii) Number of Board Meetings:

The Board of Directors met 4 (four) times in the year 2020-21. The Details of the Board meeting and attendance of the Directors are provided in the Corporate Governance Report, attached as Annexure to this Board's Report.

iii) Committees of the Board :

4 (Four)Committees of Directors are in force as on March 31, 2021 viz. the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and the Share Transfer Committee. A detail note on the Committee is provided in the Corporate Governance Report section of this Annual Report.

iv) Composition of Audit Committee:

The Audit Committee comprises of three Non-Executive Directors including two Independent Directors as on March 31, 2021:-

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

v) Extracts of Annual Return:

The details forming part of the extract of the Annual Return in Form **MGT-9** as provided under section 92(3) & 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is also available at the website of the Company at www.adarshmercantile.in.

vi) Risk Analysis:

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

vii) Internal Financial Control :

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

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

viii) Loans, Guarantees and Investments:

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

ix) Post Balance Sheet events:

There is no material changes in commitments affecting the financial position of the Company occurred since the end of the Financial Year 2020-21.

x) Subsidiaries, Associates or Joint Ventures:

As on 31st March, 2021, Company has only one associate i.e. M/s. Avon Credit Pvt. Ltd. and there is no Company which has become or ceased to be the Company's subsidiary, joint venture or associate Company during the year under review.

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

The consolidated financial statement in this Annual Report is as per the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"). In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information will be available on our website.

These documents will also be available for inspection during business hours on all working days except Saturday at the Registered Office of the Company and also on the date of the AGM. The Company will also make available copy on specific request by any member of the Company, interested in obtaining the same.

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

xi) Evaluation of the Board's Performance:

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

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

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

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

xii) Nomination, Remuneration and Evaluation Policy:

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

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

xiii) Vigil Mechanism (Whistle Blower Policy):

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

The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of Directors and employees from reprisals or victimization, for whistle blowing in good faith.
Details of establishment of the Vigil Mechanism have been uploaded on the Company's website: *www.adarshmercantile.in* and also set out in the Corporate Governance Report attached as Annexure to this Board's Report.

xiv) Internal Complaint Committee:

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

xv) SECRETARIAL STANDARDS:

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed.

INDUSTRIAL RELATIONS

The industrial relation during the year 2020-21 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

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

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

APPRECIATION

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

On behalf of the Board of Directors
For Adarsh Mercantile Limited

Place: Kolkata
Date: 12.08.2021

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

ANNEXURE - A TO THE DIRECTORS' REPORT

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

A) Conservation of Energy -

(i) Steps taken or impact on conservation of energy
Your Company not being a Manufacturing Company, the provisions relating to measures for conservation of energy and reduction of energy consumption are not applicable.

(ii) Steps taken by the Company for utilizing alternate sources of energy
Not Applicable.

(iii) Capital investment on energy conservation equipments
Not Applicable.

B) Technology Absorption -

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

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

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO
There have been no foreign exchange earnings in terms of actual inflows and foreign exchange outgo during the year in terms of actual outflows.

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

Date: *12.08.2021*

On behalf of the Board of Directors
For Adarsh Mercantile Limited

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

ANNEXURE B TO THE DIRECTOR'S REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21

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

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

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

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

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

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

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

FAMILIARISATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

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

Name of the Directors	Attendance Particulars		No. of other Directorships and Committee memberships/ chairmanships held *		
	Board Meetings	Last AGM	Other Directorship**	Committee Memberships	Committee Chairmanships
Mrs. Suchita Chhawchharia	4	Present	NIL	1	NIL
Mr. Sundar Lal Mohta	4	Present	NIL	1	NIL
Mr. Manish Khaitan	4	Present	NIL	2	1
Mr. Aritra Basu	4	Present	NIL	2	1

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

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

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

During the financial year 2020-21, 4 (Four) Board meetings were held on 27.07.2020, 02.09.2020, 10.11.2020 and 11.02.2021. The gap between any two consecutive meetings did not exceed one hundred and twenty days in terms of the Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and the provision of Companies Act, 2013.

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

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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Company's Independent Directors of the Company met once during the financial year 2020-21 on 11.02.2021 in compliance with Schedule IV, Code of Independent Directors under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was attended by all the Independent Directors. Such meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and also reviewed:

i. the performance of non-independent Directors and the Board as a whole ;
ii. the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors ; and

iii. assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform their duties.

d) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

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

e) DISCLOSURE OF RELATIONSHIP BETWEEN THE DIRECTORS INTER SE

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

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

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

3. AUDIT COMMITTEE

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

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

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

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
4. Review of the adequacy of the internal control systems and finance of the internal audit team;
5. Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same ;
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
b. Changes, if any, in accounting policies and practices and reasons for the same;
c. Major accounting entries involving estimates based on the exercise of judgment by management;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions;
g. Qualifications in the draft audit report.

7. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
22. Examining the financial statement and the auditor's report thereon;
23. Monitoring the end use of funds raised through public offers and related matters;
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
25. To review -
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions, submitted by management;
    - Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
    - Internal audit reports relating to internal control weaknesses, etc.
    - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
    - Secretarial audit report relating to suspected fraud or irregularity or a failure of compliance of any legislation.

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

During the period 4 (Four) meetings of the Audit Committee were held during the year ended 27.07.2020, 02.09.2020, 10.11.2020 and 11.02.2021.

The Audit Committee comprised of following three members–

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

4. NOMINATION & REMUNERATION COMMITTEE

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

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

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

During the period 1 (One) meeting of the Nomination & Remuneration Committee was held on 27.07.2020.

b. The attendance of its meeting are given below :

Name of Directors	**Category**	**No. of Meeting Held**	**Attended**
Mr. Sundar Lal Mohta	Non-Executive – Independent Director-Chairman	2	2
Mr. Aritra Basu	Non-Executive Director-Member	2	2
Mr. Manish Khaitan	Non-Executive – Independent Director-Member	2	2

c. <u>PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS</u>

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

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.

- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

5. REMUNERATION OF DIRECTORS

(a) Remuneration Policy /Criteria

i. Executive Directors: The Company follows the policy to fix remuneration of Executive Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.

ii. Non-Executive Directors :Sitting fees for attending Board Meetings or Committees thereof.

iii. KMPs & Senior Management Personnel: The motto of determining policy for payment of remuneration to the KMPs and Senior Management Personnel are to motivate and retain them for longer term for the better perspective and growth of the Company. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contribute to the Company but make their job satisfaction.

(b) Sitting Fees:

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

(c) Remuneration to Directors:

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

(Amount in Lakhs)

Name of the Directors	Remuneration paid / payable for F.Y. 2020-21				Service Contract	
	Salary (Rs.)	Benefits (Rs.)	Sitting Fees (Rs.)	Pay per month (Rs.)	Period	Effective from
Mrs. Suchita Chhawchharia	1.20	-	-	-	3 years	01.04.2021

Notes:

1. The Company has not entered into any other pecuniary relationship or transactions with the Non-Executive Directors.
2. The Notice period and severance fees are not applicable to the Executive Directors of the Company.
3. The Non- Executive Directors have waived their sitting fees for the F.Y. 2020-21.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the period 4 (Four) meeting of the Stakeholders Relationship Committee was held on 27.07.2020, 02.09.2020, 10.11.2020 and 11.02.2021.

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

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

No request for Share transfer/ transmission remains pending for registration for more than 15 days. No complaint / query is received by the Company during the financial year and no complaint and no request for share transfer/ transmission is pending as on 31st March, 2021.

Shareholders' Complaints

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

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

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

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

7. TRANSFER COMMITTEE

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

Ms. Ankita Banerjee is acting as the Secretary of the Committee.

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

8. GENERAL BODY MEETINGS

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

Year	Date & Time	Venue	If Special Resolution(s) Passed
2019-20	8th September, 2020 12:30 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes
2018-19	14th September, 2019 12:30 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	Yes
2017-18	17th September, 2018 2.00 P.M.	8A & 8B, Satyam Towers 3, Alipore Road Kolkata-700027	No

(b) No special resolution proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 and Rules made thereunder in view of the amendment made in Section 110 by Companies (Amendment) Act, 2017 which inter-alia provides that 'any item proposed to be transacted by Postal Ballot may be transacted at the general meeting by a Company provided that the Company is providing facility of e-voting to its members under section 108 of the Companies Act, 2013'.

9. MEANS OF COMMUNICATION

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

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

No presentation has been made to Institutional Investors or Analysts.

10. GENERAL INFORMATION FOR SHAREHOLDERS

a. Annual General Meeting (Date, Time &Venue) : **Date :**14th day of September, 2021.
Time :12:30 P.M.
Venue : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata-700027.

b. Financial year : 1st April 2020 to 31st March 2021

c. Dividend payment : The Board has not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2021.

d. Date of Book closure : 08.09.2021 to 14.09.2021 (both days inclusive)

e. Listing Details : Equity Shares of the Company are listed on
BSE Ltd. (Scrip Code: 538563)
25, Phiroze Jeejeebhoy, Towers, Dalal Street Mumbai – 400 001.

No listing fees to BSE are due as on date.

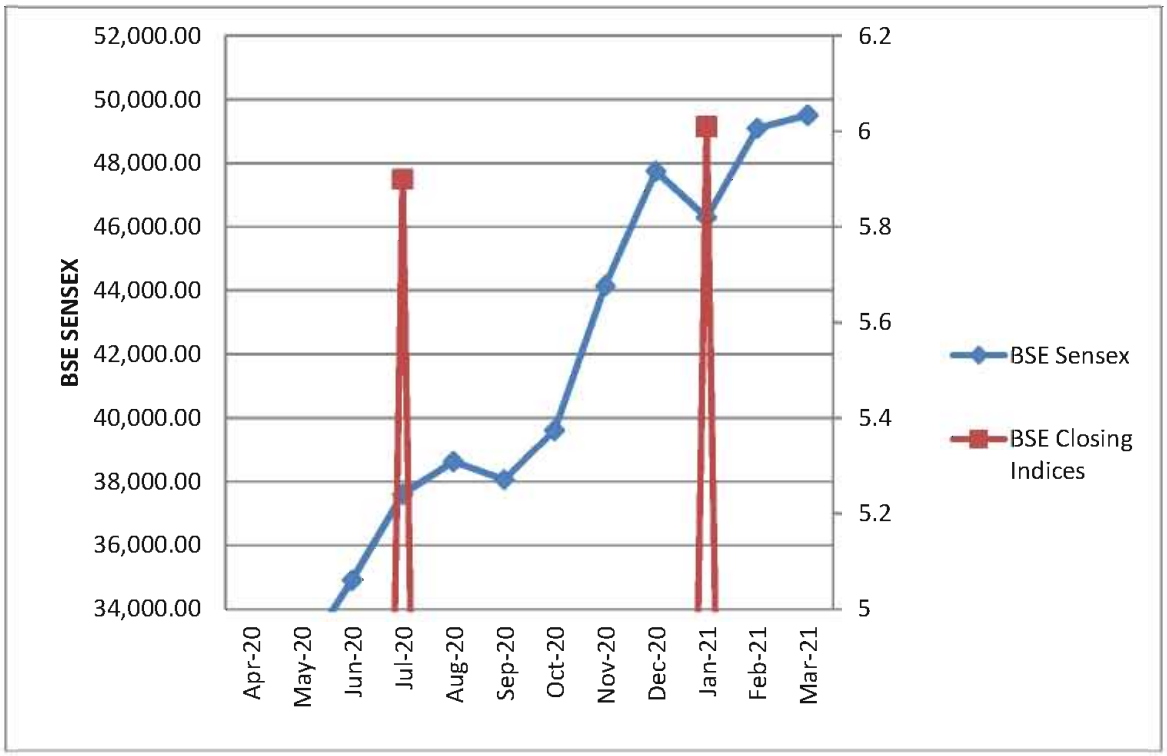
f. Stock Market Price Data: Monthly High/Low price during the last Financial Year at the BSE depicting liquidity of the Equity Shares is given hereunder:

Month	BSE		
	Month's High Price	Month's Low Price	Volume
April, 2020	NT	NT	NA
May,2020	NT	NT	NA
June,2020	NT	NT	NA
July,2020	5.90	5.90	100
August,2020	NT	NT	NA
September,2020	NT	NT	NA
October,2020	NT	NT	NA
November,2020	NT	NT	NA
December,2020	NT	NT	NA
January, 2021	6.01	6.01	441
February,2021	NT	NT	NA
March,2021	NT	NT	NA

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

g. Share price performance in comparison to BSE Sensex for the Financial Year 2020-21.

Month	BSE SENSEX (Closing)	Monthly Closing Price at BSE
April, 2020	33,717.62	NT
May, 2020	32,424.10	NT
June, 2020	34,915.80	NT
July, 2020	37,606.89	5.90
August, 2020	38,628.29	NT
September, 2020	38,067.93	NT
October, 2020	39,614.07	NT
November, 2020	44,149.72	NT
December, 2020	47,751.33	NT
January, 2021	46,285.77	6.01
February, 2021	49,099.99	NT
March, 2021	49,509.15	NT



h. Registrar and Share Transfer Agent : M/s. Niche Technologies Pvt. Ltd.
(SEBI Registration No: INR000003290)
3A Auckland Place, 7th Floor, Room No. 7A & 7B,
Kolkata - 700 017
Phone No. - 033 2280 6616/17
Fax – 033 – 2280 6619
E-mail: nichetechpl@nichetechpl.com
Website: www. nichetechpl.com

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

j. Distribution of Shareholding as on 31st March, 2021:

No. of Ordinary Shares held	No. of Shares	% Of Shares	No. of Share-Holders /folios	% Of Shareholders
Up to 500	1,082	0.0294	35	62.5000
501 to 1,000	960	0.0261	1	1.7857
1,001 to 5,000	3570	0.0971	3	5.3571
5,001 to 10,000	0	0.0000	0	0.0000
10,001 to 50,000	61,560	1.6751	2	3.5714
50,001 to 1,00,000	4,79,175	13.0388	7	12.5000
1,00,001 and above	31,28,653	85.1334	8	14.2857
Total	36,75,000	100.0000	56	100.0000

k. Shareholding Pattern as on 31st March, 2021:

Category of Shareholders	No. of Shares	%
Promoters	**2448753**	**66.63**
Mutual Fund/UTI	**-**	**-**
Banks/Financial Institutions /Insurance Companies/Govt. Company	**-**	**-**
Indian Companies	**464100**	**12.63**
NRIs/Foreign Shareholders (including bodies corporate)	**-**	**-**
Public/Others	**762147**	**20.74**
Total	**3675000**	**100.00**

l. Dematerialisation of Shares : **ISIN: INE 673E01018**
34,87,985 shares of the Company are held in Dematerialized form representing 94.91% of the paid-up share Capital of the Company as on 31st March, 2021.

m. Outstanding Instruments : The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments. As such there is no impact on Equity Shares of the Company.

n. Commodity Price Risk/ : Not applicable to the Company as Company is not Foreign Exchange Risk and associated with hedging activities.

o. Address for correspondence : **Adarsh Mercantile Limited**
8A & 8B, Satyam Towers
3, Alipore Road, Kolkata-700027
Phone No.- 033-2479-1951
Fax – 033-2479-1952

Email id: adarshmercantile@gmail.com

p. Contact Person : Ms. Ankita Banerjee, Company Secretary

11. OTHER DISCLOSURES:

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

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

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

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

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

c. Vigil Mechanism / Whistle Blower Policy :

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

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

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

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

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

e. Accounting Treatment in preparation of financial statement :

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

f. Policy for determining 'material' subsidiaries :

The Company does not have any material non-listed Indian subsidiary as defined in Regulation 16 and 24 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g. Web link where policy on dealing with related party transactions :

Policy on dealing with related party transaction is displayed at the website of the Companywww.adarshmercantile.in

h. Disclosures of commodity price risks and commodity hedging activities :

The Company is not associated with hedging activities.

i. Risk Management :

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

j. Certificate from Practicing Company Secretary

As required under the provisions of Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in Practice have been received in Annexure- 'K' stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

k. CEO / CFO certification :

The CEO/CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure D.

l. **Management Discussion and Analysis Report :**

The Management Discussion and Analysis Report as required under Regulation 34(2) (e) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure F.

(12) DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF

There is no non-compliance of any requirement of Corporate Governance Report of sub-paras detailed above, thus no explanations need to be given.

(13) DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

a. Office to Non-executive Chairperson: The Company has not appointed any permanent Chairman as such maintenance of separate office is not required.
b. Your Company is under process of updating its system for sending a half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders.
c. The financial statement of your Company is continued to be with unmodified audit opinion.
d. Separate posts of Chairperson& CEO. The Company has not appointed any Chairperson in the Company.
e. The Internal Auditors reports directly to the Audit Committee.

(14) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As on 31st March, 2021, there are no outstanding shares of the Company lying in the demat suspense/ unclaimed suspense account.

(15) CODE OF CONDUCT:

The Company has framed Code of Conduct for all the Board Members, Key Managerial Personnel and other Senior Executives of the Company who have affirmed compliance with the same as on 31st March, 2021. Duties of the Independent Directors have suitably been incorporated in the code. The Code is displayed on the Company's website: www.adarshmercantile.in.A declaration signed by **the Executive Director & CEO** is annexed as **Annexure 'E'**.

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

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

The Company has complied with the requirements of aforesaid Regulations.

ANNEXURE - C TO THE DIRECTORS' REPORT

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

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

I have examined the Compliance of Corporate Governance by M/s. Adarsh Mercantile Limited for the Financial Year 2020-21, as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the said Company with Stock Exchange.

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

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

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

Place: Kolkata **Sd/-**

Date: 12.08.2021

(SANTOSH KUMAR TIBREWALLA)
Practicing Company Secretary
Membership No.: 3811
Certificate of Practice No.: 3982
PRC No.: 1346/2021

UDIN: F003811C000772139

ANNEXURE - D TO THE DIRECTORS' REPORT

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

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

Dear Sir(s),

In terms of Regulation17(8) read with the Schedule II of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Suchita Chhawchharia, Executive Director - CEO and Shiv Shankar Sharma, CFO, certify that:

1. We have reviewed financial statements and the cash flow statement for the financial year 2020-21 and to our best of knowledge, belief and information -
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To our best of knowledge and belief, no transactions entered into by the Company during the financial year 2020-21 are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken or propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee :
   i) significant changes in internal control over financial reporting during the year;
   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
   iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Adarsh Mercantile Limited

Place: Kolkata

Date: 12.08.2021

Sd/-	***Sd/-***
Suchita Chhawchharia	***Shiv Shankar Sharma***
Executive Director & CEO	***Chief Finance Officer***
DIN: 00044063	

ANNEXURE - E TO THE DIRECTORS' REPORT

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

I, Suchita Chhawchharia, Executive Director-CEO of M/s. **Adarsh Mercantile Limited** declare that as of 31st March, 2021 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For Adarsh Mercantile Limited

Place: Kolkata

Date: 12.08.2021

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

ANNEXURE - F TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

a) **Opportunities and threats/Risk and concerns:**
Your Company's growth and profitability are dependent on the functioning of Commodity & Capital Markets. Your Company expects a favorable market in the years to come. Your Company on its part is also well poised to seize new opportunities as they come.

b) **Segment wise or product wise performance:**
The Company is engaged primarily in the business of trading activities accordingly there are no separate reportable segments. In view of the slackened economy there has been a substantial decline in the commodity trading. In its endeavor to look for better opportunities, the company has now entered into trading of securities.

c) **Outlook:**
Your Company is making all efforts to accelerate the growth of its business. In spite of the market risk faced by your Company, your Directors are optimistic about the future prospects of the Company.
The company is taking appropriate steps to keep the costs under control. The outlook for the current year remains positive.

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

e) **Discussion on financial performance with respect to operational performance:**
The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 (date of transition).

During the year under review the Company received dividend of Rs. 1,68,163 as compared to Rs. 1,38,860 in the previous year. The interest income during the year was Rs. 7,23,532 as against Rs. 7,29,262 in the corresponding previous year. The Company earned capital gains of Rs. 8,99,558 compared to Rs. 4,11,925 in the corresponding previous year. The unrealized gains booked for the year is Rs. 7,14,949 as against Rs. 14,70,151 in the immediately preceding previous year. The trading activities of the Company resulted in a profit of Rs. 13,89,857 during the year as compared to a loss of Rs. 17,25,339 during the previous year.

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements. There is no material impact on the business activity of the company as on 31.03.2021. However, the management expects to recover the carrying amounts of its receivables and as such this will not impact the "going concern" status of the company. The company will continue to monitor the future economic conditions and update its assessment.

f) **Developments in Human Resources**

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

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

g) **Cautionary statement:**

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

There were 5 permanent employees on the rolls of Company as on 31st March, 2021.

ANNEXURE - G TO THE DIRECTORS' REPORT

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

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under **:**

Sl. No.	**Name of Director/ KMP and Designation**	**Remuneration of Director/ KMP for financial year 2020-21 (Rs. in lakhs)**	**% increase in Remuneration in the financial year 2020-21**	**Ratio of remuneration of each Director/ to median remuneration of employees**
1	Mrs. Suchita Chhawchharia Executive Director	1.20	Nil	1:1
2	Mr. Shiv Shankar Sharma Chief Financial Officer	4.96	8%	N.A.
3	Ms. Ankita Banerjee Company Secretary & Compliance Officer	1.80	15%	N.A.

Note:

1. No other Director other than the Executive Director received any remuneration during the financial year 2020-21.

2. The median remuneration of employees of the Company during the financial year was Rs. 1.80 lakhs compared to the previous year was Rs. 1.08 lakhs;

3. In the financial year, there was an increase of 0.72% in the median remuneration of employees;

iv) There were 5 permanent employees on the rolls of Company as on March 31, 2021;

v) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2020-21 was 15% whereas the increase in the managerial remuneration for the same financial year was 8%;

vi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2021 is as per the Remuneration Policy of the Company.

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

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

Sl. No.	Name of the Employees	Designation of the employee	Remuneration drawn during the financial year 2020-21 (Rs. in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Mrs. Suchita Chhawchharia	Executive Director	1.20	otherwise	MBA	01.04.15	44	Shaw Public School	N.A	N.A
2	Shiv Shankar Sharma	CFO	4.96	otherwise	Graduate	01.07.16	58	B. Chhawchharia & CO	0.12 %	N.A
3	Ankita Banerjee	Company Secretary	1.80	otherwise	CS	01.06.18	33	Santosh Kumar Tibrewala, PCS	N.A.	N.A.
4	Anirban Das	Jr.Executive	0.96	otherwise	H.S	01.04.16	40	N.A	N.A	N.A
5	Ramesh Barik	Jr.Executive	0.96	otherwise	H.S	01.04.16	33	N.A	N.A	N.A

B. <u>List of employees drawing a remuneration not less than Rs. 102.00 lakhs per annum or Rs. 8.50 lakhs per month, if employed for part of the year</u> : No employee in the Company has drawn remuneration falling under this category.

C. There are no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Executive Director and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the Company.

D. There is no employee posted and working outside India not being Directors or their relatives, drawing more than sixty lakhs rupees per financial year or five lakhs rupees per month.

E. There were no employees who were in receipt of remuneration as required to be disclosed under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE - H TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

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

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

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

Based on my verification of M/s. Adarsh Mercantile Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Adarsh Mercantile Limited ('the Company') for the financial year ended on 31st March, 2021, **to the extent Acts / provisions of the Acts applicable,** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v)The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **to the extent applicable**:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India
(ii) The Listing Agreement entered into by the Company with the BSE Limited;

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

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place: Kolkata
Date:12.08.2021

Signature : Sd/-

Name of Company Secretary in Practice: **Subhajit Das**
ACS No.: 28815
C P No.: 11049
UDIN: A028815C000769544

ANNEXURE – J TO THE DIRECTORS' REPORT

Form AOC-1

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

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

Part A: Subsidiaries

The Company has no subsidiary as on 31.03.2021.

Other information:

1. Names of subsidiaries which are yet to commence operations - Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part B: Associates and Joint Ventures:

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

Name of Associates or Joint Ventures	**Associate Company:** AVON CREDIT PVT. LTD.
1. Latest audited Balance Sheet Date	10.06.2021
2. Date on which the associate or joint venture was associated or acquired	08.05.2010
3. Shares of Associate orJoint Ventures held by the company on the year end	
No.	Equity – 15,290 of Rs. 10/- each
Amount of Investment in Associates or Joint Venture	Rs. 3,14,500/-
Extend of Holding (in percentage)	31.62% - Equity
4. Description of how there is significant influence	Holding more than 20% of total share capital pursuant to Section 2(6) of Companies Act, 2013
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 59,55,837
7. Profit for the year (including other comprehensive income)	Rs. 22,49,213

i. Considered in Consolidation	Yes – Rs. 7,11,201
ii. Not Considered in Consolidation	N.A.

Other information:

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

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

Sd/-
Suchita Chhawchharia
Executive Director
DIN: 00044063

Sd/-
Aritra Basu
Director
DIN: 06779222

Sd/-
Shiv Shankar Sharma
Chief Financial Officer

Sd/-
Ankita Banerjee
Company Secretary

Place: Kolkata
Date: 12.08.2021

ANNEXURE - K TO THE DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
M/s. Adarsh Mercantile Limited
8A & 8B, Satyam Towers,
3, Alipore Road,
Kolkata- 700027.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Adarsh Mercantile Limited** having **CIN L51109WB1992PLC055082**having registered office at **8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata- 700027**. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that ***none*** of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA),or any such other Statutory Authorities.

Sl. No.	Name of Director(s)	DIN	Date of appointment in Company
1	Mrs. Suchita Chhawchharia	00044063	06/03/2006
2	Mr. Sundar Lal Mohta	05122250	31/03/2015
3	Mr. Manish Khaitan	07136784	31/03/2016
4	Mr. Aritra Basu	06779222	31/03/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date: 12.08.2021

Signature: **Sd/-**
Name: Santosh Kumar Tibrewalla
Membership No.: 3811

C.P. No. : 3982
PRC No. : 1346/2021
UDIN :**F003811C000772141**

AUDITORS REPORT ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF ADARSH MERCANTILE LIMITED

OPINION

We have audited the accompanying standalone financial statements of **ADARSH MERCANTILE LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act"), as amended in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on these Standalone Financial Statements.

EMPHASIS OF MATTER

We draw attention to note no 25 of these Standalone Financial Statements as regards to the management evaluation of COVID-19 impact on the present and future performance of the company.

Further, due to the prevailing COVID-19 pandemic, the Government has ordered lock down whereby the physical movement has been restricted and as a law abiding professional, our firm is in complete compliance of the same. Thus, we could not visit the Company's office and as a result the whole audit has been conducted from a remote location through electronic media. In view thereof, no physical verification or inspection of the relevant documents and records could be possible and as such we have relied upon the soft and scanned copies of documents and the information made available to us electronically.

Our opinion is not modified with respect to the above matter.

KEY AUDIT MATTERS

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

We have determined that there are no key audit matter to be communicated in our report.

INFORMATION OTHER THAN THE STANDALONE 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 Standalone Financial Statements and our auditor's report thereon.

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

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

RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTERS

The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Ray & Co., who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 27 July, 2020.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs dated 29th March, 2016 in terms of sub-section 11 of section 143 of the Act, we give in the Annexure - "A", a statement on the matters specified in paragraphs 3 and 4 therein.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   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, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

   g) We have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 June 2021 as per Annexure B expressed unmodified opinion; and

   h) With respect to 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 as at 31st March 2021.

(ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2021.

For NKSJ & Associates
Chartered Accountants
(Firm Registration No. 329563E)
UDIN : 21234454AAAAAU6668

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071

Sd/-
(CA Sneha Jain)
Partner
(Membership No. 234454)

Dated the 25th day of June, 2021

ANNEXURE "A "TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"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:

1. a) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

2. The Company maintains inventory of shares and securities. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

3. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

4. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

5. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

6. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Cess and Goods & Service Tax to the extent applicable and any other statutory dues have 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, 2021 for a period of more than six months from the date they became payable.

b) The dues outstanding in respect of income tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	44,601	A.Y 2008-09	Assessing Officer, Income tax department
Income Tax Act, 1961	Income Tax	6,014	A.Y 2007-08	Assessing Officer, Income tax department

8. The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

9. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company by its officers or employees has been noticed or reported during the period covered under audit, nor have we been informed of such case by the management.

11. Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them under Section 192 of the Act.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For NKSJ & Associates
Chartered Accountants
(Firm Registration No. 329563E)
UDIN : 21234454AAAAAU6668

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071

Sd/-
(CA Sneha Jain)
Partner
(Membership No. 234454)

Dated the 25th day of June , 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2(g) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.

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 over financial reporting of **ADARSH MERCANTILE LIMITED ("the Company")** as of and for the year ended 31st March 2021 in conjunction with our audit of the Standalone 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 ('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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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.

For NKSJ & Associates
Chartered Accountants
(Firm Registration No. 329563E)
UDIN : 21234454AAAAAU6668

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,

Kolkata – 700 071

Dated the 25th day of June, 2021

Sd/-
(CA Sneha Jain)
Partner
(Membership No. 234454)

ADARSH MERCANTILE LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Investment Property	2	2,56,08,154	1,19,30,133
(d) Other Intangible Assets		-	-
(e) Financial Assets:	3		
(i) Investments	3(i)	5,52,49,871	5,12,76,643
(ii) Trade Receivables		-	-
(iii) Loans	3(ii)	42,69,485	47,64,525
(iv) Others		-	-
(f) Deferred Tax Assets (net)		-	-
(g) Other Non-Current Assets		-	1,47,52,061
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets:	4		
(i) Inventories	4(i)	32,62,070	19,74,561
(ii) Investments	4(ii)	23,07,674	15,77,188
(iii) Trade Receivables	4(iii)	88,36,440	22,56,848
(iv) Cash and cash equivalents	4(iv)	4,27,847	3,91,922
(v) Bank Balances other than (iv) above		-	10,00,000
(vi) Loans	4(v)	59,59,442	82,71,678
(vii) Other Financial Assets		30,000	90,000
(c) Current Tax Assets (net)	5	1,68,038	1,57,036
(d) Other current assets	6	48,000	-
TOTAL ASSETS		**10,61,67,021**	**9,84,42,595**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	3,67,50,000	3,67,50,000
(b) Other Equity	8	2,80,20,150	2,51,23,672
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities:			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		2,94,894	-
(d) Other non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities:	9		
(i) Borrowings	9(i)	3,12,25,000	3,32,25,000
(ii) Trade Payables	9(ii)	88,04,456	22,44,868
(iii) Other financial liabiities	9(iii)	8,61,303	8,86,337
(b) Other current liabilities	10	2,11,218	2,12,718
(c) Provisions		-	-
(d) Current Tax Liabilities (net)		-	-
TOTAL EQUITY AND LIABILITIES		**10,61,67,021**	**9,84,42,595**
Significant accounting policies and notes to financial statements	1		

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

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAU6668
Kolkata
Dated the 25th day of June, 2021

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(In Rs)

Particulars		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I.	**Revenue from operations**	11	94,39,636	45,10,703
II.	**Other income**	12	25,83,221	28,37,986
III.	**Total Income (I+II)**		**1,20,22,857**	**73,48,689**
IV.	**Expenses**			
	Cost of materials consumed		-	-
	Purchases of stock-in-trade	13	92,62,454	44,35,229
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	14	(12,87,507)	17,26,601
	Employee benefits expense	15	10,31,492	9,74,799
	Finance costs	16	21,88,221	19,15,657
	Depreciation and amortisation expense	2	10,74,040	-
	Other expenses	17	20,98,276	5,32,785
	Total Expenses (IV)		**1,43,66,976**	**95,85,071**
V.	**Profit before exceptional items and tax (III-IV)**		**(23,44,119)**	**(22,36,382)**
VI.	Exceptional Items		-	-
VII.	**Profit/ (loss) before tax (V-VI)**		**(23,44,119)**	**(22,36,382)**
VIII.	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX.	**Profit/ (loss) for the period from continuing operations (VII-VIII)**		**(23,44,119)**	**(22,36,382)**
X.	Profit/ (loss) for the period from discontinued operations		-	-
XI.	Tax expense of discontinued operations		-	-
XII.	**Profit/ (loss) from discontinued operations (after tax) (VIII-IX)**		**-**	**-**
XIII.	**Profit/ (loss) for the period (IX+XII)**		**(23,44,119)**	**(22,36,382)**
XIV.	**Other Comprehensive Income:**			
A	(i) Items that will not be reclassified to profit or loss		55,29,240	(54,73,308)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2,94,894	(9,385)
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV.	**Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**28,90,227**	**(77,00,305)**
XVI.	**Earning per equity share (for continuing operation):**	18		
	(1) Basic		(0.64)	(0.61)
	(2) Diluted		(0.64)	(0.61)
XVII.	**Earning per equity share (for discontinud operation):**			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII.	**Earning per equity share (for discontinued and continuing operation):**			
	(1) Basic		(0.64)	(0.61)
	(2) Diluted		(0.64)	(0.61)

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

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAU6668
Kolkata
Dated the 25th day of June, 2021

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	31st March, 2021	31st March, 2020
	Rs.	*Rs.*
Cash flow from operating activities		
Profit before tax	**(23,44,119)**	**(22,36,382)**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Gain/(loss) on sale of Investments	(8,99,558)	(4,11,925)
Rental Income	(1,32,000)	(1,62,000)
Unrealised Profit/(Loss) on fair valuation of Investments	(7,14,949)	(14,70,151)
Dividend Income from Investments	(1,68,163)	(1,38,860)
Interest Income on Deposits	(7,24,740)	(7,29,262)
Interest Expended	21,88,221	19,15,657
Operating profit before working capital changes	(27,95,308)	(32,32,923)
Movements in working capital :		
Decrease/(increase) in Inventories	(12,87,509)	17,26,601
Decrease/(increase) in Trade Receivables	(65,79,592)	(2,18,015)
Decrease/(increase) in Loans & Advances	28,07,276	(9,94,484)
Decrease/(increase) in Other Financial Assets	60,000	(70,000)
Decrease/(increase) in Other Non Current Assets	1,47,52,061	(14,68,771)
Decrease/(increase) in Other Current Assets	(48,000)	32,68,194
Increase/(decrease) in Trade Payables	65,59,588	2,15,251
Increase/(decrease) in Other Current Liabilities	(1,500)	15,302
Cash generated from / (used in) operations	1,34,67,016	(7,58,845)
Direct taxes paid (net of refunds)	(22,863)	(1,41,498)
Net Cash flow from / (used in) operating activities (A)	**1,34,44,153**	**(9,00,344)**
Cash flow from investing activities		
Dividend Income	1,68,163	1,38,860
Gain/(loss) on sale of Investments	8,99,558	4,11,925
Rental Income	1,32,000	1,62,000
Interest Income	7,24,740	7,29,262
Unrealised Profit/(Loss) on fair valuation of Investments	7,14,949	14,70,151
Sale/(Purchase) of Investments	8,43,638	(10,69,215)
Sale/(Purchase) of Property	(1,36,78,021)	(1,50,300)
Investment in Fixed Deposit with Banks	10,00,000	(10,00,000)
Net Cash flow from / (used in) investing activities (B)	**(91,94,973)**	**6,92,683**
Cash flow from financing activities		
Proceeds/(Repayment) of Short term Borrowings	(20,25,034)	26,22,903
Interest paid	(21,88,221)	(19,15,657)
Net Cash flow from / (used in) financing activities (C)	**(42,13,255)**	**7,07,246**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	35,925	4,99,585
Cash and cash equivalents at the beginning of the year	3,91,922	(1,07,663)
Cash and cash equivalents at the end of the year	**4,27,847**	**3,91,922**
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	4,12,847	1,62,144
Cheques in hand	-	1,94,754
Cash on hand	15,000	35,024
Total cash and cash equivalents	**4,27,847**	**3,91,922**
	-	-

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAU6668
Kolkata
Dated the 25th day of June, 2021

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

Standalone Statement of Changes in Equity for the year ended March, 31, 2021

A. Equity Share Capital

(in Rs.)

Balance as at March 31, 2020	**3,67,50,000**
Changes during the year	-
Balance as at March 31 ,2021	**3,67,50,000**

B. Other Equity

Particulars	General Reserve	Retained earnings	Equity instrument through other comprehensive income	Total
Balance as at April 01, 2019	**1,05,21,423**	**1,94,24,162**	**31,99,760**	**3,31,45,345**
Profit for the year	**-**	(22,36,382)	1,94,400	**(20,41,982)**
Other comprehensive income for the year, net of income tax	**-**	1,94,400	(54,63,923)	**(52,69,523)**
Total comprehensive income for the year	-	1,73,82,180	(24,58,563)	1,49,23,617
Income Tax Adjustments	**-**	(3,21,368)	**-**	**(3,21,368)**
Balance at March 31, 2020	**1,05,21,423**	**1,70,60,812**	**(24,58,563)**	**2,51,23,672**
Profit for the year	-	(23,44,119)	9,11,948	**(14,32,171)**
Other comprehensive income for the year, net of income tax	-	9,11,948	52,52,458	**61,64,406**
Total comprehensive income for the year	-	1,56,28,641	18,81,947	**1,75,10,588**
Income Tax Adjustments	-	(11,861)	-	**(11,861)**
Balance at March 31, 2021	**1,05,21,423**	**1,56,16,780**	**18,81,947**	**2,80,20,150**

As per our report of even date

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAU6668
Kolkata
Dated the 25th day of June, 2021

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

1. Significant Accounting Policies

1.1 Overview of the Company

Adarsh Mercantile Limited ("The Company") is engaged in the business of trading of goods and shares and investments in mutual funds, shares and securities.

The Company is a Public Limited company incorporated and domiciled in India and has its registered office at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata 700027. The Company has its primary listing on Bombay Stock Exchange.

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

1.2 Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values; the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

1.3 Use of estimates and judgments

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

1.4 Property, Plant and Equipment

On date of transition, the company has adopted the optional exception in accordance with IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value and assumption of the same as deemed cost. Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of acquisition includes inward freight, duties and taxes (net of Cenvat availed), dismantling cost and installation expenses etc incurred upto the installation of the assets. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from use. Gain or loss arising on disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of Profit & Loss.

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

1.5 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses.

1.6 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL);
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.
- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) in associates with its debt instruments carried at amortised cost and with the exposure arising from loan commitments and other financial assets. The company recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customer defaulting and the resulting losses).

Write-off policy

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has conducted there is no reasonable expectation of recovery.

(ii) Financial Liabilities

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

1.8 Inventories

Stock in trade is measured at Fair Value as per IND AS.

1.9 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Companies satisfy a performance obligation by transferring a promised goods or service to a customer.

(i) Interest Income

Interest income is recognised using the effective interest rate

(ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iii) Income from investment

Profit / (loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on FIFO basis.

(iv) All other income are accounted for on accrual basis unless otherwise specified

1.10 Provisions, Contingent Liabilities and Contingent Assets, legal or constructive

(i) Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(ii) A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

(iii) Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.11 Employee Benefits

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

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

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

1.12 Taxes on Income

Income Tax expenses comprise current tax and deferred tax charge or credit.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

(ii) Deferred Tax

Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.13 Investment Property

Recognition

Investment property shall be recognised as an asset when, and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

Depreciation on Investment Property is provided under the straight line method on the rates as per the useful life prescribed as per Schedule II of the Companies Act, 2013.

Measurement at recognition

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs.

Measurement after recognition

After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

Transfers

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Disposals

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

1.14 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year 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 cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

1.15 Earnings per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

1.16 Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the Standalone Ind AS financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Standalone Ind AS financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

Estimation of fair value of unlisted investment

The fair value of financial instrument that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period and also for, details of key assumptions used and the impact of changes to these assumptions.

Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

	As at 31 March, 2021		As at 31 March, 2020	
2 Investment Property				
	Commercial Shop	Residential Flat	Commercial Shop	Residential Flat
Gross Carrying amount				
Deemed Cost	-	1,19,30,133	-	1,17,79,833
Additions	1,47,52,061		-	1,50,300
Disposal and Transfer	-	-	-	-
Closing Gross Carrying amount	1,47,52,061	1,19,30,133	-	1,19,30,133
Accumulated Depreciation	-	-	-	-
Depreciation during the year ($)	1,23,950	9,50,090	-	-
Impairment during the year	-	-	-	-
Disposal and Transfer	-	-	-	-
Closing accumulated depreciation / Impairment	1,23,950	9,50,090	-	-
Net carrying amount	**1,46,28,111**	**1,09,80,043**	**-**	**1,19,30,133**

Note: On transition date the company has elected to carrying previous GAAP carrying amount as deemed cost.
($) Depreciation of Residential Flat of Rs. 8,95,238 pertains to earlier years.

	31 March 2021		31 March 2020	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
3 Non- Current Financial Assets				
(i) Investments				
Investments fair value through Other Comprehensive Income				
a. Equity Shares (Quoted)				
Ashiana Housing Ltd.#	34,000	44,74,400	34,000	16,93,200
Dhunseri Tea & Ind. Ltd.	-	-	599	67,028
Garden Silk Mills Ltd.	-	-	50,000	2,60,000
HEG Ltd	140	2,04,966	-	-
Commercial Engg & Body builders co Ltd	5,000	76,500	-	-
HSIL Ltd	900	1,38,240	-	-
IFGL Refractories Ltd	6,953	21,82,547	252	22,831
Intrasoft Technologies Ltd.	5,947	3,95,773	5,947	1,24,590
ITC Ltd. (FV Rs 1)	5,550	12,12,675	5,550	9,52,935
Jubiliant Pharmova Ltd	100	68,110	-	-
JSW Energy Ltd	-	-	1,000	42,700
L & T Infotech Ltd	100	4,05,430	100	1,42,885
Mahindra & Mahindra Fin. Services Ltd	250	49,738	-	-
Padmini Technologies Ltd.	13,000	1	13,000	1
Sancia Global Infraprojects Ltd.	500	1	500	1
Steel Authority of India Ltd - SAIL	3,000	2,36,400	-	-
Solara Active Pharma Sciences Ltd	83	1,15,631	83	36,898
State Bank of India	250	91,075	700	1,37,795
Talwalkars Healthclubs Ltd	1,000	950	1,000	800
Talwarkars Better Value Fitness Ltd	2,000	2,900	2,000	2,100
Texmaco Infrastructure Ltd	-	-	1,500	46,425
TATA Chemicals Ltd	250	1,87,950	-	-
TATA Power Ltd	500	51,625.00	-	-
United Breweries Ltd. (FV Rs 1)	1,450	18,00,103	1,450	13,32,333
		1,16,95,015		48,62,522
Investments fair value as Deemed Cost				
b. Equity Shares (Unquoted)				
Associates				
Avon Credit Pvt. Ltd.	15,290	3,14,500	15,290	3,14,500
Others				
BCCO Holdings Pvt. Ltd.	20,000	6,43,400	20,000	10,00,000
Bliss Tie-up Pvt. Ltd.	7,250	3,62,500	7,250	3,62,500
Electrosteel Steels Ltd.	1,750	54,338	1,750	54,338
Tulip Telecom Ltd. (FV Rs 2)^	300	459	300	459
		13,75,197		17,31,797

#34000 shares are Pledged/Unconfirmed Pledge
^Company is under winding up process

	31 March 2021		31 March 2020	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
c. Preference Shares (Unquoted)				
Ambicon Ventures Pvt Ltd	3,10,000	3,10,00,000	2,50,000	2,50,00,000
		3,10,00,000		2,50,00,000
Investments Fair Value through Profit & loss				
d. Mutual Funds (Unquoted)				
ABSL Corporate Bond Fund -Growth- Regular Plan	47,161.360	40,51,364	88,128.968	68,96,471
Axis Bluechip Fund-Reg-Gr	3,149.270	1,21,908	-	-
Reliance MF CPSE ETF (RGESS) Growth	1,000.000	22,611	-	-
HDFC Flexi Cap Fund-Reg-Gr	158.270	1,26,213	473.877	2,16,910
HDFC Credit Risk Debt Fund-Regular plan-Growth	-	-	11,544.606	1,92,171
HDFC Top 100 Fund-Regular Plan-Growth	-	-	391.480	1,34,972
ICICI Prudential Bluechip Fund (Growth)	-	-	33,693.743	10,71,124
ICICI Prudential Short Term Fund (Growth)	75,277.489	34,52,467	62,664.691	26,42,526
ICICI Prudential Ultra Short Term Fund-Growth	60,760.080	13,10,370	-	-
IDFC Dynamic Bond Fund -Growth- regular plan	-	-	1,53,294.376	38,59,492
Nippon India Banking & PSU Debt Fund (Growth)	66,238.764	10,67,411	8,932.400	1,32,882
Nippon India Dynamic Bond Fund (Growth)	-	-	16,225.924	4,35,103
Nippon India Short Term Fund (Growth plan growth option)	25,182.504	10,27,315	1,08,554.915	41,00,673
		1,11,79,659		1,96,82,324
Total (i)		**5,52,49,871**		**5,12,76,643**
Aggregate Amount of				
Quoted Investments		1,16,95,015		48,62,522
Unquoted Investments		4,35,54,856		4,64,14,121
		5,52,49,871		**5,12,76,643**
Investments measured through FVTPL		**1,11,79,659**		**1,96,82,324**
Investments measured through FVTOCI		**1,16,95,015**		**48,62,522**
Investments measured as deemed cost		**3,23,75,197**		**2,67,31,797**

	As at 31 March, 2021	As at 31 March, 2020
(ii) Loans		
(Unsecured, Considered good)		
Loans & Advances - related parties	40,00,000	45,00,000
Security Deposit	2,64,525	2,64,525
Capital Replacement Fund	4,960	-
	42,69,485	**47,64,525**

	31 March 2021		31 March 2020	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
4 Current Financial Assets				
(i) Inventory (fair value through profit & loss)				
a. Equity Shares (Quoted)				
CESC Ltd.	1,100	6,52,906	500	2,04,400
RPSG Ventures Ltd (earlier known as CESC Ventures Ltd)	100	33,715	100	11,700
HEG Ltd.	-	-	750	3,63,600
Interworld Digital Ltd	5,000	750	5,000	750
Ontrack Systems Ltd	2,416	3,552	2,416	3,552
Platinum Corporation Ltd	1,000	110	1,000	120
Reliance Industries Ltd*	1,235	24,73,829	1,225	13,62,751
SM Dyechem Ltd	60	448	60	448
Spencer's Retail Ltd	1,300	91,780	300	22,260
b. Equity Shares (Unquoted)				
Geekay Wires Pvt Ltd	6,000	4,980	6,000	4,980
		32,62,070		**19,74,561**
*1225 shares are Pledged/Unconfirmed Pledge				
(ii) Investments in Mutual Funds				
Investments (fair value through profit & loss)				
ABSL Savings Fund-Reg-Gr	3,083.835	13,03,556	-	-
ABSL Liquid Fund -Growth	-	-	4,419.643	14,04,322
ABSL Short Term Fund-Reg-Gr	14,256.379	5,21,246	-	-
HDFC Short Term Debt Fund-Reg-Gr	16,965.217	4,16,788	-	-
Franklin India Ultra Short Bond Fund-SIP	2,223.170	66,084	4,404.689	1,21,154
HDFC Liquid Fund-Regular plan-Growth	-	-	13.315	51,712
		23,07,674		**15,77,188**

Aggregate Amount of		
Quoted Investments	32,62,070	19,74,561
Unquoted Investments	23,07,674	15,77,188
	55,69,744	**35,51,749**
Investments measured through FVTPL	**55,69,744**	**35,51,749**

	As at 31 March, 2021	As at 31 March, 2020
(iii) Trade Receivables		
Unsecured, considered good		
Due for less than six months	88,36,440	22,56,848
	88,36,440	**22,56,848**
(iv) Cash and Cash Equivalents		
Balances with banks in Current Accounts	4,12,847	1,62,144
Cheques in Hand	-	1,94,754
Cash on hand	15,000	35,024
	4,27,847	**3,91,922**
(v) Loans		
(Unsecured, Considered good)		
Loans & Advances - other parties	47,04,094	70,17,678
Loans & Advances - related parties	12,55,348	12,54,000
	59,59,442	**82,71,678**

5 Current Tax Assets (net)

Advances tax and TDS (Net of provisions)	1,68,038	1,57,036
	1,68,038	**1,57,036**

6 Other Current Assets

Other Receivables	48,000	-
	48,000	**-**

	As at 31 March, 2021	As at 31 March, 2020
7 Equity Share Capital		
a) Capital Structure		
Authorised		
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000	4,00,00,000
(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)		
	4,00,00,000	**4,00,00,000**
Issued, Subscribed and Fully Paid Up		
36,75,000 Equity Shares of Rs. 10/- each	3,67,50,000	3,67,50,000
(Previous year - 36,75,000 Equity Shares of Rs. 10/- each)		
	3,67,50,000	**3,67,50,000**

b) Share Capital Reconciliation

Equity Shares	**31 March 2021**		**31 March 2020**	
	Nos.	**Amount**	**Nos.**	**Amount**
Opening balance	36,75,000	3,67,50,000	36,75,000	3,67,50,000
Issued during the period	-	-	-	-
Closing Balance	**36,75,000**	**3,67,50,000**	**36,75,000**	**3,67,50,000**

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

	31 March 2021		**31 March 2020**	
	Nos.	**% holding**	**Nos.**	**% holding**
Avon Credit Private Limited	14,93,130	40.63%	14,93,130	40.63%
Winy Commercial & Fiscal Services Limited	3,15,000	8.57%	3,15,000	8.57%
Kshitiz Chhawchharia as the karta of Kshitiz Chhawchharia HUF	2,72,650	7.42%	2,72,650	7.42%
Ashish Chhawchharia as the karta of Ashish Chhawchharia HUF	2,69,543	7.34%	2,69,543	7.34%
Sushil Kumar Chhawchharia as the karta of Sushil Kumar Chhawchharia HUF	2,73,355	7.44%	90,000	2.45%

The above shareholding represents both legal and beneficial ownership of shares.

d) Terms of issue of equity shares

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

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

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

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

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

i) The Company has not forfeited any shares.

		As at 31 March, 2021	As at 31 March, 2020
8	**Other Equity**		
	(i) General Reserve		
	Balance b/f	2,45,000	2,45,000
	(ii) General Reserve on Amalgamation		
	Balance b/f	1,02,76,423	1,02,76,423
	(iii) Retained Earnings		
	Balance at the beginning of the year	1,70,60,812	1,94,24,162
	Add:Income tax adjustments	(11,861)	(3,21,368)
	Add: Profit for the year	(23,44,119)	(22,36,382)
	Add: Transfer from OCI	9,11,948	1,94,400
	Balance at the end of the year	1,56,16,780	1,70,60,812
	(iv) Other Comprehensive Income		
	Balance at the beginning of the year	(24,58,563)	31,99,760
	Add: Investments carried at FVTOCI	52,52,458	(54,63,923)
	Less: Transfer to retained earnings	9,11,948	1,94,400
	Equity instrument through other comprehensive income	18,81,947	(24,58,563)
	Total	**2,80,20,150**	**2,51,23,672**

Description of nature and purpose of each reserve

General Reserve and General Reserve on Amalgamation

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. On amalgamation, earlier done, the amalgamating company reserve was tranferred as it is.

Retained Earning

Created out of accretion of profits.

Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earning when the securities are derecognised.

		As at 31 March, 2021	As at 31 March, 2020
9	**CURRENT FINANCIAL LIABILTIES**		
	(i) Borrowings		
	Loans repayable on demand - from other parties (unsecured)	3,12,25,000	3,32,25,000
		3,12,25,000	**3,32,25,000**
	(ii) Trade Payables		
	(A) Total outstanding dues of micro enterprise and small enterprises	-	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	88,04,456	22,44,868
		88,04,456	**22,44,868**
	(iii) Other Financial Liabilities		
	Interest accrued and due on borrowings	8,61,303	8,86,337
		8,61,303	**8,86,337**
10	**OTHER CURRENT LIABILTIES**		
	Security Deposit (Rent)	16,000	27,400
	Other payables		
	Statutory Dues Payables	70,532	72,300
	Others Payables (Year end accruals for expenses)	1,24,686	1,13,018
		2,11,218	**2,12,718**

		31 March, 2021	31 March, 2020
11 REVENUE FROM OPERATIONS			
Sale of Products			
Shares & Securities		5,28,364	-
Raw Jute		88,36,440	44,36,490
		93,64,804	**44,36,490**
Other Operating Income			
Gain on Rights Entitlement		17,369	-
Dividend Income - Measured as FVTPL		57,463	74,213
		74,832	**74,213**
	Total	**94,39,636**	**45,10,703**
12 OTHER INCOME			
Profit on sale of Investment measured at FVTPL		8,99,558	4,11,925
Rental Income		1,32,000	1,62,000
Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at FVTPL		7,14,949	14,70,151
Miscellaneous Income		1,274	-
Dividend Income from Investment - Measured as FVTOCI		1,10,700	64,648
Interest income		7,24,740	7,29,262
		25,83,221	**28,37,986**
13 PURCHASES OF STOCK-IN-TRADE			
Shares & Securities		4,57,998	22,319
Raw Jute		88,04,456	44,12,910
		92,62,454	**44,35,229**
14 CHANGES IN INVENTORIES OF STOCK-IN-TRADE			
Inventories at the beginning of the year			
Shares & Securities		19,74,561	37,01,162
Inventories at the end of the year			
Shares & Securities		32,62,068	19,74,561
		(12,87,507)	**17,26,601**
15 EMPLOYEE BENEFITS EXPENSE			
Salaries, Bonus & Allowances		10,31,492	9,74,799
		10,31,492	**9,74,799**
16 FINANCE COSTS			
Interest expense		21,88,221	19,15,657
		21,88,221	**19,15,657**
17 OTHER EXPENSES			
Advertisement expenses		15,960	15,792
Auditors' Remuneration			
-Audit Fees		29,500	10,030
Listing expenses		4,11,348	4,16,245
Repair & Maintenance Charges		2,18,925	53,766
Miscellaneous expenses		59,209	32,302
Rates & Taxes		20,834	4,650
SEBI Penalty Fees		13,42,500	-
		20,98,276	**5,32,785**

18 EARNING PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	31 March, 2021	31 March, 2020
Net Profit / (Loss) attributable to equity shareholders	(23,44,119)	(22,36,382)
Weighted average number of equity shares in calculating EPS	36,75,000	36,75,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	(0.64)	(0.61)

ADARSH MERCANTILE LIMITED
Notes to the Standalone Financial Statements for the year ended 31st March 2021

	As at 31 March, 2021	As at 31 March, 2020
19 CONTINGENT LIABILITIES		
Contingent Liability in respect of contested demand of AY 2007-08	6,014	6,014
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601

20 SEGMENT REPORTING

The Company's activities during the year were limited to Trading Activities and accordingly no separate disclosure is required in terms of Indian Accounting Standard 108, 'Operating Segments'.

21 RELATED PARTY DISCLOSURES

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

(i) Names of the related parties and description of relationship

List of related parties where control exists:

1. Associates

Avon Credit Private Limited

2. Key Management Personnel (KMP) and their relatives

Mrs. Suchita Chhawchharia	- Executive Director
Mr. Sundar Lal Mohta	- Director
Mr. Aritra Basu	- Director
Mr. Manish Khaitan	- Director
Mr. Shiv Shankar Sharma	- Chief Financial Officer
Ms. Ankita Banerjee	- Company Secretary

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

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

(ii) Transactions with related parties during the period and year end balances with them

Sl.	Name of the Related Party	31 March, 2021	31 March, 2020
1	**Avon Credit Private Limited**		
	Closing Balance:		
	Year end Investments	3,14,500	3,14,500
2	**BCCO Commodities Private Limited**		
	Closing Balance:		
	Year end receivables	40,00,000	45,00,000
3	**BCCO Holdings Private Limited**		
	Transactions		
	Interest received	1,11,000	1,08,000
	Closing Balance:		
	Year end Investments	10,00,000	10,00,000
	Year end loan receivable	12,55,348	12,54,000
4	**Aster Dealcom Pvt. Ltd.**		
	Transactions		
	Advance Received	-	1,00,00,000
	Advance Refund	-	24,75,000
	Closing Balance:		
	Year end payables	75,25,000	75,25,000
	Transactions		
	Received refund of the earlier dues	-	32,67,715
	Closing Balance:		
	Year end receivables	-	-

5	**Mr. Shiv Shankar Sharma**		
	Transactions		
	Advance against salary Given	-	1,00,000
	Advance against salary received back	60,000	-
	Closing Balance:		
	Year end advance receivable	30,000	90,000
	Year end payables	30,026	38,800
6	**Mrs. Suchita Chhawchharia**		
	Closing Balance:		
	Year end payables	10,000	10,000
7	**Ms. Ankita Banerjee**		
	Closing Balance:		
	Year end payables	14,890	12,890
	Remuneration to Key Management Personnel		
	Short Term Employee Benefits		
	Mrs. Suchita Chhawchharia	1,20,000	1,20,000
	Mr. Shiv Shankar Sharma	4,03,907	5,06,599
	Ms. Ankita Banerjee	1,80,000	1,56,000

22 ACCOUNTING FOR TAXES ON INCOME

Provision for Tax is made for current and deferred taxes.
Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.
Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted.
Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.
The Company has significant amount of unused tax credits, since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 ' Income Taxes'.

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

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

24 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES

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

25 The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements. There is no material impact on the business activity of the company as on 31.03.2021. However, the management expects to recover the carrying amounts of its receivables and as such this will not impact the "going concern" status of the company. The company will continue to monitor the future economic conditions and update its assessment.

26 Financial Instrument and Related Disclosure

A. Fair Value of Financial Assets and Financial Liabilities with Fair Value Hierarchy

As at 31st March, 2021

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	1,34,87,333	-	-	-	1,34,87,333
- Inventories	32,57,090	-	4,980	-	32,62,070
Financial assets at FVTOCI					
- Investments	1,16,95,015	-	3,23,75,197	-	4,40,70,212

Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	4,27,847	4,27,847
- Bank Balances other than above	-	-	-	-	-
- Loans	-	-	-	99,59,442	99,59,442
- Trade Receivables	-	-	-	88,36,440	88,36,440
- Investments	-	-	-	2,56,08,154	2,56,08,154
- Other Financial Assets	-	-	-	30,000	30,000
Total Financial assets	**2,84,39,438**	**-**	**3,23,80,177**	**4,48,61,883**	**10,56,81,498**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	3,12,25,000	3,12,25,000
- Trade payables	-	-	-	88,04,456	88,04,456
- Other Financial Liabilities	-	-	-	9,85,989	9,85,989
Total Financial Liabilities	**-**	**-**	**-**	**4,10,15,445**	**4,10,15,445**

As at 31st March, 2020

Financial assets and financial liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Amortised Cost**	**Total**
Financial assets					
Financial assets at FVTPL					
- Investments	2,12,59,512	-	-	-	2,12,59,512
- Inventories	#REF!	-	4,980	-	#REF!
Financial assets at FVTOCI					
- Investments	48,62,522	-	2,67,31,797	-	3,15,94,319
Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	3,91,922	3,91,922
- Bank and others balances				10,00,000	10,00,000
- Loans	-	-	-	1,27,71,678	1,27,71,678
- Trade Receivables	-	-	-	22,56,848	22,56,848
- Investments	-	-	-	1,19,30,133	1,19,30,133
- Other Financial Assets	-	-	-	90,000	90,000
Total Financial assets	**#REF!**	**-**	**2,67,36,777**	**2,84,40,581**	**#REF!**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	3,32,25,000	3,32,25,000
- Trade payables	-	-	-	22,44,868	22,44,868
- Other Financial Liabilities	-	-	-	9,99,355	9,99,355
Total Financial Liabilities	**-**	**-**	**-**	**3,64,69,223**	**3,64,69,223**

B. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows 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 interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Currently the Company does not have any foreign currency exposure.

Interest rate risk

The main business of the Company is trading in goods and shares and investment in mutual funds, shares and securitires. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Company monitors the change in economic value of equity arising out of change in the Interest rate. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets. The Company monitors interest rate risk through above measures on a monthly basis.

There is borrowing availed by the company during the year as well as previous year, hence there is interest rate risk relating to financial liabilities.

Equity Price Risk

Equity price risk is related to change in market reference price of investments and stocks in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, few of these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2021 and March 31, 2020 was Rs. 116.95 Lakhs and Rs. 48.63 Lakhs, respectively and classified as fair value through profit & Loss as at March 31, 2021 and March 31, 2020 was Rs. 32.62 Lakhs and Rs. 19.75 Lakhs, respectively.

A 10% change in equity prices of such securities held as at March 31, 2021 and March 31, 2020, would result in an impact of Rs. 14.96 Lakhs and Rs. 6.84 Lakhs respectively on equity before considering tax impact (cumulatively).

(ii) Liquidity Risk

Liquidity risk is the risk than an entity will encounter difficulty in meeting obligation associated with financial liabilities that are settled by deliverying cash or other financial assets. The Company mitigates its liquidity risks by ensuring timely collections of its receivables and close monitoring of its credit cycle.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date:

Particulars	Carrying value	On Demand	Less than 1 year	Total
As at 31st March, 2021				
- Borrowings	3,12,25,000	3,12,25,000	-	3,12,25,000
- Trade payables	88,04,456	-	88,04,456	88,04,456
- Other Financial Liabilities	9,85,989	8,61,303	1,24,686	9,85,989
As at 31st March, 2020				
- Borrowings	3,32,25,000	3,32,25,000	-	3,32,25,000
- Trade payables	22,44,868	-	22,44,868	22,44,868
- Other Financial Liabilities	9,99,355	8,86,337	1,13,018	9,99,355

(iii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to credit risk and concentration thereof principally consist of rent receivables, loans receivables, investments in equity and preference share and mutual funds and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk except some loans made by the company and against which sufficient provision for expected credit loss has been provided.

The carrying value of financial assets represents the credit risk. The exposure to credit risk was Rs. 10.57 crores and Rs. 8.33 crores as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of rent receivables, loans receivables, investments in equity and preference share and mutual funds and other financial assets.

(iv) Expected Credit Loss

Ind AS 109 outlines a 'three stages' model for impairment based on changes in credit quality since initial recognition as summarized below. The objective of the impairment requirements is to recognize life time expected credit loss (ECLs) on all financial instrument for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis.

At the reporting date, an allowance (or provision for loan and advances) is required on stage 1 assets at 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components:

Probalility of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default (EAD) is the total amount of an asset the entity is exposed to at the time of default. EAD is define based on the characteristics of the assets. EAD is dependent on the outstanding exposure of an assets sanctioned amount of loan and credit conversion factor for non-funded exposure.

Loan Given Default (LGD) it is part of an assets which is lost provided the assets default. The recovery rate is derive as a ratio of discounted value of recovery cash flow (incorporating the recovery time) to total exposure of amount at the time of default.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:
i. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

ii. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

iii. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the RBI definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

27 On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2021.

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

As per our report of even date

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAU6668
Kolkata
Dated the 25th day of June, 2021

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

Independent Auditor's Report

To the Members of Adarsh Mercantile Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Adarsh Mercantile Limited** ('the Holding Company') and its associate (the Holding Company and its associate together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and its consolidated profit performance including other comprehensive profit, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note no 25 of the Consolidated Financial Statements as regards to the management evaluation of COVID-19 impact on the present and future performance of the company.
   Further, due to the prevailing COVID-19 pandemic, the Government has ordered lock down whereby the physical movement has been restricted and as a law abiding professional, our firm is in complete compliance of the same. Thus, we could not visit the Company's office and as a result the whole audit has been conducted from a remote location through electronic media. In view thereof, no physical verification or inspection of the relevant documents and records could be possible and as such we have relied upon the soft and scanned copies of documents and the information made available to us electronically.

   Our opinion is not modified with respect to the above matter.

Key Audit Matter

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

6. We have determined that there are no key audit matters to communicate in our report.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding 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 consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the Holding Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

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

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

15. The consolidated financial statements includes the Group's share of net profit (including other comprehensive loss) of Rs. 12,42,088/- for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate whose financial statements has not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

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

16. The consolidated financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Ray & Co., who have expressed an unmodified opinion on these consolidated financial statements vide their audit report dated 27 July 2020.

Report on Other Legal and Regulatory Requirements

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the associate, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its associate company covered under the

Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the associate, we report that the Holding Company paid remuneration to its respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one associate company covered under the Act, since that company is not a public company as defined under section 2(71) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate:

i. There were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group;

ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company covered under the Act, during the year ended 31 March 2021.

For NKSJ & Associates
Chartered Accountants
(Firm Registration No. 329563E)
UDIN : 21234454AAAAAV1448

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071

Sd/-
(CA Sneha Jain)
Partner
(Membership No. 234454)

Dated the 25th day of June, 2021

Annexure A to the Auditor's Report

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

In conjunction with our audit of the Consolidated financial statements of Adarsh Mercantile Limited ("the Company") as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company and its associate company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting Reporting with reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Company and its associate company incorporated in India has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matters

We did not audit the IFCoFR insofar as it relates to one associate company, which is a company incorporated in India, in respect of which, the Group's share of net profit (including other comprehensive income) of Rs . 12,42,088/- for the year ended 31 March 2021 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Company, and its associate company, which is a company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid associate company, which is company incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

For NKSJ & Associates
Chartered Accountants
(Firm Registration No. 329563E)
UDIN : 21234454AAAAAV1448

Embassy Building, Flat No. 1B,
1st Floor,
4, Shakespeare Sarani,
Kolkata – 700 071

Sd/-

(CA Sneha Jain)
Partner
(Membership No. 234454)

Dated the 25th day of June, 2021

ADARSH MERCANTILE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at Mar 31, 2021	As at Mar 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Investment Property	2	2,56,08,154	1,19,30,133
(d) Other Intangible Assets		-	-
(e) Financial Assets:	3		
(i) Investments	3(i)	5,88,29,454	5,36,14,139
(ii) Trade Receivables		-	-
(iii) Loans	3(ii)	42,69,485	47,64,525
(iv) Others		-	-
(f) Deferred Tax Assets (net)		-	-
(g) Other Non-Current Assets		-	1,47,52,061
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets:	4		
(i) Inventories	4(i)	32,62,070	19,74,561
(ii) Investments	4(ii)	23,07,674	15,77,188
(iii) Trade Receivables	4(iii)	88,36,440	22,56,848
(iv) Cash and cash equivalents	4(iv)	4,27,847	3,91,922
(v) Bank Balances other than (iv) above		-	10,00,000
(vi) Loans	4(v)	59,59,442	82,71,678
(vii) Other Financial Assets		30,000	90,000
(c) Current Tax Assets (net)	5	1,68,038	1,57,036
(d) Other current assets	6	48,000	-
TOTAL ASSETS		**10,97,46,604**	**10,07,80,091**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	3,67,50,000	3,67,50,000
(b) Other Equity	8	3,15,99,733	2,74,61,168
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities:			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		2,94,894	-
(d) Other non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities:	9		
(i) Borrowings	9(i)	3,12,25,000	3,32,25,000
(ii) Trade Payables	9(ii)	88,04,456	22,44,868
(iii) Other financial liabiities	9(iii)	8,61,303	8,86,337
(b) Other current liabilities	10	2,11,218	2,12,718
(c) Provisions		-	-
(d) Current Tax Liabilities (net)		-	-
TOTAL EQUITY AND LIABILITIES		**10,97,46,604**	**10,07,80,091**
Significant accounting policies and notes to financial statements	1		

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

As per our report of even date

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAV1448
Kolkata
Dated the 25th day of June, 2021

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

CONSOLIDATED OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(In Rs)

Particulars		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I.	**Revenue from operations**	11	94,39,636	45,10,703
II.	**Other income**	12	25,83,221	28,37,986
III.	**Total Income (I+II)**		**1,20,22,857**	**73,48,688**
IV.	**Expenses**			
	Cost of materials consumed		-	-
	Purchases of stock-in-trade	13	92,62,454	44,35,229
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	14	(12,87,507)	17,26,601
	Employee benefits expense	15	10,31,492	9,74,799
	Finance costs	16	21,88,221	19,15,657
	Depreciation and amortisation expense	2	10,74,040	-
	Other expenses	17	20,98,277	5,32,785
	Total Expenses (IV)		**1,43,66,977**	**95,85,071**
V.	**Profit before exceptional items and tax (III-IV)**		**(23,44,120)**	**(22,36,383)**
VI.	Exceptional Items		-	-
VII.	**Profit/ (loss) before tax (V-VI)**		**(23,44,120)**	**(22,36,383)**
VIII.	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX.	**Profit/ (loss) for the period from continuing operations (VII-VIII)**		**(23,44,120)**	**(22,36,383)**
X.	Profit/ (loss) for the period from discontinued operations		-	-
XI.	Tax expense of discontinued operations		-	-
XII.	**Profit/ (loss) from discontinued operations (after tax) (VIII-IX)**		**-**	**-**
XIII.	**Profit/ (loss) for the period (IX+XII)**		**(23,44,120)**	**(22,36,383)**
	Share of Profit/(Loss) of Associates		1,81,903	(2,89,438)
XIV.	**Profit/(Loss) for the Period (after adjustment of share of profit of associate)**		**(21,62,217)**	**(25,25,821)**
XV.	**Other Comprehensive Income:**			
A	(i) Items that will not be reclassified to profit or loss		65,89,425	(57,51,808)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2,94,894	(9,385)
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVI.	**Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**41,32,314**	**(82,68,244)**
XVII.	**Earning per equity share (for continuing operation):**	18		
	(1) Basic		(0.59)	(0.69)
	(2) Diluted		(0.59)	(0.69)
XVIII.	**Earning per equity share (for discontinud operation):**			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIX.	**Earning per equity share (for discontinued and continuing operation):**			
	(1) Basic		(0.59)	(0.69)
	(2) Diluted		(0.59)	(0.69)

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

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAV1448
Kolkata
Dated the 25th day of June, 2021

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	31st March, 2021 *Rs.*	31st March, 2020 *Rs.*
Cash flow from operating activities		
Profit before tax	**(23,44,120)**	**(22,36,383)**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Gain/(loss) on sale of Investments	(8,99,558)	(4,11,925)
Rental Income	(1,32,000)	(1,62,000)
Unrealised Profit/(Loss) on fair valuation of Investments	(7,14,949)	(14,70,151)
Dividend Income from Investments	(1,68,163)	(1,38,860)
Interest Income on Deposits	(7,24,740)	(7,29,262)
Interest Expended	21,88,221	19,15,657
Operating profit before working capital changes	(27,95,309)	(32,32,924)
Movements in working capital :		
Decrease/(increase) in Inventories	(12,87,509)	17,26,601
Decrease/(increase) in Trade Receivables	(65,79,592)	(2,18,015)
Decrease/(increase) in Loans & Advances	28,07,276	(9,94,484)
Decrease/(increase) in Other Financial Assets	60,000	(70,000)
Decrease/(increase) in Other Non Current Assets	1,47,52,061	(14,68,771)
Decrease/(increase) in Other Current Assets	(48,000)	32,68,194
Increase/(decrease) in Trade Payables	65,59,588	2,15,251
Increase/(decrease) in Other Current Liabilities	(1,500)	15,302
Cash generated from / (used in) operations	1,34,67,015	(7,58,846)
Direct taxes paid (net of refunds)	(22,863)	(1,41,498)
Net Cash flow from / (used in) operating activities (A)	**1,34,44,152**	**(9,00,344)**
Cash flow from investing activities		
Dividend Income	1,68,163	1,38,860
Gain/(loss) on sale of Investments	8,99,558	4,11,925
Rental Income	1,32,000	1,62,000
Interest Income	7,24,740	7,29,262
Unrealised Profit/(Loss) on fair valuation of Investments	7,14,949	14,70,151
Sale/(Purchase) of Investments	8,43,639	(10,69,215)
Sale/(Purchase) of Property	(1,36,78,021)	(1,50,300)
Investment in Fixed Deposit with Banks	10,00,000	(10,00,000)
Net Cash flow from / (used in) investing activities (B)	**(91,94,972)**	**6,92,683**
Cash flow from financing activities		
Proceeds/(Repayment) of Short term Borrowings	(20,25,034)	26,22,903
Interest paid	(21,88,221)	(19,15,657)
Net Cash flow from / (used in) financing activities (C)	**(42,13,255)**	**7,07,246**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	35,925	4,99,585
Cash and cash equivalents at the beginning of the year	3,91,922	(1,07,663)
Cash and cash equivalents at the end of the year	**4,27,847**	**3,91,922**
Components of cash and cash equivalents		
Balances with Banks		
In Current Accounts	4,12,847	1,62,144
Cheques in hand	-	1,94,754
Cash on hand	15,000	35,024
Total cash and cash equivalents	**4,27,847**	**3,91,922**

As per our report of even date

For and on behalf of the Board

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAV1448
Kolkata
Dated the 25th day of June, 2021

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

ADARSH MERCANTILE LIMITED

Consolidated Statement of changes in Equity for the year ended March, 31, 2021

A. Equity Share Capital

(in Rs.)

Balance as at March 31, 2020	**3,67,50,000**
Changes during the year	-
Balance as at March 31 ,2021	**3,67,50,000**

B. Other Equity

Particulars	General Reserve	Retained earnings	Equity instrument through other comprehensive income	Total
Balance as at April 01, 2019	**1,05,21,423**	**2,23,29,596**	**31,99,760**	**3,60,50,779**
Profit for the year	**-**	(25,25,821)	1,94,400	**(23,31,421)**
Other comprehensive income for the year, net of income tax	**-**	1,94,400	(57,42,423)	**(55,48,023)**
Total comprehensive income for the year	-	1,99,98,176	(27,37,063)	1,72,61,113
Income Tax Adjustments	**-**	(3,21,368)	**-**	**(3,21,368)**
Balance at March 31, 2020	**1,05,21,423**	**1,96,76,808**	**(27,37,063)**	**2,74,61,168**
Profit for the year	-	(21,62,217)	9,11,948	**(12,50,269)**
Other comprehensive income for the year, net of income tax	-	9,11,948	63,12,643	**72,24,591**
Total comprehensive income for the year	-	1,84,26,539	26,63,632	**2,10,90,171**
Income Tax Adjustments	-	(11,861)	-	**(11,861)**
Balance at March 31, 2021	**1,05,21,423**	**1,84,14,678**	**26,63,632**	**3,15,99,733**

As per our report of even date

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAV1448
Kolkata
Dated the 25th day of June, 2021

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

} Directors

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

1. Significant Accounting Policies

1.1 Group Information

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

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

Name of Companies	Company of Incorporation/ Formation	% of Voting Power/Profit sharing as on 31.03.21	% of Voting Power/Profit sharing as on 31.03.20
Associates			
Avon Credit Pvt. Ltd.	India	31.62%	31.62%

1.2 Basis of preparation of Financial Statements

These Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (" the Act").

The effect of amendments to the Ind AS 115 'Revenue from Contracts with Customers' and certain amendments to existing Ind AS as notified by Ministry of Corporate Affairs are applicable w.e.f. 1st April, 2018; wherever applicable have been given effect to, there being no effect of amendments to IND AS 115.

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

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

Principles of Consolidation

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

Investments in Associate

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

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

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

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

1.3 Use of estimates and judgments

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

1.4 Property, Plant and Equipment

On date of transition, the company has adopted the optional exception in accordance with IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value and assumption of the same as deemed cost. Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of acquisition includes inward freight, duties and taxes (net of Cenvat availed), dismantling cost and installation expenses etc incurred upto the installation of the assets. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from use. Gain or loss arising on disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of Profit & Loss.

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

1.5 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses.

1.6 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL);

- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.
- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses (ECL) in associates with its debt instruments carried at amortised cost and with the exposure arising from loan commitments and other financial assets. The company recognises a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customer defaulting and the resulting losses).

Write-off policy

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has conducted there is no reasonable expectation of recovery.

(ii) Financial Liabilities

Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

1.8 Inventories

Stock in trade is measured at Fair Value as per IND AS.

1.9 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Companies satisfy a performance obligation by transferring a promised goods or service to a customer.

(i) Interest Income

Interest income is recognised using the effective interest rate

(ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iii) Income from investment

Profit / (loss) earned from sale of securities is recognised on trade date basis. The cost of securities is computed based on FIFO basis.

(iv) All other income are accounted for on accrual basis unless otherwise specified

1.10 Provisions, Contingent Liabilities and Contingent Assets, legal or constructive

(i) Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
(ii) A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.
(iii) Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

1.11 Employee Benefits

(i) Short term Employee benefits are accrued in the year services are rendered by the employees.
(ii) Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred. Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income. Other costs recognised in the Statement of Profit or Loss.
(iii) Other long term employee benefits consisting of Leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain or loss are recognised in the Statement of Profit or Loss.

1.12 Taxes on Income

Income Tax expenses comprise current tax and deferred tax charge or credit.

(i) Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

(ii) Deferred Tax

Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.13 Investment Property

Recognition

Investment property shall be recognised as an asset when, and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.
Depreciation on Investment Property is provided under the straight line method on the rates as per the useful life prescribed as per Schedule II of the Companies Act, 2013.

Measurement at recognition

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs.

Measurement after recognition

After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

Transfers

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Disposals

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

1.14 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year 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 cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

1.15 Earnings per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

1.16 Critical estimates and judgements

The Company makes estimates and assumptions that affect the amounts recognised in the Standalone Ind AS financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have most significant effect on the amount recognised in the Standalone Ind AS financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include the following:

Estimation of fair value of unlisted investment

The fair value of financial instrument that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period and also for, details of key assumptions used and the impact of changes to these assumptions.

Current Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the Company.

Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the balance sheet date.

2 Investment Property

	As at 31 March, 2021		As at 31 March, 2020	
	Commercial Shop	Residential Flat	Commercial Shop	Residential Flat
Gross Carrying amount				
Deemed Cost	-	1,19,30,133	-	1,17,79,833
Additions	1,47,52,061		-	1,50,300
Disposal and Transfer	-	-	-	-
Closing Gross Carrying amount	1,47,52,061	1,19,30,133	-	1,19,30,133
Accumulated Depreciation	-	-	-	-
Depreciation during the year ($)	1,23,950	9,50,090	-	-
Impairment during the year	-	-	-	-
Disposal and Transfer	-	-	-	-
Closing accumulated depreciation / Impairment	1,23,950	9,50,090	-	-
Net carrying amount	**1,46,28,111**	**1,09,80,043**	**-**	**1,19,30,133**

Note: On transition date the company has elected to carrying previous GAAP carrying amount as deemed cost.
($) Depreciation of Rs. 8,95,238 pertains to earlier years.

	31 March 2021		31 March 2020	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
3 Non- Current Financial Assets				
(i) Investments				
Investments fair value through Other Comprehensive Income				
a. Equity Shares (Quoted)				
Ashiana Housing Ltd.#	34,000	44,74,400	34,000	16,93,200
Dhunseri Tea & Ind. Ltd.	-	-	599	67,028
Garden Silk Mills Ltd.	-	-	50,000	2,60,000
HEG Ltd	140	2,04,966	-	-
Commercial Engg & Body builders co Ltd	5,000	76,500	-	-
HSIL Ltd	900	1,38,240	-	-
IFGL Refractories Ltd	6,953	21,82,547	252	22,831
Intrasoft Technologies Ltd.	5,947	3,95,773	5,947	1,24,590
ITC Ltd. (FV Rs 1)	5,550	12,12,675	5,550	9,52,935
Jubiliant Pharmova Ltd	100	68,110	-	-
JSW Energy Ltd	-	-	1,000	42,700
L & T Infotech Ltd	100	4,05,430	100	1,42,885
Mahindra & Mahindra Fin. Services Ltd	250	49,738	-	-
Padmini Technologies Ltd.	13,000	1	13,000	1
Sancia Global Infraprojects Ltd.	500	1	500	1
Steel Authority of India Ltd - SAIL	3,000	2,36,400	-	-
Solara Active Pharma Sciences Ltd	83	1,15,631	83	36,898
State Bank of India	250	91,075	700	1,37,795
Talwalkars Healthclubs Ltd	1,000	950	1,000	800
Talwarkars Better Value Fitness Ltd	2,000	2,900	2,000	2,100
Texmaco Infrastructure Ltd	-	-	1,500	46,425
TATA Chemicals Ltd	250	1,87,950	-	-
TATA Power Ltd	500	51,625.00	-	-
United Breweries Ltd. (FV Rs 1)	1,450	18,00,103	1,450	13,32,333
		1,16,95,015		48,62,521
Investments fair value as Deemed Cost				
b. Equity Shares (Unquoted)				
Associates				
Avon Credit Pvt. Ltd.				
(i) Cost of Investment (excluding Rs 8,14,413 (PY Rs 8,14,413) of Capital Reserve on consolidation)	15,290	3,14,500	15,290	3,14,500
(ii)Share of Post Acquisition Profit (Net of Losses) upto 31.03.2021		35,79,583		23,37,495
		38,94,083		26,51,995
Others				
BCCO Holdings Pvt. Ltd.	20,000	6,43,400	20,000	10,00,000
Bliss Tie-up Pvt. Ltd.	7,250	3,62,500	7,250	3,62,500
Electrosteel Steels Ltd.	1,750	54,338	1,750	54,338
Tulip Telecom Ltd. (FV Rs 2)^	300	459	300	459
		49,54,780		40,69,292

#34000 shares are Pledged/Unconfirmed Pledge
^Company is under winding up process

	31 March 2021		31 March 2020	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
c. Preference Shares (Unquoted)				
Ambicon Ventures Pvt Ltd	3,10,000	3,10,00,000	2,50,000	2,50,00,000
		3,10,00,000		2,50,00,000
Investments Fair Value through Profit & loss				
d. Mutual Funds (Unquoted)				
ABSL Corporate Bond Fund -Growth- Regular Plan	47,161.360	40,51,364	88,128.968	68,96,471
Axis Bluechip Fund-Reg-Gr	3,149.270	1,21,908	-	-
Reliance MF CPSE ETF (RGESS) Growth	1,000.000	22,611	-	-
HDFC Flexi Cap Fund-Reg-Gr	158.270	1,26,213	473.877	2,16,910
HDFC Credit Risk Debt Fund-Regular plan-Growth	-	-	11,544.606	1,92,173
HDFC Top 100 Fund-Regular Plan-Growth	-	-	391.480	1,34,972
ICICI Prudential Bluechip Fund (Growth)	-	-	33,693.743	10,71,124
ICICI Prudential Short Term Fund (Growth)	75,277.489	34,52,467	62,664.691	26,42,526
ICICI Prudential Ultra Short Term Fund-Growth	60,760.080	13,10,370	-	-
IDFC Dynamic Bond Fund -Growth- regular plan	-	-	1,53,294.376	38,59,492
Nippon India Banking & PSU Debt Fund (Growth)	66,238.764	10,67,411	8,932.400	1,32,882
Nippon India Dynamic Bond Fund (Growth)	-	-	16,225.924	4,35,103
Nippon India Short Term Fund (Growth plan growth option)	25,182.504	10,27,315	1,08,554.915	41,00,673
		1,11,79,659		1,96,82,326
Total (i)		**5,88,29,454**		**5,36,14,139**
Aggregate Amount of				
Quoted Investments		1,16,95,015		48,62,521
Unquoted Investments		4,71,34,439		4,87,51,618
		5,88,29,454		**5,36,14,139**
Investments measured through FVTPL		**1,11,79,659**		**1,96,82,326**
Investments measured through FVTOCI		**1,16,95,015**		**48,62,521**
Investments measured as deemed cost		**3,59,54,780**		**2,90,69,292**

	As at 31 March, 2021	As at 31 March, 2020
(ii) Loans		
(Unsecured, Considered good)		
Loans & Advances - related parties	40,00,000	45,00,000
Security Deposit	2,64,525	2,64,525
Capital Replacement Fund	4,960	-
	42,69,485	**47,64,525**

		31 March 2021		31 March 2020	
		Qty.	Amount (Rs)	Qty.	Amount (Rs)
4	**Current Financial Assets**				
	(i) Inventory (fair value through profit & loss)				
	a. Equity Shares (Quoted)				
	CESC Ltd.	1,100	6,52,906	500	2,04,400
	RPSG Ventures Ltd (earlier known as CESC Ventures Ltd)	100	33,715	100	11,700
	HEG Ltd.	-	-	750	3,63,600
	Interworld Digital Ltd	5,000	750	5,000	750
	Ontrack Systems Ltd	2,416	3,552	2,416	3,552
	Platinum Corporation Ltd	1,000	110	1,000	120
	Reliance Industries Ltd*	1,235	24,73,829	1,225	13,62,751
	SM Dyechem Ltd	60	448	60	448
	Spencer's Retail Ltd	1,300	91,780	300	22,260
	b. Equity Shares (Unquoted)				
	Geekay Wires Pvt Ltd	6,000	4,980	6,000	4,980
			32,62,070		**19,74,561**
	*1225 shares are Pledged/Unconfirmed Pledge				
	Investments (fair value through profit & loss)				
	(ii) Investments in Mutual Funds				
	ABSL Savings Fund-Reg-Gr	3,083.835	13,03,556	-	-
	ABSL Liquid Fund -Growth	-	-	4,419.643	14,04,322
	ABSL Short Term Fund-Reg-Gr	14,256.379	5,21,246	-	-
	HDFC Short Term Debt Fund-Reg-Gr	16,965.217	4,16,788	-	-
	Franklin India Ultra Short Bond Fund-SIP	2,223.170	66,084	4,404.689	1,21,154
	HDFC Liquid Fund-Regular plan-Growth	-	-	13.315	51,712
			23,07,674		**15,77,188**
	Aggregate Amount of				
	Quoted Investments		32,62,070		19,74,561

Unquoted Investments	23,07,674	15,77,188
	55,69,744	**35,51,749**
Investments measured through FVTPL	**55,69,744**	**35,51,749**

	As at 31 March, 2021	As at 31 March, 2020
(iii) Trade Receivables		
Unsecured, considered good		
Due for less than six months	88,36,440	22,56,848
	88,36,440	**22,56,848**
(iv) Cash and Cash Equivalents		
Balances with banks in Current Accounts	4,12,847	1,62,144
Cheques in Hand	-	1,94,754
Cash on hand	15,000	35,024
	4,27,847	**3,91,922**
(v) Loans		
(Unsecured, Considered good)		
Loans & Advances - other parties	47,04,094	70,17,678
Loans & Advances - related parties	12,55,348	12,54,000
	59,59,442	**82,71,678**

5 Current Tax Assets (net)

Advances tax and TDS (Net of provisions)	1,68,038	1,57,036
	1,68,038	**1,57,036**

6 Other Current Assets

Other Receivables	48,000	-
	48,000	**-**

	As at 31 March, 2021	As at 31 March, 2020
7 Equity Share Capital		
a) Capital Structure		
Authorised		
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000	4,00,00,000
(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)		
	4,00,00,000	**4,00,00,000**
Issued, Subscribed and Fully Paid Up		
36,75,000 Equity Shares of Rs. 10/- each	3,67,50,000	3,67,50,000
(Previous year - 36,75,000 Equity Shares of Rs. 10/- each)		
	3,67,50,000	**3,67,50,000**

b) Share Capital Reconciliation

Equity Shares	31 March 2021		31 March 2020	
	Nos.	Amount	Nos.	Amount
Opening balance	36,75,000	3,67,50,000	36,75,000	3,67,50,000
Issued during the period	-	-	-	-
Closing Balance	**36,75,000**	**3,67,50,000**	**36,75,000**	**3,67,50,000**

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

	31 March 2021		31 March 2020	
	Nos.	% holding	Nos.	% holding
Avon Credit Private Limited	14,93,130	40.63%	14,93,130	40.63%
Winy Commercial & Fiscal Services Limited	3,15,000	8.57%	3,15,000	8.57%
Kshitiz Chhawchharia as the karta of Kshitiz Chhawchharia HUF	2,72,650	7.42%	2,72,650	7.42%
Ashish Chhawchharia as the karta of Ashish Chhawchharia HUF	2,69,543	7.34%	2,69,543	7.34%
Sushil Kumar Chhawchharia as the karta of Sushil Kumar Chhawchharia HUF	2,73,355	7.44%	90,000	2.45%

The above shareholding represents both legal and beneficial ownership of shares.

d) Terms of issue of equity shares

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

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

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

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

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

i) The Company has not forfeited any shares.

	As at 31 March, 2021	As at 31 March, 2020
8 Other Equity		
(i) General Reserve		
Balance b/f	2,45,000	2,45,000
(ii) General Reserve on Amalgamation		
Balance b/f	1,02,76,423	1,02,76,423
(iii) Retained Earnings		
Balance at the beginning of the year	1,96,76,808	2,23,29,596
Add:Income tax adjustments	(11,861)	(3,21,368)
Add: Profit for the year	(21,62,217)	(25,25,821)
Add: Transfer from OCI	9,11,948	1,94,400
Balance at the end of the year	1,84,14,678	1,96,76,808
(iv) Other Comprehensive Income		
Balance at the beginning of the year	(27,37,063)	31,99,760
Add: Investments carried at FVTOCI	63,12,643	(57,42,423)
Less: Transfer to retained earnings	9,11,948	1,94,400
Equity instrument through other comprehensive income	26,63,632	(27,37,063)
Total	**3,15,99,733**	**2,74,61,168**

Description of nature and purpose of each reserve

General Reserve and General Reserve on Amalgamation
General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. On amalgamation, earlier done, the amalgamating company reserve was tranferred as it is.

Retained Earning
Created out of accretion of profits.

Other Comprehensive Income
The Company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earning when the securities are derecognised.

	As at 31 March, 2021	As at 31 March, 2020
9 CURRENT FINANCIAL LIABILTIES		
(i) Borrowings		
Loans repayable on demand - from other parties (unsecured)	3,12,25,000	3,32,25,000
	3,12,25,000	**3,32,25,000**
(ii) Trade Payables		
(A) Total outstanding dues of micro enterprise and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	88,04,456	22,44,868
	88,04,456	**22,44,868**
(iii) Other Financial Liabilities		
Interest accrued and due on borrowings	8,61,303	8,86,337
	8,61,303	**8,86,337**
10 OTHER CURRENT LIABILTIES		
Security Deposit (Rent)	16,000	27,400
Other payables		
Statutory Dues Payables	70,532	72,300
Others Payables (Year end accruals for expenses)	1,24,686	1,13,018
	2,11,218	**2,12,718**

		31 March, 2021	31 March, 2020
11 REVENUE FROM OPERATIONS			
Sale of Products			
Shares & Securities		5,28,364	-
Raw Jute		88,36,440	44,36,490
		93,64,804	**44,36,490**
Other Operating Income			
Gain on Rights Entitlement		17,369	-
Dividend Income - Measured as FVTPL		57,463	74,213
		74,832	**74,213**
	Total	**94,39,636**	**45,10,703**
12 OTHER INCOME			
Profit on sale of Investment measured at FVTPL		8,99,558	4,11,925
Rental Income		1,32,000	1,62,000
Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at FVTPL		7,14,949	14,70,151
Miscellaneous Income		1,274	-
Dividend Income from Investment - Measured as FVTOCI		1,10,700	64,648
Interest income		7,24,740	7,29,262
		25,83,221	**28,37,986**
13 PURCHASES OF STOCK-IN-TRADE			
Shares & Securities		4,57,998	22,319
Raw Jute		88,04,456	44,12,910
		92,62,454	**44,35,229**
14 CHANGES IN INVENTORIES OF STOCK-IN-TRADE			
Inventories at the beginning of the year			
Shares & Securities		19,74,561	37,01,162
Inventories at the end of the year			
Shares & Securities		32,62,068	19,74,561
		(12,87,507)	**17,26,601**
15 EMPLOYEE BENEFITS EXPENSE			
Salaries, Bonus & Allowances		10,31,492	9,74,799
		10,31,492	**9,74,799**
16 FINANCE COSTS			
Interest expense		21,88,221	19,15,657
		21,88,221	**19,15,657**
17 OTHER EXPENSES			
Advertisement expenses		15,960	15,792
Auditors' Remuneration			
-Audit Fees		29,500	10,030
Listing expenses		4,11,348	4,16,245
Repair & Maintenance Charges		2,18,925	53,766
Miscellaneous expenses		59,210	32,302
Rates & Taxes		20,834	4,650
SEBI Penalty Fees		13,42,500	-
		20,98,277	**5,32,785**

18 EARNING PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	31 March, 2021	31 March, 2020
Net Profit / (Loss) attributable to equity shareholders	(21,62,217)	(25,25,821)
Weighted average number of equity shares in calculating EPS	36,75,000	36,75,000
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	(0.59)	(0.69)

	As at 31 March, 2021	As at 31 March, 2020
19 CONTINGENT LIABILITIES		
Contingent Liability in respect of contested demand of AY 2007-08	6,014	6,014
Contingent Liability in respect of contested demand of AY 2008-09	44,601	44,601

20 SEGMENT REPORTING

The Company's activities during the year were limited to Trading Activities and accordingly no separate disclosure is required in terms of Indian Accounting Standard 108, 'Operating Segments'.

21 RELATED PARTY DISCLOSURES

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

(i) Names of the related parties and description of relationship

List of related parties where control exists:

1. Associate

Avon Credit Private Limited

2. Key Management Personnel (KMP) and their relatives

Mrs. Suchita Chhawchharia	- Executive Director
Mr. Sundar Lal Mohta	- Director
Mr. Aritra Basu	- Director
Mr. Manish Khaitan	- Director
Mr. Shiv Shankar Sharma	- Chief Financial Officer
Ms. Ankita Banerjee	- Company Secretary

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

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

(ii) Transactions with related parties during the period and year end balances with them

Sl.	Name of the Related Party	31 March, 2021	31 March, 2020
1	**Avon Credit Private Limited**		
	Closing Balance:		
	Year end Investments	3,14,500	3,14,500
2	**BCCO Commodities Private Limited**		
	Closing Balance:		
	Year end receivables	40,00,000	45,00,000
3	**BCCO Holdings Private Limited**		
	Transactions		
	Interest received	1,11,000	1,08,000
	Closing Balance:		
	Year end Investments	10,00,000	10,00,000
	Year end loan receivable	12,55,348	12,54,000
4	**Aster Dealcom Pvt. Ltd.**		
	Transactions		
	Advance Received	-	1,00,00,000
	Advance Refund	-	24,75,000
	Closing Balance:		
	Year end payables	75,25,000	75,25,000
	Transactions		
	Received refund of the earlier dues	-	32,67,715
	Closing Balance:		
	Year end receivables	-	-

Sl.	Name of the Related Party	31 March, 2021	31 March, 2020
5	**Mr. Shiv Shankar Sharma**		
	Transactions		
	Advance against salary Given	-	1,00,000
	Advance against salary received back	60,000	-
	Closing Balance:		
	Year end advance receivable	30,000	90,000
	Year end payables	30,026	38,800
6	**Mrs. Suchita Chhawchharia**		
	Closing Balance:		
	Year end payables	10,000	10,000
7	**Ms. Ankita Banerjee**		
	Closing Balance:		
	Year end payables	14,890	12,890
	Remuneration to Key Management Personnel		
	Short Term Employee Benefits		
	Mrs. Suchita Chhawchharia	1,20,000	1,20,000
	Mr. Shiv Shankar Sharma	4,03,907	5,06,599
	Ms. Ankita Banerjee	1,80,000	1,56,000

22 ACCOUNTING FOR TAXES ON INCOME

Provision for Tax is made for current and deferred taxes.
Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
Current income tax for current period is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax assets and liabilities are set off and presented as net.
Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at the tax rates that have been enacted or substantively enacted.
Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.
The Company has significant amount of unused tax credits, since availability of future taxable income is not certain, no provision for deferred tax assets has been made under IND AS 12 ' Income Taxes'.

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

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

24 VALUATION OF CURRENT ASSETS, LOANS & ADVANCES

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

25 The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements. There is no material impact on the business activity of the company as on 31.03.2021. However, the management expects to recover the carrying amounts of its receivables and as such this will not impact the "going concern" status of the company. The company will continue to monitor the future economic conditions and update its assessment.

26 Financial Instrument and Related Disclosure

A. Fair Value of Financial Assets and Financial Liabilities with Fair Value Hierarchy

As at 31st March, 2021

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	1,34,87,333	-	-	-	1,34,87,333
- Inventories	32,57,090	-	4,980	-	32,62,070
Financial assets at FVTOCI					
- Investments	1,16,95,015	-	3,59,54,780	-	4,76,49,795
Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	4,27,847	4,27,847
- Bank Balances other than above	-	-	-	-	-
- Loans	-	-	-	99,59,442	99,59,442
- Trade Receivables	-	-	-	88,36,440	88,36,440
- Investments	-	-	-	2,56,08,154	2,56,08,154
- Other Financial Assets	-	-	-	30,000	30,000
Total Financial assets	**2,84,39,438**	**-**	**3,59,59,760**	**4,48,61,883**	**10,92,61,081**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	3,12,25,000	3,12,25,000
- Trade payables	-	-	-	88,04,456	88,04,456
- Other Financial Liabilities	-	-	-	9,85,989	9,85,989
Total Financial Liabilities	**-**	**-**	**-**	**4,10,15,445**	**4,10,15,445**

As at 31st March, 2020

Financial assets and financial liabilities at fair value	Level 1	Level 2	Level 3	Amortised Cost	Total
Financial assets					
Financial assets at FVTPL					
- Investments	2,12,59,514	-	-	-	2,12,59,514
- Inventories	19,69,581	-	4,980	-	19,74,561
Financial assets at FVTOCI					
- Investments	48,62,521	-	2,90,69,292	-	3,39,31,813
Financial assets at Amortised cost					
- Cash & Cash Equivalents	-	-	-	3,91,922	3,91,922
-Bank and others balances				10,00,000	10,00,000
- Loans	-	-	-	1,27,71,678	1,27,71,678
- Trade Receivables	-	-	-	22,56,848	22,56,848
- Investments	-	-	-	1,19,30,133	1,19,30,133
- Other Financial Assets	-	-	-	90,000	90,000
Total Financial assets	**2,80,91,616**	**-**	**2,90,74,272**	**2,84,40,581**	**8,56,06,469**
Financial Liabilities					
Financial Liabilities at Amortised Cost					
- Borrowings	-	-	-	3,32,25,000	3,32,25,000
- Trade payables	-	-	-	22,44,868	22,44,868
- Other Financial Liabilities	-	-	-	9,99,355	9,99,355
Total Financial Liabilities	**-**	**-**	**-**	**3,64,69,223**	**3,64,69,223**

B. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(i) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows 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 interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Currently the Company does not have any foreign currency exposure.

Interest rate risk

The main business of the Company is trading in goods and shares and investment in mutual funds, shares and securitires. These activities expose us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Company monitors the change in economic value of equity arising out of change in the Interest rate. Further, an interest rate sensitivity gap report is prepared by classifying all rate sensitive assets into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets. The Company monitors interest rate risk through above measures on a monthly basis.

There is borrowing availed by the company during the year as well as previous year, hence there is interest rate risk relating to financial liabilities.

Equity Price Risk

Equity price risk is related to change in market reference price of investments and stocks in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, few of these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2021 and March 31, 2020 was Rs. 116.95 Lakhs and Rs. 48.63 Lakhs, respectively and classified as fair value through profit & Loss as at March 31, 2021 and March 31, 2020 was Rs. 32.62 Lakhs and Rs. 19.75 Lakhs, respectively.

A 10% change in equity prices of such securities held as at March 31, 2021 and March 31, 2020, would result in an impact of Rs. 14.96 Lakhs and Rs. 6.84 Lakhs respectively on equity before considering tax impact (cumulatively).

(ii) Liquidity Risk

Liquidity risk is the risk than an entity will encounter difficulty in meeting obligation associated with financial liabilities that are settled by deliverying cash or other financial assets. The Company mitigates its liquidity risks by ensuring timely collections of its receivables and close monitoring of its credit cycle.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date:

Particulars	Carrying value	On Demand	Less than 1 year	Total
As at 31st March, 2021				
- Borrowings	3,12,25,000	3,12,25,000	-	3,12,25,000
- Trade payables	88,04,456	-	88,04,456	88,04,456
- Other Financial Liabilities	9,85,989	8,61,303	1,24,686	9,85,989
As at 31st March, 2020				
- Borrowings	3,32,25,000	3,32,25,000	-	3,32,25,000
- Trade payables	22,44,868	-	22,44,868	22,44,868
- Other Financial Liabilities	9,99,355	8,86,337	1,13,018	9,99,355

(iii) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trent receivables, loans receivables, investments in alternative investment fund, preference share and mutual funds and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk except some loans made by the company and against which sufficient provision for expected credit loss has been provided.

The carrying value of financial assets represents the credit risk. The exposure to credit risk was Rs. 10.93 crore and Rs. 8.56 crore, as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of rent receivables, investments in alternative investment fund, mutual funds, preference share, loans, and other financial assets.

(iv) Expected Credit Loss

Ind AS 109 outlines a 'three stages' model for impairment based on changes in credit quality since initial recognition as summarized below. The objective of the impairment requirements is to recognize life time expected credit loss (ECLs) on all financial instrument for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis.

At the reporting date, an allowance (or provision for loan and advances) is required on stage 1 assets at 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components:
Probalility of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.

Exposure at Default (EAD) is the total amount of an asset the entity is exposed to at the time of default. EAD is define based on the characteristics of the assets. EAD is dependent on the outstanding exposure of an assets sanctioned amount of loan and credit conversion factor for non-funded exposure.

Loan Given Default (LGD) it is part of an assets which is lost provided the assets default. The recovery rate is derive as a ratio of discounted value of recovery cash flow (incorporating the recovery time) to total exposure of amount at the time of default.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:
i. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

ii. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

iii. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the RBI definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

27 On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2021.

ADARSH MERCANTILE LIMITED
Notes to the Consolidated Financial Statements for the year ended 31st March 2021

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

Name of Entity	Net Assets, i.e. Total Assets minus total liabilities		Share of Profit/(Loss)		Share of Profit/(Loss) in Other Comprehensive income		Share of Profit/(Loss) in Total Comprehensive income	
	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Profit & Loss	Amount (Rs)	As a % of Consolidated Other Comprehensive Income	Amount (Rs)	As a % of Consolidated Total Comprehensive Income	Amount (Rs)
Associates								
Avon Credit Private Limited	3.55%	38,94,083	-8.41%	1,81,903	17.53%	11,03,655	31.11%	12,85,558
Parent								
Adarsh Mercantile Limited	96.45%	10,58,52,521	108.41%	(23,44,120)	82.47%	51,90,876	68.89%	28,46,756
Total	100.00%		100.00%		100.00%		100.00%	

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

As per our report of even date

For NKSJ & Associates
Chartered Accountants
Firm Registration No. 329563E

Sd/-
CA Sneha Jain
Partner
M. No. 234454
UDIN: 21234454AAAAAV1448
Kolkata
Dated the 25th day of June, 2021

For and on behalf of the Board

Sd/-
Suchita Chhawchharia
(DIN- 00044063)

Sd/-
Aritra Basu
(DIN- 06779222)

Directors

Sd/-
Shiv Shankar Sharma — CFO

Sd/-
Ankita Banerjee — Company Secretary

E – MAIL ID REGISTRATION FORM

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

Dear Sir(s),

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

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

E – Mail Id _____ **Alternative Id** _____

Thanking You,
Yours faithfully,

Signature of Sole / 1st Holder

Name

Date

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

ATTENDANCE SLIP

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

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on Tuesday, the 14th day of September, 2021at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700027 at 12: 30 P.M.

2. Signature of the Shareholder/Proxy Present.

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

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

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

FORM NO: MGT – 11
PROXY FORM

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

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

Name of the member (s):
Registered Address :

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, the 14th day of September, 2021 at the Registered Office of the Company at 8A & 8B, Satyam Towers, 3, Alipore Road Kolkata – 700027 at 12: 30 P.M and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
1.	Adoption of Audited Standalone and Consolidated Financial Statements which comprises of Audited Balance Sheet as at 31st March, 2021, Audited Profit & Loss Account and the Cash Flow Statement for the year ended on that date, together with the Report of Board of Directors' and Auditors' thereon.
2	Approval for the re-appointment of Mr. Aritra Basu (DIN: 06779222), Director retiring by rotation.
3.	Change of place of keeping Register of Members & other records by Registrar & Share Transfer Agents.
4.	Approval of charges for service of documents on the shareholders.

Signed this _____day of _____, 2021

Signature of shareholder :

Signature of Proxy holder(s) :

Affix a Revenue Stamp of Re.1/-

Note:

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

Annexure – A

ECS FORM

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

Re: Payments of Dividend Through NECS

I wish to participate in the National Electronics Clearing Service (NECS) introduced by the Reserve Bank of India.
I do not wish to Participle in the NECS. However, kindly print the bank particulars given below on the Dividend Warrant being issued to me.

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

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

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

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

Date: _____

_____
Signature of the first holder

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

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

 # Delete whichever is not applicable.

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

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

Annexure – B

Form SH-13
NOMINATION FORM

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

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

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

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

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

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

3. **IN CASE NOMINEE IS A MINOR--**
   a. Date of birth :
   b. Date of attaining majority :
   c. Name of guardian :
   d. Address of guardian :

Signature of Shareholder(s)

1. Signature (1st holder):
Name :
Address :
Date :

2.Signature (2nd holder):
Name :
Address :
Date :

Signature of two witnesses
Name, Address and Signature with date

1.

2.

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