

# Agarwal Mahesh K & Co.

Chartered Accountants

Address:  
Flat 7D, City High,  
85, P.A.S. Road, Kolkata – 700 033  
Hand Phone: +91 99031 04084  
Email: jambooca@gmail.com

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POPULAR MERCANTILES PRIVATE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **POPULAR MERCANTILE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting standards generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

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

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

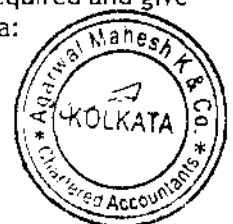
We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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



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- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- b) in the case of the Statement of Profit and Loss, of the *profit* of the company for the year ended on that date.

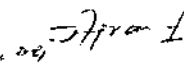
## 1. Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards specified in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- e) On the basis of the written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f) The company has adequate internal financial controls over its financial reporting and such controls are operating effectively.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company did not have any pending litigation as on 31 March, 2015, based on the information and explanation provided to us;
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For AGARWAL MAHESH K & CO.  
Chartered Accountants  
FRN: 008007C

  
CA Jambu Agrawal  
Partner  
Membership No.062626



Place: Kolkata  
Date: 19<sup>th</sup> May, 2015

# Agarwal Mahesh K & Co.

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## ANNEXURE TO THE AUDITORS' REPORT

(referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:-
- (a) The company has no fixed assets, maintenance of records of fixed assets is not applicable.
  - (b) The company has no fixed assets. Physical verification of fixed assets is not applicable.
- (ii) (a) Physical verification of inventory to be conducted at reasonable interval by the management is not applicable.
- (b) The reasonableness and adequacy of procedures of physical verification of inventory cannot be commented upon as the same is not applicable to this company.
  - (c) The maintenance of records of inventory is not applicable to this company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for making investments. There is no continuing failure to correct major weaknesses in internal control system.
- (v) The company has not accepted deposits, according to the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- (vii) (a) According to the records of the company, the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, wherever applicable. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues which have remain unpaid as on 31<sup>st</sup> March, 2015 in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty, wherever applicable.
- (c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under is not applicable to the company.
- (viii) The accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) On the basis of verification of records and information and explanations given to us, we are of the opinion that, the Company has not obtained any loans from any financial institution or banks. Thus the question of default in repayment doesn't arise.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others.



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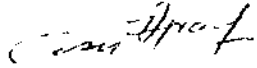
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- (xi) Based on our audit procedures and on the information given by the management, we report that the company has not obtained any term loan.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For AGARWAL MAHESH K & CO.

Chartered Accountants

FRN: 008007C



CA Jambu Agrawal  
Partner  
Membership No.062626



Place: Kolkata

Date: 19<sup>th</sup> May, 2015

**Popular Mercantile Private Limited**

**Balance Sheet as at 31 March 2015**

		Rupees	
	Note	As at 31.03.2015	As at 31.03.2014
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	3	35,10,000	35,10,000
(b) Reserves and surplus	4	16,72,25,533	16,72,22,618
		<b>17,07,35,533</b>	<b>17,07,32,618</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term provisions	5	-	-
<b>(3) Current liabilities</b>			
(a) Other current liabilities	6	8,118	4,000
(b) Short-term provisions	5	1,250	42,507
		<b>9,368</b>	<b>46,507</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,07,44,901</b>	<b>17,07,79,125</b>
<b>(II) ASSETS</b>			
<b>(1) Non-current assets</b>			
(i) Unquoted Trade Investments	7	17,01,00,000	17,01,00,000
		<b>17,01,00,000</b>	<b>17,01,00,000</b>
<b>(2) Current assets</b>			
(a) Stock In hand	8	-	2,62,000
(a) Cash and cash equivalents	9	4,70,578	2,42,802
(b) Other current assets	10	1,74,323	1,74,323
		<b>6,44,901</b>	<b>6,79,125</b>
<b>TOTAL ASSETS</b>		<b>17,07,44,901</b>	<b>17,07,79,125</b>

The notes referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For and on behalf of the Board

For Agarwal Mahesh K & Co.

Chartered Accountants

FRN : 008007C

Director

CA Jambu Agrawal

Partner

M. No. 062626

Director

19th May 2015



**Popular Mercantile Private Limited**

**Statement of Profit and Loss for the year ended 31 March 2015**

Rupees

	Note	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>I Revenue</b>			
(a) Revenue from Operations	11	3,30,120	10,38,364
<b>II Total Revenue</b>		<b>3,30,120</b>	<b>10,38,364</b>
<b>III EXPENSES</b>			
(a) Opening Stock		2,62,000	-
(b) Purchases		-	5,40,000
(a) Employee benefit expense	12	-	1,98,755
(d) Other expenses	13	63,955	1,64,122
<b>Total Expenses</b>		<b>3,25,955</b>	<b>9,02,877</b>
<b>IV Profit/(loss) before tax (II - III)</b>		<b>4,165</b>	<b>1,35,488</b>
<b>V Tax Expense</b>			
(a) Current tax			
(i) Current tax		1,250	42,507
<b>Total tax expense</b>		<b>1,250</b>	<b>42,507</b>
<b>VI Profit/(loss) after tax (IV - V)</b>		<b>2,915</b>	<b>92,981</b>
<b>VII Earnings per equity share:</b>			
(1) Basic EPS ( Face value of Rs. 10 each)	14	0.01	0.26

The notes referred to above form an integral part of the Statement of Profit and Loss

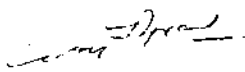
In terms of our report attached.

For and on behalf of the Board

For Agarwal Mahesh K & Co.

Chartered Accountants

FRN : 008007C



CA Jambu Agrawal

Partner

M. No. 062626



Director

Director

19th May 2015

## Popular Mercantile Private Limited

### Notes to the financial statements

#### 1. Corporate Information

Popular Mercantile Private Limited, a wholly owned subsidiary of Shri Bajrang Alloys Limited, is engaged in trading of various goods.

#### 2. Summary of Significant Accounting Policies

**2.01** The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

##### 2.02 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

##### 2.03 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### 2.04 Taxes on Income

###### i). Current Taxes

Provision for Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

###### ii). Deferred Taxes

Accounting Standard 2 on Taxes on Income as Issued by the Institute of Chartered Accountants of India is not applicable to the company.

##### 2.05 Earnings Per Share

The Company reports basic earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit/loss after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Since the Company is a "Small and Medium Sized Company" disclosure of Diluted earnings during the year is not applicable.

##### 2.06 Provision, Contingent Liabilities and Contingent Assets

###### i). Provisions

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- a. The company has a present obligation as a result of a past event,
- b. A probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated.



Popular Mercantile Private Limited

Notes to the financial statements

3. Share Capital

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
<b>Authorised:</b>		
<b>3,70,000 Equity Shares of Rs. 10 each</b> (31.03.2014: 3,70,000 Equity Shares of Rs. 10 each)	37,00,000	37,00,000
	<u>37,00,000</u>	<u>37,00,000</u>
<b>Issued:</b>		
<b>3,51,000 Equity Shares of Rs. 10 each</b> (31.03.2014: 3,51,000 Equity Shares of Rs. 10 each)	3,51,000	35,10,000
	<u>3,51,000</u>	<u>35,10,000</u>
<b>Subscribed and Paid up:</b>		
<b>3,51,000 Equity Shares of Rs. 10 each</b> (31.03.2014: 3,51,000 Equity Shares of Rs. 10 each)	35,10,000	35,10,000
	<u>35,10,000</u>	<u>35,10,000</u>

Reconciliation of Number of shares	For the year ended 31.03.2015		For the year ended 31.03.2014	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
At the beginning of the year	3,51,000	35,10,000	3,51,000	35,10,000
Issued during the year	-	-	-	-
At the end of the year	<u>3,51,000</u>	<u>35,10,000</u>	<u>3,51,000</u>	<u>35,10,000</u>

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	%	No. of Shares	%
Shri Bajrang Alloys Limited	3,50,990	100%	3,50,990	100%
	<u>3,50,990</u>	<u>100%</u>	<u>3,50,990</u>	<u>100%</u>

Rights, preferences and restrictions attached to shares

Equity Shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4. Reserves and Surplus

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
Share Premium Account	16,70,90,000	16,70,90,000
	<u>16,70,90,000</u>	<u>16,70,90,000</u>
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,32,618	39,637
Profit for the year	2,915	92,981
Balance at the end of the year	<u>1,35,533</u>	<u>1,32,618</u>
TOTAL	<u>16,72,25,533</u>	<u>16,72,22,618</u>





Popular Mercantile Private Limited

Notes to the financial statements

5. Provisions

	As at 31.03.2015		As at 31.03.2014	
	Rupees		Rupees	
	Long Term	Short Term	Long Term	Short Term
Provision for Income Tax	-	1,250	-	42,507
	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>42,507</u>

6. Other Current Liabilities

	As at	As at
	31.03.2015	31.03.2014
	Rupees	Rupees
i). Audit Fees	8,118	2,500
ii) Others	-	1,500
	<u>8,118</u>	<u>4,000</u>



**Popular Mercantile Private Limited**

**Notes to the financial statements**

**7. Non Current Investments**

	Rupees Total	Rupees Total
i) Unquoted Trade Investments		
<b>Shri Bajranj Power &amp; Ispat Limited</b>		
(567,000 Equity Shares of Rs. 10/- each)		
Investment at beginning of year	17,01,00,000	17,01,00,000
Additions	-	-
Disposals	-	-
<b>Investment at end of year</b>	<b>17,01,00,000</b>	<b>17,01,00,000</b>

**8. Closing Stock**

524 shares of Almost Tie-up Private Limited of Rs 10/- each	-	2,62,000
	-	2,62,000

**9. Cash and Bank Balances**

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
i). Cash and cash equivalents		
Cash in hand	1,29,846	2,32,190
Balances with banks		
a). Balance with scheduled banks		
(i) In Current Account	10,612	10,612
(ii) Cheques in Hand (to be deposited)	3,30,120	-
	<b>4,70,578</b>	<b>2,42,802</b>

**10. Other Current Assets**

(Unsecured, considered good)

i). Tax Deducted at Source	1,74,323	1,74,323
	<b>1,74,323</b>	<b>1,74,323</b>

**11. Revenue from Operation**

i). Sales	3,30,120	2,78,000
ii) Interest Income	-	4,88,027
iii) Interest on TDS	-	12,337
iv) Closing Stock	-	2,62,000
	<b>3,30,120</b>	<b>10,38,364</b>

**12. Employee Benefits expense**

i). Salaries and wages, including bonus	-	1,98,755
	-	1,98,755



**Popular Mercantile Private Limited**

**Notes to the financial statements**

**13. Other Expenses**

i). Rent	24,000	22,000
ii). Filing Fees	17,000	1,500
iii). Preliminary Expenses written off	-	4,800
iv). Telephone Expenses	822	19,764
v). Travelling/Conveyance Expenses	1,574	18,168
vi). Professional and Consultation Fees	12,000	30,000
vii). Bank Charges	-	383
viii). Printing and Stationery	458	18,285
ix). General Expenses	1,081	46,722
x). Interest on Tax	1,402	-
xi). Auditors' Remuneration		
Audit Fee	5,618	2,500
	<b>63,955</b>	<b>1,64,122</b>

**14. Earnings per Share**

Profit after Tax (Rupees.)	2,915	92,981
Profit attributable to Ordinary Shareholders (Rupees.)	2,915	92,981
Weighted average no.of Ordinary shares for Basic EPS (Nos)	3,51,000	3,51,000
Nominal Value per Equity Share (Rupees.)	10	10
Earnings Per Ordinary Share for the period (Rupees.)	0.01	0.26

**15. Related Party Disclosure**

**Related Party Disclosure**

**Related party relationship:**

Name of the related party	Relationship
Shri Bajrang Alloys Limited	Promoter Company holding 100% shares.
<b>Key Managerial Person :</b> Mr. Narendra Goel - From 23.02.2013 Mr. Dinesh Kumar Aggarwal - From 23.02.2013 Mr. Anand Goel - From 23.02.2013	Director Director Director

**Related party transactions:**

No related party transactions entered during the financial year.

16. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

17. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.



For and on behalf of the Board

Director

Director