

ROHIT JAIN

(Chartered Accountants)

18/1 M.D ROAD,
Kolkata – 700 007.
Mob. No. - 9830468680

POPULAR MERCANTILE PRIVATE LIMITED

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

1. Report on the Financial Statements

We have audited the accompanying financial statements of POPULAR MERCANTILE PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Managements Responsibility for the Financial Statements

Management is responsible for 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditors Responsibility

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

5. Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



As required by section 227(3) of the Act, we report that:

- a) We have 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 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 referred to in subsection(3C) of section 211 of the Companies Act, 1956; and
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **ROHIT JAIN.**

Chartered Accountant

Rohit Jain



Proprietor

Membership number: 302915

Place: Kolkata

Date: 23rd May, 2014

ANNEXURE TO THE AUDTORS' REPORT
(As referred to in Para I of our Report on the accounts for the year ended 31st March 2014 of
POPULAR MERCANTILE PRIVATE LIMITED)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No materials discrepancies were found on such verification.
- (c) There was no substantial disposal of fixed assets during the year.

- ii. (a) The company does not have any stock.

In view of Clause ii (a) above, the clauses ii (b) & ii (c) are not applicable.

- iii. (a) According to information and explanations given to us, no loans or advances in the nature of loans have been granted to the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and no conditions have been stipulated as regards the payment of interest and repayment of principal amount.

In view of clause iii (a) above, the clauses iii (b), iii (c) & iii (d) are not applicable.

- (e) According to information and explanations, the Company has not taken any interest free unsecured loan from any party listed in the register maintained under section 301 of the Companies Act, 1956.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business. In the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

- v. (a) According to information and explanations given to us and on the basis of records examined by us, during the year under audit there have been no contracts or arrangements which need to be entered into a register maintained in pursuance of Section 301 of the Act.

In view of clause v (a) above, clause v (b) is not applicable.

- vi. The Company has not accepted deposits from the public as contemplated under the direction issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.

- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

- viii. The provision relating to maintenance of cost records is not applicable to the Company.

- ix. (a) The Company is regular in depositing with appropriate authorities, undisputed material statutory dues. According to the information and explanations given to us, the Company does not have any undisputed amounts payable in respect of outstanding material statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the Company does not have any disputed amounts payable in respect of sales tax, income tax, customs duty, excise duty/ Cess and service tax.



- x. The Company has no accumulated losses at the end of the year and it has not incurred cash losses during the current financial year and the immediately preceding financial year.
- xi. According to the information and explanations given to us, the company has not obtained any loan from any Financial Institution or Bank and has not issued any debentures and hence the question of any default as to repayment does not arise.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion and according to the information & explanations given to us, the company has maintained proper record of transactions and contracts relating to dealing in shares, debentures and other investments and entries have been made therein regularly. The company has held the shares and securities in its own name.
- xv. According to the information and explanations given to us, the company has not given any guarantees against loans taken by others from Banks or Financial Institutions.
- xvi. According to the information and explanations given to us, the company has not taken any term loan during the year under review.
- xvii. According to the information and explanation given to us and on the basis of an overall examination of the Balance Sheet of the company, in our opinion, no funds raised on a short-term basis have been used for long term Investment.
- xviii. The company has not made any preferential allotment of shares during the year under review.
- xix. The company has not issued any debenture during the year under review.
- xx. The company has not raised any money by public issue during the year under review.
- xxi. According to the information and explanations given to us and on the basis of the records of the Company examined by us, no fraud on or by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

For **ROHIT JAIN.**

Chartered Accountant

Rohit Jain

Proprietor

Membership number: 302915

Place: Kolkata

Date:



POPULAR MERCANTILE PRIVATE LIMITED

BALANCE SHEET AS AT 31st March 2014

PARTICULARS	NOTE	AS AT 31.03.2014	AS AT 31.03.2013
A EQUITY AND LIABILITIES			
1. SHARE HOLDER'S FUNDS			
Share Capital	02	3510000.00	3510000.00
Reserve & Surplus	03	167222617.50	167129637.00
2. SHARE APPLICATION MONEY PENDING ALLOTMENT			
		0.00	0.00
3. NON CURRENT LIABILITIES			
Deferred Tax Liabilities		0.00	0.00
4. CURRENT LIABILITIES			
Trade Payables	04	0.00	34000.00
Other Current Liabilities	05	4000.00	0.00
Short Term Provisions	06	42507.00	16000.00
TOTAL		170779124.50	170689637.00
B ASSETS			
1. NON CURRENT ASSETS			
Fixed Assets		0.00	0.00
- Tangible Assets	07	170100000.00	170100000.00
Non Current Investment		0.00	0.00
Other Non Current Assets		0.00	0.00
Deffered Tax Assets		0.00	0.00
2. CURRENT ASSETS			
Closing Stock	08	262000.00	0.00
Cash and Cash Equivalents	09	242801.50	253363.00
Short Term Loans and Advances	10	174323.00	331474.00
Other Current Assets		0.00	4800.00
TOTAL		170779124.50	170689637.00

Significant Accounting Policies
The Notes Form an Integral Part of These
Financial Statements

01

AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR : ROHITJAIN
CHARTERED ACCOUNTANTS

Rohit Jain

ROHITJAIN
(Proprietor)
Membership No.:302915



PLACE: KOLKATA
DATED: 23rd May, 2014

For POPULAR MERCANTILE PVT LTD.

[Signature]

Director

[Signature]

Director

POPULAR MERCANTILE PRIVATE LIMITED				
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2014				
PARTICULARS	NOTE	AS AT 31.03.2014		AS AT 31.03.2013
INCOME				
Revenue from operations		278000.00		3409800.00
Interest Income		486027.00		1384275.00
Interest on TDS		12337.00		
closing Stock		262000.00		
TOTAL REVENUE		1038364.00		4794075.00
EXPENSES				
Purchases		540000.00		4275800.00
Employee Benefit Expenses	11	198755.00		250000.00
Other Expenses	12	164121.50		227160.00
TOTAL EXPENSES		902876.50		4752960.00
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		135487.50		41115.00
Exceptional Items				
- Statuary Reserve		0.00		0.00
PROFIT BEFORE TAX		135487.50		41115.00
TAX EXPENSES				
- Current Tax		42507.00		12706.00
- Deferred Tax Assets		0.00		0.00
PROFIT FOR THE YEAR		92980.50		28409.00
EARNING PER SHARE OF FACE VALUE OF Rs. 10/- each				
Basic		0.26		0.08
Diluted		0.26		0.08
Significant Accounting Policies				
The Notes Form an Integral Part of These Financial Statements	01			

AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR : ROHITJAIN
CHARTERED ACCOUNTANTS

Rohit Jain
ROHITJAIN
(Proprietor)
Membership No.:302915



PLACE: KOLKATA
DATED: 23rd May, 2014

For POPULAR MERCANTILE PVT LTD.

Director

Director

POPULAR MERCANTILE PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNT AS AT 31ST MARCH 2014

Significant Accounting Policies:-

(A) Method of Accounting

The Company follow the concept of accrual basis of accounting for preparation fo it's accounts as per accounting standard- 1; except the statutory liability which has been accounted for on cash basis.

(B) Miscellaneous Expenditure (Change in Accounting Policy)

Preliminary Expenses (to the extent not written off or adjusted) which used to be amortized over a period of 5 years from the years commencing the date of occurrence of said expenses, the balance has been written off fully in the current financial year.

(C) Deffered Taxation

Accounting standard 22 taxes on income as issued by institute of chartered accountants of india is not applicable in the company.

(D) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes



POPULAR MERCANTILE PRIVATE LIMITED
NOTE NO. ANNEXED TO AND FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31st MARCH,2014

	AS AT 31.03.2014	AS AT 31.03.2013
NOTE NO. :2(A)		
EQUITY SHARE CAPITAL		
Authorised 370000 Equity Shares of Rs. 10/- each	3700000.00	3700000.00
Issued Subscribed and Paid-up 351000 Equity Shares of Rs.10/- each fully Paid-up	3510000.00	3510000.00
TOTAL	3510000.00	3510000.00

NOTE NO. :2(B)

RIGHTS , PREFERENCE AND RESTRICTIONS ATTACHED TO EQUITY SHARES

- I. The Company has only one class of share referred to as equity shares having a par value of Rs. 10 per shares
Each holder of equity shares is entitled to one vote per share.
- II. In the Unlikely event of Liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount . The distribution will be in proportion to the no. of equity shares held by the shareholders.

NOTE NO. :2(C)

RECONCILIATION OF OPENING AND CLOSING SHARE CAPITAL

	Amount Originally Paid Up	Amount Originally Paid Up
Equity Shares with Voting Rights Each Rs. 10/-		
Balance at Beginning of the year	351000.00	351000.00
Addition / Deletion	0.00	0.00
Balance at End of the year	<u>351000.00</u>	<u>351000.00</u>

NOTE NO. :2(D)

LIST OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

NAME OF SHAREHOLDER	No.of Share Held	% Of Share Held	No.of Share Held	% Of Share Held
SHRI BAJRANG ALLOYS LIMITED	350,990	99.99	350,990	99.99
TOTAL		<u>99.99</u>		<u>99.99</u>

NOTE NO.:03 RESERVE & SURPLUS			
Share Premium		167090000.00	167090000.00
Profit & Loss Account			
- Opening Balance		39637.00	11228.00
Add:- Profit For The Year		92980.50	28409.00
		132617.50	39637.00
TOTAL		167222617.50	167129637.00
NOTE NO. :04 TRADE PAYABLES			
Sundry Creditors		0.00	34000.00
TOTAL		0.00	34000.00
NOTE NO. :05 CURRENT LIABILITIES			
Audit fees		2500.00	0.00
Others		1500.00	0.00
TOTAL		4000.00	0.00
NOTE NO. :06 SHORT TERM PROVISIONS			
Provision For Tax (14-15)		42507.00	0.00
Provision For Tax (13-14)		0.00	16000.00
TOTAL		42507.00	16000.00
NOTE NO. :07 NON CURRENT INVESTMENT			
Unquoted Trade Investments (Shri Bajrang Power and Ispat Ltd.) 567000 shares of Rs. 10 Each		170100000.00	170100000.00
TOTAL		170100000.00	170100000.00
NOTE NO. :08 CLOSING STOCK			
524 Shares of Almost Tie Up Pvt. Ltd. (Face value Rs. 10/- each)		262000.00	0.00
		262000.00	0.00
NOTE NO. :09 CASH AND CASH EQUIVALENTS			
Balance With Banks		10612.00	243980.00
Cash In Hand		232189.50	9383.00
TOTAL		242801.50	253363.00
NOTE NO. :10 SHORT TERM LOANS AND ADVANCES			
Tax Deducted at Sources		174323.00	331474.00
TOTAL		174323.00	331474.00

NOTE NO. :11			
EMPLOYEE BENEFIT EXPENSES			
Salary, Wages, Bonus		198755.00	250000.00
Director Remuneration		0.00	0.00
	TOTAL	198755.00	250000.00
NOTE NO. :12			
OTHER EXPENSES			
Filing fee		1500.00	3000.00
Preliminary expenses w/o		4800.00	2400.00
Bank Charges		382.50	2995.00
General Expenses		46722.00	98945.00
Printing & Stationery		18285.00	42835.00
Auditors Remuneration		2500.00	2500.00
Conveyance Expenses		18168.00	35600.00
Telephone Expenses		19764.00	20885.00
Accounting Charges		30000.00	18000.00
Rent		22000.00	0.00
	TOTAL	164121.50	227160.00



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