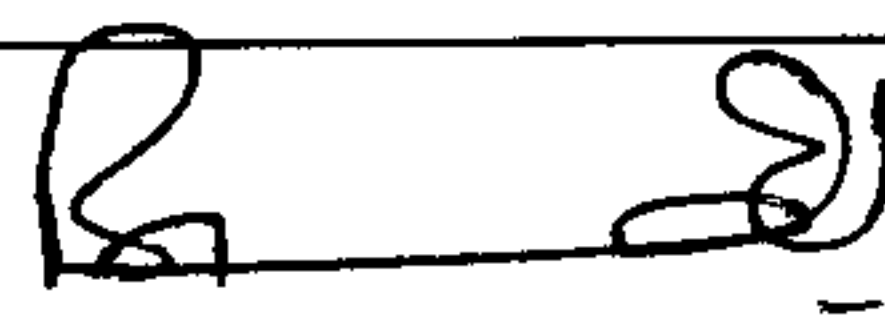
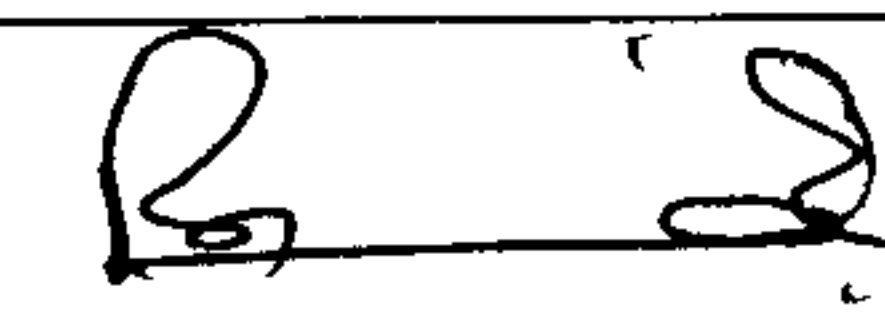
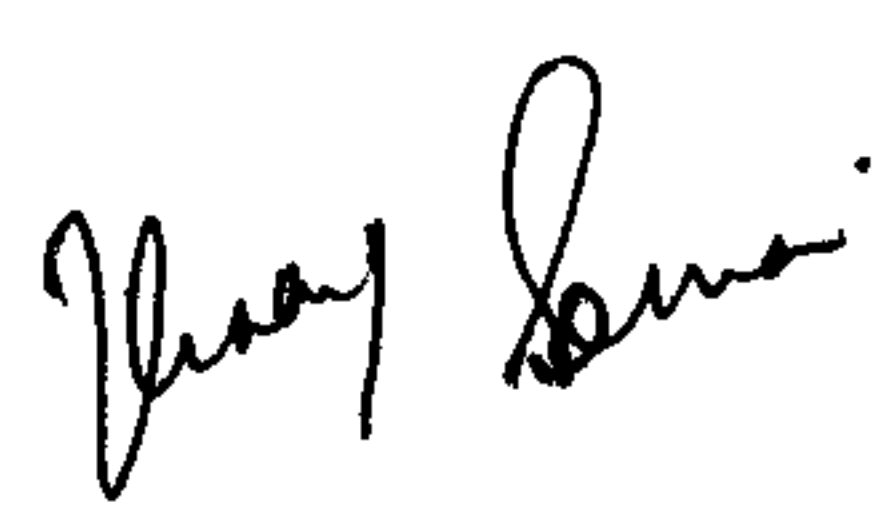


## FORM A

|    |                                                       |                                                                                                                         |                                                                                       |
|----|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. | <b>Name of the Company</b>                            | Nivedita Mercantile & Financing Limited                                                                                 |                                                                                       |
| 2. | <b>Annual financial statements for the year ended</b> | 31 <sup>st</sup> March 2014                                                                                             |                                                                                       |
| 3. | <b>Type of Audit observation</b>                      | Unqualified / <del>Matter of Emphasis</del>                                                                             |                                                                                       |
| 4. | <b>Frequency of observation</b>                       | N.A.                                                                                                                    |                                                                                       |
| 5. | <b>To be signed by-</b>                               |                                                                                                                         |                                                                                       |
|    | <b>Designation</b>                                    | <b>Name</b>                                                                                                             | <b>Signature</b>                                                                      |
|    | • <b>CEO/Managing Director</b>                        | Mr. Rajeshkumar Mundra                                                                                                  |  |
|    | • <b>CFO / Head of Finance Department</b>             | Mr. Rajeshkumar Mundra                                                                                                  |  |
|    | • <b>Auditor of the Company</b>                       | M/s Bagaria & Co., LLP<br>Firm Registration No.113447W/W-100019<br>Mr. Vinay Somani<br>Partner<br>Membership No. 143503 |  |
|    | • <b>Audit Committee Chairman</b>                     | Mr. Asim Santara                                                                                                        |  |



Mercantile & Financing Limited

# **NIVEDITA MERCANTILE AND FINANCING LIMITED**

## **29<sup>TH</sup> ANNUAL REPORT**

### **2013-2014**

## **BOARD OF DIRECTORS**

Shri. Rajesh Kumar Mundra  
Shri. Hiten Shah  
Shri. Asim Santara  
Mr. Sudarshan Somani

## **AUDITORS**

Bagaria & Co., LLP  
Chartered Accountants, Mumbai

## **BANKERS**

Kotak Mahindra Bank Ltd.

## **R & T AGENT**

M/s Adroit Corporate Services Private Limited  
1<sup>st</sup> Floor, 19/20, Jafferboy Industrial Estate  
Makwana Road, Marol Naka  
Mumbai- 400 059

## **REGISTERED OFFICE**

5<sup>th</sup> Floor, Sunteck Centre, 37-40, Subhash Road,  
Vile Parle (East), Mumbai-400057

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 29th Annual General Meeting of the members of Nivedita Mercantile and Financing Limited will be held at:

**Venue** : Sunteck Centre, Ground Floor, 37-40, Subhash Road, Vile Parle-East, Mumbai-400057

**Day and Date** : Monday, 22<sup>nd</sup> September, 2014

**Time** : 10.00 A.M

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**AGENDA****ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2014 and the Profit and Loss Account for the year ended on that date along with the Schedules thereon, the Cash Flow Statement, along with the Report of the Directors and Auditors thereon.
2. To approve and declare Dividend on equity share capital.
3. To appoint a Director in place of Mr. Rajeshkumar Mundra (DIN-01797146), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s Bagaria & Co. LLP, Chartered Accountants, (Firm Registration No.113447W/W-100019) as the Statutory Auditors of the Company and to authorize the Board to finalize the remuneration.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/S. Bagaria & Co. LLP, Chartered Accountants, (Firm Registration No.113447W/W-100019) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 consecutive years to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be in the calendar year 2019 subject to ratification of appointment at every Annual General meeting at such remuneration as may be fixed by the Board of Directors.”

## **SPECIAL BUSINESS:**

### **5. Appointment of Mr. Sudarshan Somani (DIN-00137568), as an a Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

**“RESOLVED THAT** Mr. Sudarshan Somani (DIN-00137568), who was appointed as an Additional Director in terms of Section 161(1) of the Companies Act, 2013 with effect from 30<sup>th</sup> May, 2014 and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director as required under the Act, be and is hereby appointed as a Director of the Company, who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution.”

### **6. Appointment of Mr. Hiten Shah (DIN-02185059), an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. Hiten Shah (DIN-02185059), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for a term of 2 (Two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016, not liable to retire by rotation.”

### **7. Appointment of Mr. Asim Santara (DIN- 01659370), as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. Asim Santara (DIN-01659370), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for a term of 2 (Two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016, not liable to retire by rotation.”

**8. Appointment of Mr. Sudarshan Somani (DIN-00137568), as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) as amended from time to time and Clause 49 of the Listing Agreement, including any modification or amendment thereof, Mr. Sudarshan Somani (DIN-00137568), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for a term of 2 (Two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016, not liable to retire by rotation.”

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
4. The Register of Members and Share Transfer Books will remain closed from 20<sup>th</sup> September, 2014 to 22<sup>nd</sup> September, 2014 (both days inclusive).
5. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchange regarding the Directors who are proposed to be reappointed is given in the annexure to the Notice.
6. Members whose shareholding(s) are in electronic mode are requested to inform any changes relating to address, bank mandate and Electronic Clearing Services (ECS) details to their respective Depository Participants and in case of physical shares, to the Company's Registrar & Share Transfer Agent ADROIT CORPORATE SERVICES PRIVATE LIMITED, 17/20, Jafferboy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri-East, Mumbai- 400059 together with a valid proof of address.
7. Members are requested to quote their Registered Folio Number or their Client ID number with DP ID on all correspondence with the Company as the case may be.
8. Members/Proxy holders are requested to bring their copies of the Annual Report to the Annual General Meeting.
9. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
10. Members are requested to send their queries to the Company, if any, on accounts and operations of the Company at least seven days before the meeting so that the same could be suitably answered at the meeting.
11. In line with measures of Green Initiative taken by the Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively) and Companies Act, 2013 also provides for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail ID's with Adroit Corporate Services Private Limited and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs).

### **Instructions for E-Voting**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to physical voting to all the Members of the Company. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically. E-voting is optional for the Members.

The instructions to Members for e-voting are as under:

**(a) In case of Members receiving an e-mail from NSDL:**

- (i) Open the PDF file attached to the e-mail, using your Client ID/Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Insert User ID and Initial Password as noted in step (i) above and click 'Login'
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-voting – Active Voting cycles.
- (vii) Select EVEN of Sunteck Realty Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on Confirm when prompted. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (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, to the Scrutinizer through e-mail [nvr54@ymail.com](mailto:nvr54@ymail.com) or [cosec@sunteckindia.com](mailto:cosec@sunteckindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**(b) In case of Members receiving physical copy of the Notice of Annual General Meeting (AGM) and Attendance Slip**

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

| Even (e voting event number) | User id | Password/pin |
|------------------------------|---------|--------------|
|                              |         |              |

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xi) above, to cast vote.
- (iii) In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the 'Downloads' section of <http://www.evoting.nsdl.com>. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **General Instructions:**

- (i) If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- (ii) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, 15<sup>th</sup> August 2014.
- (iii) In terms of Clause 35B of the Listing Agreement entered into with the stock exchange, the Company has provided an option to their Members who do not have access to the e-voting facility, to cast their votes by way of a ballot. The ballot form is enclosed with this.
- (iv) The facility of e-voting shall commence at 10.00 am on Monday, 15<sup>th</sup> September 2014 and shall remain open up to 6.30 pm on Wednesday, 17<sup>th</sup> September 2014. Members will not be able to cast their votes after 6.30 pm on 17<sup>th</sup> September, 2014.
- (v) Institutional Members (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, to the Scrutinizer through e-mail [nvr54@ymail.com](mailto:nvr54@ymail.com) or [cosec@niveditaindia.com](mailto:cosec@niveditaindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (vi) Member(s) can opt for only one mode of voting i.e. either physically voting at the Annual General Meeting, voting through ballot or e-voting. In case a member has cast multiple votes, then voting done by e-voting will be treated as valid.
- (vii) Mr. Veeraraghavan N., Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot

form received from the Member(s) who do not have access to the e-voting process) in a fair and transparent manner.

- (viii) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of atleast two witnesses, not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour of, or against, if any, forthwith to the Chairman of the Company.
- (ix) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Veeraraghvan N., Practicing Company Secretary not later than 6.30 pm on Wednesday, 17<sup>th</sup> September, 2014. Ballot Form received thereafter will be treated as invalid.
- (x) The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.niveditaindia.com](http://www.niveditaindia.com) within two working days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**For and on Behalf of the Board**

**Sd/-**

**Director**

**Mumbai: 14<sup>th</sup> August, 2014**

Registered Office:  
5<sup>th</sup> Floor, Sunteck Centre,  
37-40, Subhash Road,  
Vile Parle (East),  
Mumbai 400

**Explanatory Statement Pursuant to section 102 (1) of the companies Act, 2013, in respect of Special business set out in Notice:**

**Item No. 5**

The Board of Directors of the Company had appointed Mr. Sudarshan Somani, as an Additional Director under section 161(1) of the Companies Act, 2013 (the Act) on 30<sup>th</sup> May, 2014 to hold office till the ensuing Annual General Meeting. The Company has received a notice u/s 160 of the Act from a member proposing Mr. Sudarshan Somani, to be appointed as a Director of the Company.

Mr. Somani has expertise and wide experience in international commodity trading & terminal markets such as London Metal Exchange. He has dealt in soft & hard commodities specializing in non ferrous metals, agricultural produce & waste papers. He has served as non executive Independent Director on the Board of Rama Newsprint and Papers Limited. His other directorship includes Sudarshan Investment & Export Co. Pvt Ltd., Satyanarayan Traders & Investors Pvt Ltd., Amigo Mercantile Pvt Ltd., Kanakratan Agency Pvt Ltd and Sudarshan Enterprise.

None of the Directors, Key Managerial Personnel and their relatives thereof other than Mr. Sudarshan Somani and their relatives are concerned or interested in the resolution for his appointment.

The resolution set out in Item nos. 5 of this Notice is accordingly recommended for the approval by the members as Ordinary Resolution.

**Item No. 6, 7 and 8**

The Companies Act, 2013 ("the Act") provides for appointment of Independent Directors for a term up to 5 consecutive years. Further the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company.

The following Directors are Independent Directors viz. Mr. Hiten Shah, Mr. Asim Santara and Mr. Sudarshan Somani on the Board of the Company. It is proposed to appoint each of them as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 2 (Two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016, not liable to retire by rotation.

The above mentioned Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received declarations from each of them that they meet the criteria of independence as prescribed under subsection (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Hiten Shah, Mr. Asim Santara and Mr. Sudarshan Somani fulfils the conditions for their appointment as Independent Directors as specified in the Act, the Rules made there under and the Listing Agreement. All of them are independent of the management.

Considering their vast experience, their presence on the Board will be of immense value to the Company.

A copy of their draft letters of appointment as Independent Directors setting out the terms and conditions are available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

None of the Directors, Key Managerial Personnel and their relatives thereof other than Mr. Hiten Shah, Mr. Asim Santara Mr. Sudarshan Somani and their relatives are concerned or interested in the respective resolutions for their appointment.

The resolutions as set out in Item nos. 6, 7 & 8 of this Notice are accordingly recommended for the approval by the members as Ordinary Resolution.

**For and on Behalf of the Board**

**Mumbai: 14<sup>th</sup> August, 2014**

**Sd/-  
Director**

Registered Office:  
5<sup>th</sup> Floor, Sunteck Centre,  
37-40, Subhash Road,  
Vile Parle (East),  
Mumbai 400

**Brief Profile of Director seeking appointment/re appointment at the ensuing Annual General Meeting of the Company:**

(As required under Clause 49 IV (G) of the Listing Agreement entered into with the Stock Exchanges):-

|                                                                            |                                                                          |                                                                         |                                                                     |                                                                     |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Name of Director</b>                                                    | Mr. Rajeshkumar Mundra                                                   | Mr. Hiten Shah                                                          | Mr. Asim Santara                                                    | Mr. Sudarshan Somani                                                |
| <b>Age</b>                                                                 | 42 years                                                                 | 49 years                                                                | 51 Years                                                            | 51 Years                                                            |
| <b>Qualifications</b>                                                      | Chartered Accountant, Cost Accountant and Company Secretary              | Chartered Accountant                                                    | Chartered Accountant                                                | B. com                                                              |
| <b>Date of Appointment</b>                                                 | 10 <sup>th</sup> November, 2012<br>(Appointed as an Additional Director) | 4 <sup>th</sup> February, 2011<br>(Appointed as an Additional Director) | 28 <sup>th</sup> May, 2011<br>(Appointed as an Additional Director) | 30 <sup>th</sup> May, 2014<br>(Appointed as an Additional Director) |
| <b>Expertise</b>                                                           | 16 years of experience in the field of Financial Market and Accounts     | 23 years of experience in the field of Accounting and Finance           | Accounts and Finance                                                | Expertise in the Business of Investments and Trading                |
| <b>Directorship in other Public Limited Companies as on March 31, 2014</b> | Nil                                                                      | SW Investments Limited                                                  | Royal India Corporation Limited                                     | Nil                                                                 |
| <b>Chairman/ Member of the</b>                                             | Member of an Audit Committee                                             | Member of an Audit Committee                                            | Chairman of an Audit Committee                                      | Nil                                                                 |

|                                                                                                   |                                                            |                                                                |                                                            |     |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------|-----|
| <b>Audit Committee as on March 31, 2014</b>                                                       |                                                            | of Nivedita Mercantile and Financing Ltd and SW Investment Ltd |                                                            |     |
| <b>Chairman/ Member of the Shareholders'/ Investors/ Grievance Committee as on March 31, 2014</b> | Member of an Shareholders / Investors' Grievance Committee | Chairman of an Shareholders / Investors' Grievance Committee   | Member of an Shareholders / Investors' Grievance Committee | Nil |
| <b>No. of Shares held in the Company as on March 31, 2014</b>                                     | Nil                                                        | Nil                                                            | Nil                                                        | Nil |

## DIRECTORS' REPORT

To the Members,

Yours Directors take the privilege of presenting the 29<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2014 to the members of the Company.

### FINANCIAL RESULTS

(Rupees in Lacs)

| Particulars             | For the Year ended on 31.03.2014 | For the Year ended on 31.03.2013 |
|-------------------------|----------------------------------|----------------------------------|
| Total Income            | 1953.82                          | 1606.38                          |
| Expenditure             | 1590.70                          | 1411.14                          |
| Profit before Tax       | 363.12                           | 195.24                           |
| Less: Provision for Tax | 136.33                           | 72.73                            |
| Profit after Taxation   | 226.79                           | 122.51                           |

### PERFORMANCE

During the year under review, the Company has earned Total Income of Rs. 1953.82/- Lacs and earned Net Profit of Rs. 226.79/- Lacs compared to total income of Rs. 1606.38/- Lacs and Net Profit of Rs. 122.51 Lacs in the previous year. As it is evident from the data, the Directors are pleased to inform the members that the performance of the Company has improved manifold and the Board is confident of better performance for the forthcoming year.

### DIVIDEND

During the year under review, your Directors declared an Interim Dividend of Rs. 0.50/- per Equity share (@5%) on 18,54,300 Equity Shares held by persons/ entities other than Promoters amounting to Rs.9,27,150/- (Rupees Nine Lacs Twenty Seven Thousand One Hundred and Fifty Only) out of the profits of the Company. The promoters of your Company having voluntarily and irrevocably waived their entitlement to receive the said interim dividend on equity shares, no Interim Dividend was declared on 54,47,700 Equity Shares held by the promoter group.

The Board of Directors have also recommended Final dividend @5% i.e. Rs. 0.50/- per Equity share on 34,79,298 Equity Shares held by persons/ entities other than Promoters amounting to Rs.17,39,649/- (Rupees Seventeen Lacs Thirty Nine Thousand Six Hundred and Forty Nine Only) out of the profits of the Company for the financial year 2013-14 for the approval of shareholders. The promoters of your Company having voluntarily and irrevocably waived their entitlement to receive the said Final Dividend on equity shares, no Final Dividend is declared on 64,31,032 Equity Shares held by the promoter group.

### FIXED DEPOSITS

During the year under review, the Company has neither invited nor accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956.

## **DIRECTOR**

Re-appointment: Mr. Rajeshkumar Mundra, who is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors recommends the re-appointment of Mr. Rajeshkumar Mundra for your approval.

## **AUDITORS**

M/s Bagaria and Co., Chartered Accountants, Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment for consecutive terms of 5 years starting from 2014-2015. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limit under Section 139(2) of the Companies Act, 2013 and they are not disqualified for such re-appointment within the meaning of Section 141 of the said Act.

The Board of Directors recommends the re-appointment of Statutory Auditors for consecutive terms of 5 years starting from 2014-2015 for your approval.

## **PREFERENTIAL ALLOTMENT**

During the current year, the Company had allotted 38,02,000 Equity Shares of Rs. 10/- each at a premium of Rs.90 per Share and 26,08,330 Equity Shares of Rs. 10/- each at a premium of Rs.110 per Share, to the Promoter and Non Promoters of the Company on preferential basis.

## **SECRETARIAL COMPLIANCE REPORT**

Compliance Certificate pursuant to Section 383A (1) of the Companies Act, 1956 is attached to this Report.

## **CORPORATE GOVERNANCE REPORT**

As required under Clause 49 of the Listing Agreement, the report on Corporate Governance is attached to this Report.

## **POSTAL BALLOT FOR OBTAINING APPROVAL OF MEMBERS UNDER SECTION 180(1) (a) AND 180(1) (c)**

Pursuant to the notification issued by Ministry of Corporate Affairs on 12<sup>th</sup> September, 2013, the Company conducted a Postal Ballot during the period under review to seek approval of the Members by way of special resolutions under section 180(1)(c) read with section 180(2) of the Companies Act, 2013, to grant authority to the Board of Directors for increasing the borrowing powers of the Company and under section 180(1)(a) of the Companies Act, 2013 to grant

authority to the Board of Directors to create charge/ hypothecate/ mortgage property of the Company, which were duly passed with requisite majority on 31<sup>st</sup> March 2014.

## **STATUTORY DISCLOSURES**

- a) Particulars of the employees of the Company pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is not given as none of the employees come under the purview of these provisions.
- b) Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998:
  - i. Part A and Part B relating to Conservation of Energy and Technology Absorption are not applicable to the Company as your Company is not a manufacturing Company.
  - ii. Foreign Exchange Earning and Outgo: - The Company has neither spent nor earned any foreign exchange during the year under review.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- b) The accounting policies have been consistently applied and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and the Profit and Loss Account of the Company for the period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

## **ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by the employees.

**For and on Behalf of the Board**

**SD/-  
Chairman  
Mumbai: 30<sup>th</sup> May, 2014**

## ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

The report on the Corporate Governance requirements as stipulated by Clause 49 of the Listing Agreement is furnished below.

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with Laws and Regulations.

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of the Board:

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement. The Company has a Non Executive Chairman and one third of the Board comprises of Independent Directors.

#### 2.2 Board Meetings:

During the financial year ended 31<sup>st</sup> March 2014, the Board of Directors of the Company had met four times (i.e. on 30<sup>th</sup> May, 2013, 12<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 12<sup>th</sup> February 2014).

| Name of Director | Category                  | No. of Board Meetings attended during the period under review | Attendance at the last AGM held on 27 <sup>th</sup> September 2013 | Number of Directorship in other Public Limited companies (including Pvt. Ltd co's which are subsidiaries of Public Ltd Co) as on 31 <sup>st</sup> March, 2014 | No. of Committee positions held in other Public Limited companies as on 31 <sup>st</sup> March, 2014 |        |
|------------------|---------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------|
|                  |                           |                                                               |                                                                    |                                                                                                                                                               | Chairman                                                                                             | Member |
| Asim Santara     | Independent Non Executive | 4                                                             | Yes                                                                | Nil                                                                                                                                                           | Nil                                                                                                  | Nil    |

|                           |                                        |   |     |     |     |     |
|---------------------------|----------------------------------------|---|-----|-----|-----|-----|
| Hiten Shah                | Independent<br>Non<br>Executive        | 4 | Yes | 1   | Nil | 1   |
| Rajesh<br>Kumar<br>Mundra | Non<br>Independent<br>Non<br>Executive | 4 | Yes | Nil | Nil | Nil |

The names of members of the Board of Directors, their attendance at the Board Meetings of the Company and last Annual General Meeting, number of Directorships / Committee Memberships in other companies during the period under review is given below:

During the year, applicable information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

### **3. AUDIT COMMITTEE**

#### **3.1 Constitution of the Audit Committee:**

The constitution of Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement. The Members of the Committee consists of Mr. Asim Santara, Independent Director as Chairman and Mr. Rajesh Kumar Mundra and Mr. Hiten Shah as Members of the committee.

#### **3.2 Role of the Audit Committee:**

The composition, powers, role and terms of reference of Audit Committee covers all matters specified under Clause 49 of the Listing Agreement of the Stock Exchanges, which inter alia includes the following:

- i. To oversee the Company's financial reporting process and ensuring that the quarterly/annual financial statements are true, correct and credible.
- ii. To recommend to the Board appointment, re-appointment, replacement and removal of Statutory Auditor, fixation of their remuneration and approval for payment for any other services rendered by the Statutory Auditors.
- iii. To review financial reports with particular reference to matters included in Directors' Responsibility Statement in terms of Section 217 (2AA) of Companies Act, 1956, changes in accounting policies, practices, reasons for the same.
- iv. To review the major accounting entries, significant adjustment in financial statements, compliance with listing and other legal requirements, disclosures of related party transactions and qualifications by Auditors in the draft Audit report.
- v. To hold periodical discussion with Statutory Auditors of the Company concerning the accounts of the Company, scope of audit and observations of the Statutory Auditors.
- vi. To review compliance with internal control system.

- vii. To make recommendation to the Board on any matter relating to financial management of the Company, including the Audit Report.

### **3.3 Meetings of the Audit Committee:**

During the financial year under review, four meetings of the Audit Committee were held i.e. on 30<sup>th</sup> May, 2013, 12<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 12<sup>th</sup> February 2014. The current composition of the Committee is as follows:

| <b>Name of the Director</b> | <b>Chairman/ Member</b> | <b>Category</b>                   | <b>No. of Meetings Held Attended</b> |   |
|-----------------------------|-------------------------|-----------------------------------|--------------------------------------|---|
| Asim Santara                | Chairman                | Independent Non Executive         | 4                                    | 4 |
| Hiten Shah                  | Member                  | Independent Non Executive         | 4                                    | 4 |
| Rajesh Kumar Mundra         | Member                  | Non Independent and Non Executive | 4                                    | 4 |

## **4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

### **4.1 Constitution of the Shareholders' / Investors' Grievance Committee:**

The constitution of Shareholders/Investors Grievance Committee is in line with the provisions of Clause 49 of the Listing Agreement. The Members of the Committee consists of Mr. Hiten Shah, Independent Director as Chairman and Mr. Rajeshkumar Mundra and Mr. Asim Santara as Members of the committee.

### **4.2 Role of the Shareholders' / Investors' Grievance Committee:**

The Company has constituted the Shareholders/Investors Grievance Committee of Directors to attend to the complaints of investors.

The Committee examines the grievances of the Shareholders and tries to redress the same within a reasonable period of time.

### **4.3 Meetings of the Shareholders/Investors Grievance Committee:**

During the financial year under review, four meetings of the Shareholders/Investors Grievance Committee were held i.e. on 30<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 13<sup>th</sup> November 2013, and 12<sup>th</sup> February 2014.

| Name of the Director | Chairman/Member | Category                      | No. of Meetings |          |
|----------------------|-----------------|-------------------------------|-----------------|----------|
|                      |                 |                               | Held            | Attended |
| Hiten Shah           | Chairman        | Independent Non Executive     | 4               | 4        |
| Asim Santara         | Member          | Independent Non Executive     | 4               | 4        |
| Rajeshkumar Mundra   | Member          | Non Independent Non Executive | 4               | 4        |

During the financial year under review, the Company has not received any complaint from shareholders.

**Name, Designation and Address of the Compliance Officer:**

**Ms. Madhura Kolwalkar**

5<sup>th</sup> Floor Sunteck Centre,  
37-40 Subhash Road,  
Vile Parle (East)  
Mumbai 400057

## 5. GENERAL BODY MEETINGS

**i. Details of last three Annual General Meetings of the Company held are given below:**

| Date                             | Venue                                                     | Time      | No. of Special Resolution Passed |
|----------------------------------|-----------------------------------------------------------|-----------|----------------------------------|
| 27 <sup>th</sup> September, 2013 | M.I.G. Club, M.I.G. Colony, Bandra (East), Mumbai 4000591 | 5.00 p.m. | Nil                              |
| 18 <sup>th</sup> September, 2012 | M.I.G. Club, M.I.G. Colony, Bandra (East), Mumbai 4000591 | 4.00 p.m. | Nil                              |
| 28 <sup>th</sup> September, 2011 | M.I.G. Club, M.I.G. Colony, Bandra (East), Mumbai 4000591 | 4.00 p.m. | Nil                              |

**ii. Details of Extra-Ordinary General Meetings of the Company held are given below:**

| Date                        | Venue                                  | Time       | No. of Special Resolution Passed |
|-----------------------------|----------------------------------------|------------|----------------------------------|
| 31 <sup>st</sup> July, 2013 | 5 <sup>th</sup> Floor, Sunteck Centre, | 10.00 a.m. | 1                                |

|  |                                                           |  |  |
|--|-----------------------------------------------------------|--|--|
|  | 37-40 Subhash Road,<br>Vileparle (E), Mumbai -<br>400057. |  |  |
|--|-----------------------------------------------------------|--|--|

## 6. DISCLOSURES

### Basis of Related Party Transaction

All transactions with related parties, wherever applicable, including transactions of material nature between the Company and its promoters, directors, management, relatives etc. are disclosed in the Notes to the Accounts forming part of the Annual Report. There were no materially significant related party transactions during the year having conflict with the interests of the Company.

### Non Compliances/Strictures/Penalties Imposed

During the last three years, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market. However the listing status of the Company was suspended from the Madhya Pradesh Stock Exchange till the time Company furnishes all the listing compliances as per listing agreement. The Company has now received Regularization Letter from MPSE, dated 24<sup>th</sup> June, 2013.

### Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

### Non mandatory requirements

The Company has reviewed the non mandatory requirements under Clause 49 of the Listing Agreement and these shall be adopted/ complied by the Company on need based.

## 7. MEANS OF COMMUNICATION

The Company is publishing its Quarterly Unaudited Financial Results and the Annual Audited Financial Results in the widely circulated national and local newspapers viz. “Asian Age” and “Aapla Mahanagar.”

## 8. GENERAL SHAREHOLDER INFORMATION

### (i) 29<sup>th</sup> Annual General Meeting:

Date: 22<sup>nd</sup> September, 2014

Time: 10.00 PM

Venue: Sunteck Centre, Ground Floor, 37-40, Subhash Road, Vile Parle- East, Mumbai- 400057.

**(ii) Financial Year:**

|                                                                 |                                               |
|-----------------------------------------------------------------|-----------------------------------------------|
| Accounting year                                                 | :April to March                               |
| Financial reporting for the quarter ending June 30, 2014        | :On or before 14 <sup>th</sup> August, 2014   |
| Financial reporting for the half year ending September 30, 2014 | :On or before 14 <sup>th</sup> November, 2014 |
| Financial reporting for the quarter ending December 31, 2014    | :On or before 14 <sup>th</sup> February, 2015 |
| Financial reporting for the year ending March 31, 2015          | :On or before 30 <sup>th</sup> May, 2015      |
| Annual General Meeting for the year ended March 31, 2015        | :September, 2015                              |

**(iii) Date of Book Closure:**

20<sup>th</sup> September, 2014 to 22<sup>nd</sup> September, 2014 (both days inclusive)

**(iv) Dividend Payment Date:**

The Board has recommended a dividend of 5% i.e. (Rs.0.50 per Share). If declared by the Shareholders in the Annual General Meeting, the same will be paid within 30 days of declaration of Dividend.

**(v) Listing on Stock Exchanges:**

The Company's equity shares are listed on The BSE Limited and Madhya Pradesh Stock Exchange Limited.

The Company confirms that it has paid annual listing fees due to the Stock exchanges for the year 2014-2015.

**(vi) Stock code:**

BSE Ltd, Mumbai : 512381  
Madhya Pradesh Stock Exchange, Indore: 512381

**(vii) Market Price Data:**

The high/low market price of the Company's shares in each month during the last financial period under review 2013-2014 was:

| Month      | High | Low  |
|------------|------|------|
| April 2013 | -    | -    |
| May 2013   | -    | -    |
| June 2013  | 2.92 | 2.66 |

|                |       |       |
|----------------|-------|-------|
| July 2013      | 4.27  | 3.06  |
| August 2013    | 6.57  | 4.48  |
| September 2013 | 11.7  | 6.89  |
| October 2013   | 15.65 | 12.28 |
| November 2013  | -     | -     |
| December 2013  | -     | -     |
| January 2014   | -     | -     |
| February 2014  | 16.4  | 16.4  |
| March 2014     | -     | -     |

**(viii) Registrar and Transfer Agents:**

Adroit Corporate Services Private Limited  
1<sup>st</sup> Floor, 19 Jafferboy Ind. Estates,  
Makwana Road, Marol Naka,  
Mumbai- 400059

**(ix) Share Transfer System:**

The process of the transfer of the shares of the Company is handled by the Company's Registrar & Transfer Agents.

**(x) Distribution of shareholding as on 31<sup>st</sup> March 2014:**

| SHARE HOLDING OF<br>NOMINAL VALUE OF | SHARE HOLDERS |            | SHARE AMOUNT |            |
|--------------------------------------|---------------|------------|--------------|------------|
|                                      | Number        | % of Total | In Rs.       | % of Total |
| 1 – 5000                             | 142           | 62.01      | 128360       | 0.13       |
| 5001 – 10,000                        | 5             | 2.18       | 47300        | 0.05       |
| 10,001 -20,000                       | 7             | 3.05       | 132580       | 0.13       |
| 20,001- 30,000                       | 9             | 3.93       | 250370       | 0.25       |
| 30,001- 40,000                       | 2             | 0.87       | 75000        | 0.08       |
| 40,001- 50,000                       | 0             | 0          | 0            | 0          |
| 50,001-100,000                       | 4             | 1.74       | 309600       | 0.31       |
| 100,001 and above                    | 60            | 26.20      | 98160090     | 99.05      |
| TOTAL                                | 229           | 100        | 99103300     | 100        |

**(xi) Shareholding Pattern (category wise) as on 31<sup>st</sup> March 2014:**

| CATEGORY OF SHAREHOLDERS       | NO. OF<br>SHAREHOLDERS | NO. OF<br>SHARES<br>HELD | % OF<br>HOLDING |
|--------------------------------|------------------------|--------------------------|-----------------|
| Indian Promoters               | 14                     | 6431032                  | 64.89           |
| Financial Institutions & Banks | NIL                    | NIL                      | NIL             |

|                                      |     |         |       |
|--------------------------------------|-----|---------|-------|
| Mutual Funds & UTI                   | NIL | NIL     | NIL   |
| FII's                                | NIL | NIL     | NIL   |
| NRIs/OCBs                            | NIL | NIL     | NIL   |
| Corporate Bodies                     | 15  | 942598  | 9.51  |
| Individual ( Capital up to Rs.1 lac) | 166 | 83390   | 0.84  |
| Individual (Capital above Rs. 1 lac) | 34  | 2453310 | 24.76 |
| Clearing Members Transit Position    | NIL | NIL     | NIL   |
| Market Maker                         | NIL | NIL     | NIL   |
| Trusts                               | NIL | NIL     | NIL   |
| TOTAL                                | 229 | 9910330 | 100   |

**(xii) Dematerialization of Shares:**

As of 31<sup>st</sup> March 2014, 72,63,400 Equity Shares of the Company (73.29%) are held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.

**(xiii) Outstanding GDRs/ADRs/Warrants:**

The Company has not issued any GDRs/ADRs/Warrants during the year under review.

**(xiv) Address for Correspondence:**

Registered Office of the Company  
Nivedita Mercantile and Financing Limited  
5<sup>th</sup> Floor, Sunteck Centre, 37-40,  
Subhash Road, Vile Parle (E),  
Mumbai 400057  
Email ID: [cosec@niveditaindia.com](mailto:cosec@niveditaindia.com)

**For and on behalf of the Board of Directors**

**Sd/-**

**Director**

**Mumbai, 30<sup>th</sup> May 2014**

**Veeraraghavan.N**  
Practicing Company Secretary  
B.Sc. LL.B. A.C.S.

B-7 & 8, Ground Floor  
Satyam Commercial Complex  
M.G Road, Ghatkopar (East)  
Mumbai 400077  
Ph: 25017805 Mob:9821528844  
Email : nvr54@ymail.com

### **COMPLIANCE CERTIFICATE**

**To,**  
The Members,  
Nivedita Mercantile and Financing Limited

I have examined the registers, records, books and papers of Nivedita Mercantile and Financing Limited as required under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers and agents, I certify that in respect of the aforesaid financial year:

- 1 The Company has kept and maintained the registers as stated in Annexure – A to this Certificate, as per the provisions and the rules made there under and entries therein have been duly recorded.
- 2 The Company has filed the forms and returns as stated in Annexure – B to this Certificate, with the Registrar of companies.
- 3 The Company being a public limited company, comments are not required.
- 4 The Board of Directors duly met Four times [30<sup>th</sup> May, 2013, 12<sup>th</sup> August 2013, 13<sup>th</sup> November 2013 and 12<sup>th</sup> February 2014] and proceedings were properly recorded in the Minutes Book maintained for the purpose.
- 5 The Company has closed its Register of Members from 24<sup>th</sup> September, 2013 to Friday, 27<sup>th</sup> September, 2013.
- 6 The Annual General Meeting for the Financial year ended 31<sup>st</sup> March 2013 was held on 27<sup>th</sup> September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for this purpose.
- 7 The Company has convened an Extra Ordinary General Meeting of the Members of the Company on 31<sup>st</sup> July, 2013.
- 8 The Company has complied with the provisions of Section 295 of the Act.

- 9 The Company has complied with the provision of Section 297 of the Act.
- 10 The Company has made entries in the Register maintained under Section 301 of the Act, wherever required.
- 11 As there were no instances falling within the purview of Section 314 of the Act, the Company is not required to obtain any approvals from the Board of Directors, Members or Central Government, as the case may be.
- 12 The Company has not issued any duplicate certificates during the financial year.
- 13 The Company has
- i) Allotted 38,02,000 Equity shares of Rs. 10/- each at Premium of Rs. 90/- and 26,08,330 Equity shares of Rs. 10/- each at Premium of Rs. 110/- of the Company.
  - ii) deposited the amount of dividend declared including interim dividend in a separate Bank Account within the prescribed time which is within five days from the date of declaration of such dividend.
  - iii) Paid/posted warrants for dividends to all the members within the prescribed time and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
  - iv) There were no instances where the Company had to transfer any amounts to Investor Education and Protection Fund.
  - v) The Company has duly complied with the requirements of Section 217 of the Act.
- 14 The Board of Directors of the Company was duly constituted.
- 15 The Company has not appointed any Managing Director / whole time director / Manager during the period under Report.
- 16 The Company has not appointed any sole selling agent.
- 17 The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities as prescribed under the various provisions of the Act.
- 18 The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules there under.
- 19 The Company has not issued any Bonus shares.
- 20 The Company has not bought back any shares.
- 21 There was no redemption of preference shares or debentures.
- 22 There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights share and bonus shares pending registration of transfer of shares.

- 23 The Company has not accepted deposits including unsecured loans falling within the purview of Section 58A of the Act.
- 24 The Company has complied with, the provisions of Section 293(1) (d) of the Act.
- 25 The Company has complied with, the provisions of Section 372 A of the Act.
- 26 The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another.
- 27 The Company has not altered the provisions of the Memorandum with respect to Objects of the Company.
- 28 The Company has not altered the provisions of the Memorandum with respect to the name of the Company.
- 29 The Company has not altered the provisions of the Memorandum of association.
- 30 The Company has not altered the provisions of the Articles of association.
- 31 As explained to me by the Company and its officers, there was no prosecution initiated or show cause notices received by the Company for the offences under the Act.
- 32 The Company has not received any money as security deposit from its employees.
- 33 The Provisions of Employees' Provident Fund Act are not applicable to the Company.

**Veeraraghvan N.**  
**C.P.No . 4334**  
**Date: 30<sup>th</sup> May 2014**

## **Annexure – A**

Registers maintained by the Company:

1. Register of Members u/s 150
2. Register of Contracts u/s 301
3. Register of Directors', Managing Directors u/s 303
4. Register of Directors' shareholding u/s 307
5. Register of charges u/s 143
6. Minutes Book of meetings of the Directors and General meeting u/s 193
7. Register of transfers
8. Register of Investments u/s 372A

## **Annexure – B**

Forms and returns filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March 2014:

| Document Type    | Date of Filing | Whether filed on prescribed time | If Delayed whether Requisite Additional fee paid |
|------------------|----------------|----------------------------------|--------------------------------------------------|
| Form 32          | 15/04/2013     | NO                               | YES                                              |
| Form 32          | 12/04/2013     | NO                               | YES                                              |
| Form 62          | 10/05/2013     | YES                              | NO                                               |
| Form 23          | 17/06/2013     | YES                              | NO                                               |
| Form 23          | 08/08/2013     | YES                              | NO                                               |
| Form 2           | 05/09/2013     | YES                              | NO                                               |
| Form 66          | 04/10/2013     | YES                              | NO                                               |
| Form 23 AC & ACA | 19/10/2013     | YES                              | NO                                               |
| Form 23B         | 23/10/2013     | YES                              | NO                                               |
| Form 32          | 08/11/2013     | YES                              | NO                                               |
| Form 62          | 18/11/2013     | YES                              | NO                                               |
| Form 20B         | 26/11/2013     | YES                              | NO                                               |
| Form 62          | 14/02/2014     | YES                              | NO                                               |
| Form 23          | 15/02/2014     | NO                               | YES                                              |

## **Auditor's Report**

### **To The Members of Nivedita Mercantile & Financing Limited Report on the Financial Statements**

We have audited the accompanying financial statements of Nivedita Mercantile & Financing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's 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 and cash flows 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") read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

### **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.

### **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;
- b) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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.
- 2. 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - 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 Bagaria & Co., LLP**

Chartered Accountants

(Firm Registration No.113447W/W-100019)

**SD/-**

**Vinay Somani**

Partner

Membership No. : 143503

Mumbai, 30<sup>th</sup> May, 2014

## **Annexure to the Independent Auditor's Report – 31<sup>st</sup> March, 2014**

(Referred to in 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. There are no fixed assets and therefore clause 4(i) of the order is not applicable.
2. There is no inventory and therefore clause 4(ii) of the order is not applicable.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
  - (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the grant of loans & advances & charging of interest. The nature of the Company's business is such that it does not involve any sale of goods or purchase of inventory. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lac rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Company does not belongs to list of Companies as prescribed under Section 209(1)(d) of the Companies Act,1956 and therefore clause 4(viii) of the order is not applicable.
9. (a) According to the records of the company, undisputed statutory dues including Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not a dealer or trader in securities. The company has however maintained proper records of transactions and contracts in respect of investments and timely entries have been made therein.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For Bagaria & Co., LLP**

Chartered Accountants

(Firm Registration No.113447W/W-100019)

SD/-

**Vinay Somani**

Partner

Membership No. : 143503

Mumbai

30<sup>th</sup> May, 2014

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE  
GOVERNANCE**

To,

**The Members of Nivedita Mercantile and Financing Limited**

We have examined the compliance of the conditions of Corporate Governance by **Nivedita Mercantile and Financing Limited** ("the Company") for the year ended 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

**For Bagaria & Co., LLP**  
**Chartered Accountants**  
**(Firm Registration No.113447W/W-100019)**

SD/-

**Vinay Somani**  
**Partner**

**Membership No. : 143503**

**Mumbai**

**30<sup>th</sup> May, 2014**

**NIVEDITA MERCANTILE AND FINANCING LIMITED**

**BALANCE SHEET**

|                                                                                                                 | Notes        | As at<br>31st March, 2014 | As at<br>31st March, 2013 |
|-----------------------------------------------------------------------------------------------------------------|--------------|---------------------------|---------------------------|
|                                                                                                                 |              | Rs                        | Rs                        |
| <b><u>EQUITY AND LIABILITIES</u></b>                                                                            |              |                           |                           |
| <b>SHAREHOLDERS' FUND</b>                                                                                       |              |                           |                           |
| Share capital                                                                                                   | 2            | 99,103,300                | 35,000,000                |
| Reserves and Surplus                                                                                            | 3            | 863,325,177               | 215,237,477               |
| <b>CURRENT LIABILITIES</b>                                                                                      |              |                           |                           |
| Short-term borrowings                                                                                           | 4            | 788,283,460               | 2,693,072,947             |
| Trade payable                                                                                                   | 5            | 638,316                   | 140,415                   |
| Other current liabilities                                                                                       | 6            | 3,533,503                 | 4,144,270                 |
| Short-term provisions                                                                                           | 7            | 17,187,936                | 5,655,339                 |
| <b>TOTAL</b>                                                                                                    |              | <b>1,772,071,692</b>      | <b>2,953,250,448</b>      |
| <b><u>ASSETS</u></b>                                                                                            |              |                           |                           |
| <b>NON - CURRENT ASSETS</b>                                                                                     |              |                           |                           |
| Non-current investments                                                                                         | 8            | 403,540,541               | 95,335,979                |
| Long-term loans and advances                                                                                    | 9            | 24,691,435                | 19,315,255                |
| <b>CURRENT ASSETS</b>                                                                                           |              |                           |                           |
| Cash and Bank balance                                                                                           | 10           | 7,623,974                 | 11,302,247                |
| Short-term loans and advances                                                                                   | 11           | 1,332,084,400             | 2,827,296,967             |
| Other Current Assets                                                                                            | 12           | 4,131,342                 | -                         |
| <b>TOTAL</b>                                                                                                    |              | <b>1,772,071,692</b>      | <b>2,953,250,448</b>      |
| <b>Significant Accounting Policies and the accompanying notes form an integral part of financial statements</b> | 1<br>1 to 18 |                           |                           |

In terms of our report attached.

**For Bagaria & Co., LLP**

Chartered Accountants

Firm Registration No :113447W/W-100019

Sd/

**Vinay Somani**

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2014

**For and on behalf of the Board of Directors**

**of Nivedita Mercantile and Financing Limited**

Sd/-

**Rajesh Mundra**

Sd/-

**Asim Santara**

Sd/-

**Hiten Shah**

## STATEMENT OF PROFIT AND LOSS

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Notes        | Year ended<br>31st March, 2014 | Year ended<br>31st March, 2013 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------|--------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | Rs.                            | Rs.                            |
| <b>INCOME</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |                                |                                |
| Revenue from operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 13           | 189,975,708                    | 160,112,063                    |
| Other income                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 14           | 5,406,240                      | 525,936                        |
| <b>Total revenue (I)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | <b>195,381,948</b>             | <b>160,637,999</b>             |
| <b>EXPENSES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                                |                                |
| Operating Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 15           | 143,291,253                    | 136,062,861                    |
| Employee benefits expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 16           | 3,370,493                      | 396,977                        |
| Other expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 17           | 12,408,687                     | 4,653,940                      |
| <b>Total expenses (II)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | <b>159,070,433</b>             | <b>141,113,778</b>             |
| Profit for the year before tax (I - II)                                                                                                                                                                                                                                                                                                                                                                                                                                                |              | 36,311,515                     | 19,524,221                     |
| <b>Tax expense:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                |                                |
| Current tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | 13,632,665                     | 7,272,972                      |
| <b>Profit for the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | <b>22,678,850</b>              | <b>12,251,250</b>              |
| Earning per equity share of face value Rs. 10 each:                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                                |                                |
| Basic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              | 3.87                           | 3.72                           |
| Diluted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              | 3.87                           | 3.50                           |
| <b>Significant Accounting Policies and the accompanying notes form an integral part of financial statements</b>                                                                                                                                                                                                                                                                                                                                                                        | 1<br>1 to 18 |                                |                                |
| <p>In terms of our report attached.</p> <p><b>For Bagaria &amp; Co., LLP</b><br/>Chartered Accountants<br/>Firm Registration No :113447W/W-100019</p> <p>Sd/-<br/><b>Vinay Somani</b><br/>Partner<br/>Membership No. 143503</p> <p>Place: Mumbai<br/>Date: 30th May, 2014</p> <p><b>For and on behalf of the Board of Directors of Nivedita Mercantile and Financing Limited</b><br/>Sd/-<br/><b>Rajesh Mundra</b><br/>Sd/-<br/><b>Asim Santara</b><br/>Sd/-<br/><b>Hiten Shah</b></p> |              |                                |                                |

### Cash Flow Statement For The Year Ended 31st March 2014

|                                                                                                            | Year Ended 31st March 2014 |               | Year Ended 31st March 2013 |              |
|------------------------------------------------------------------------------------------------------------|----------------------------|---------------|----------------------------|--------------|
|                                                                                                            | Rs.                        | Rs.           | Rs.                        | Rs.          |
| <b>Cash Flow from Operating Activities</b>                                                                 |                            |               |                            |              |
| Profit Before Tax and Extraordinary Items                                                                  |                            | 36,311,515    |                            | 19,416,314   |
| <b>Adjustment For</b>                                                                                      |                            |               |                            |              |
| Provision for Standard & Sub-Standard Asset                                                                | 10,014,587                 |               | 3,000,000                  |              |
| Dividend Income                                                                                            | (86,228)                   |               | (38,889)                   |              |
| Loss/ (Profit) on Sale of Mutual Funds                                                                     | -                          | 9,928,359     | -                          | 2,961,111    |
| <b>Operating Profit before Working Capital Changes</b>                                                     |                            | 46,239,874    |                            | 22,377,425   |
| Adjustment for:                                                                                            |                            |               |                            |              |
| (Increase)/Decrease in Long Term Loans & Advances, Short Term Loans & Advances and in other current Assets | 1,491,081,225              |               | (922,228,997)              |              |
| Increase/(Decrease) in Short term Borrowings                                                               | (1,904,789,487)            |               | 989,593,266                |              |
| Increase/(Decrease) in Trade Payable, Short Term provisions and other current liabilities                  | 277,591                    | (413,430,671) | 1,176,217                  | 68,540,486   |
| Cash Generated From Operations                                                                             |                            | (367,190,797) |                            | 90,917,910   |
| Income Tax Paid                                                                                            |                            | 19,008,845    |                            | 16,637,692   |
| <b>Net Cash inflow /(used) from Operating Activities (A)</b>                                               |                            | (386,199,642) |                            | 74,280,218   |
| <b>Cash Flow from Investing Activities</b>                                                                 |                            |               |                            |              |
| Purchase of Investment                                                                                     | (308,204,562)              |               | (94,882,009)               |              |
| Sale of Investment                                                                                         | -                          |               | -                          |              |
| Profit on Sale of Mutual Funds                                                                             | -                          |               | -                          |              |
| Dividend on Mutual Funds                                                                                   | 86,228                     | (308,118,334) | 38,889                     | (94,843,120) |
| <b>Net Cash inflow / (used) in Investing Activities (B)</b>                                                |                            | (308,118,334) |                            | (94,843,120) |
| <b>Cash Flow from Financing Activities</b>                                                                 |                            |               |                            |              |
| Warrants Application Money                                                                                 | -                          |               | (9,600,000)                |              |
| Proceeds from Issue of Equity Shares                                                                       | 64,103,300                 |               | 6,000,000                  | -            |
| Proceeds of Securities Premium on issue of equity shares                                                   | 629,096,300                |               | 32,400,000                 | -            |
| Proposed equity dividend & Interim dividend                                                                | (3,151,799)                |               |                            |              |
| Dividend distribution tax on proposed & interim dividend                                                   | (535,651)                  |               |                            |              |
| <b>Net Cash inflow / (used) in Financing Activities (C)</b>                                                |                            | 689,512,150   |                            | 28,800,000   |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>                                                   |                            | (4,805,826)   |                            | 8,237,098    |
| <b>Cash and Cash Equivalents - Opening Balance</b>                                                         |                            | 11,302,247    |                            | 3,065,149    |
| <b>Cash and Cash Equivalents - Closing Balance</b>                                                         |                            | 6,496,421     |                            | 11,302,247   |
| <b>Componets of cash and cash equivalents at the year end</b>                                              |                            |               |                            |              |
| Cash in hand                                                                                               |                            | 957,096       |                            | 486,194      |
| -On Current account                                                                                        |                            | 5,539,325     |                            | 10,816,052   |
| <b>Cash and Cash Equivalents - Closing Balance</b>                                                         |                            | 6,496,421     |                            | 11,302,247   |

1. The above Cash Flow Statement has been prepared under the " Indirect method" set out in Accounting Standard (AS) -3 on Cash Flow

As per our report of even date attached  
**For Bagaria & Co., LLP**  
Chartered Accountants  
Firm Registration No :113447W/W-100019

Sd/-  
**Vinay Somanl**  
Partner  
Membership No. 143503

Place : Mumbai  
Date : 30th May, 2014

**For and on behalf of the Board of Directors**  
**of Nivedita Mercantile and Financing Limited**

Sd/-  
**Rajesh Mundra**  
Sd/-  
**Asim Santara**  
Sd/-  
**Hiten Shah**

## **Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2014**

### **1 SIGNIFICANT ACCOUNTING POLICIES:**

#### **1.1 Basis of preparation**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

#### **1.2 Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

#### **1.3 Revenue Recognition**

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

b) Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

c) Dividend is accounted when the right to receipt is established.

#### **1.4 Fixed Assets & Depreciation**

The Company does not have any Fixed Asset as on 31st March 2014.

#### **1.5 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and market value whichever is less.

All other investments are classified as non current Investments. Non Current Investments are carried at cost, less provision for diminution in value other than temporary.

### **1.5 Taxation**

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961.

### **1.5 Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with AS-20 “Earnings per Share”. Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

### **1.8 Provision**

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **1.9 Contingent Liabilities**

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

### **1.10 Advances**

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

Provision on restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

### **1.11 Cash Flow Statement**

The cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standard on Cash Flow Statement (AS) 3 issued by the ICAI.

### **1.12 Cash and Cash Equivalents**

Cash and Bank Balances that have insignificant risk of change in value including term deposits, which have original durations up to three months, are included in cash and cash equivalents in the Cash Flow Statement.

### **1.13 Share Issue Expenses**

Share issue expense is charged to the statement of Profit & Loss in the year in which it is incurred.

## NOTES TO FINANCIAL STATEMENT

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at 31st March, 2014 | As at 31st March, 2013 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rs.                    | Rs.                    |
| <b>2 Share capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                        |                        |
| <b><u>Share Capital</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |                        |
| <b><u>Authorised</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        |                        |
| 120,000,000 (previous year 120,000,000) Equity Shares of Rs.10 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1,200,000,000          | 1,200,000,000          |
| <b>Total authorised share capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1,200,000,000</b>   | <b>1,200,000,000</b>   |
| <b><u>Issued, Subscribed and Paid up</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                        |
| 99,10,330 (previous year 35,00,000) equity shares of Rs. 10 each fully paid up                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 99,103,300             | 35,000,000             |
| <b>Total issued, subscribed and fully paid up share capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>99,103,300</b>      | <b>35,000,000</b>      |
| <b>a. Reconciliation of shares outstanding at the beginning and at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                        |                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at 31st March, 2014 | As at 31st March, 2013 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Number of Shares       | Number of Shares       |
| Equity shares of Rs. 10 each                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                        |
| Outstanding at the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3,500,000              | 2,900,000              |
| Add: Conversion of warrants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                      | 600,000                |
| Add: Fresh Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 64,103,300             | -                      |
| <b>Outstanding at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>67,603,300</b>      | <b>3,500,000</b>       |
| <b>b. Terms/rights attached to equity shares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                        |                        |
| <p>The Company has only one class of Equity Share having value of Rs. 10 Each with an entitlement of one vote per share.</p> <p>The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.</p> |                        |                        |
| <b>c. Details of shareholders holding more than 5% shares in the company</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at 31st March, 2014 | As at 31st March, 2013 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | % of holding shares    | % of holding shares    |
| Equity shares of Rs. 10 each fully paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of shares       | Number of shares       |
| Glint Infraprojects Pvt Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 9.08                   | 17.11                  |
| Germane Holdings Pvt Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 9.08                   | 17.11                  |
| Manisha Khetan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                      | 5.15                   |
| Akrur Khetan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5.50                   | -                      |
| Anupama Khetan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5.50                   | -                      |
| Paripurna Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -                      | 5.34                   |
| Shraddha Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                      | 5.09                   |

|   |                                                                              |                    |                      |
|---|------------------------------------------------------------------------------|--------------------|----------------------|
| 3 | <b><u>Reserves and Surplus</u></b>                                           |                    |                      |
|   | <b>Securities premium account</b>                                            |                    |                      |
|   | Balance as per last financial statements                                     | 175,770,000        | 143,370,000          |
|   | Add: Received during the year                                                | 629,096,300        | 32,400,000           |
|   | <b>Closing balance</b>                                                       | <b>804,866,300</b> | <b>175,770,000</b>   |
|   | <b>Statutory Reserve Fund</b>                                                |                    |                      |
|   | Balance as per last financial statements                                     | 5,888,794          | 3,438,544            |
|   | Add: Transferred during the year                                             | 4,535,770          | 2,450,250            |
|   | <b>Closing balance</b>                                                       | <b>10,424,564</b>  | <b>5,888,794</b>     |
|   | <b>Surplus in the statement of profit and loss</b>                           |                    |                      |
|   | Balance as per last financial statements                                     | 33,578,684         | 24,294,977           |
|   | Profit for the year                                                          | 22,678,850         | 12,251,250           |
|   | Balance available for appropriation                                          | 56,257,533         | 36,546,226           |
|   | <b>Less: Appropriations</b>                                                  |                    |                      |
|   | Statutory Reserve Fund                                                       | 4,535,770          | 2,450,250            |
|   | Proposed equity dividend F.Y. 2012-13 (Dividend per share Rs. 0.5;           |                    |                      |
|   | Previous year Rs. 0.5)                                                       | 485,000            | 442,150              |
|   | Proposed equity dividend (Dividend per share Rs. 0.5; Previous year Rs. NIL) | 1,739,649          | -                    |
|   | Interim equity dividend (Dividend per share Rs. 0.5; Previous year Rs. NIL)  | 927,150            | -                    |
|   | Tax on proposed equity dividend (F.Y. 2012-13)                               | 82,427             | -                    |
|   | Tax on proposed equity dividend                                              | 295,654            | 75,143               |
|   | Tax on proposed equity interim dividend                                      | 157,570            | -                    |
|   | <b>Closing balance</b>                                                       | <b>48,034,313</b>  | <b>33,578,684</b>    |
|   | <b>Total reserves and surplus</b>                                            | <b>863,325,177</b> | <b>215,237,477</b>   |
| 4 | <b><u>Short Term Borrowings</u></b>                                          |                    |                      |
|   | <b>Unsecured Loans</b>                                                       |                    |                      |
|   | Body corporates                                                              | 788,283,460        | 2,693,072,947        |
|   | <b>Total short term borrowings</b>                                           | <b>788,283,460</b> | <b>2,693,072,947</b> |
| 5 | <b><u>Trade Payables</u></b>                                                 |                    |                      |
|   | Trade payables                                                               | 638,316            | 140,415              |
|   | <b>Total trade payables</b>                                                  | <b>638,316</b>     | <b>140,415</b>       |
| 6 | <b><u>Other Current Liabilities</u></b>                                      |                    |                      |
|   | Others                                                                       |                    |                      |
|   | Statutory dues                                                               | 2,405,950          | 4,144,270            |
|   | Unclaimed Dividend                                                           | 1,127,553          | -                    |
|   | <b>Total other current liabilities</b>                                       | <b>3,533,503</b>   | <b>4,144,270</b>     |
| 7 | <b><u>Short Term Provisions</u></b>                                          |                    |                      |
|   | (a) Contingent Provisions against Standard Assets                            | 3,152,633          | 2,138,046            |
|   | (b) Contingent Provisions against Sub-Standard Assets                        | 12,000,000         | 3,000,000            |
|   | (c) Provision - Others:                                                      |                    |                      |
|   | Proposed equity dividend                                                     | 1,739,649          | 442,150              |
|   | Dividend distribution tax on proposed dividend                               | 295,654            | 75,143               |
|   | <b>Total short term provisions</b>                                           | <b>17,187,936</b>  | <b>5,655,339</b>     |

|   |                                                                                |            |            |
|---|--------------------------------------------------------------------------------|------------|------------|
| 8 | <b><u>Non - Current Investments</u></b>                                        |            |            |
|   | <b>Unquoted equity instruments</b>                                             |            |            |
|   | Eskay Infrastructure Development Pvt Ltd                                       | 787,320    | 453,970    |
|   | 78,732 (previous year 45,397) equity shares of Rs. 10 each fully paid up       |            |            |
|   | Samhrutha Habitat Infrastructure Pvt Ltd                                       | 84,922,500 | 84,922,500 |
|   | 25,35,000 (previous year 25,35,000) equity shares of Rs. 10 each fully paid up |            |            |
|   | <b>Quoted equity instruments</b>                                               |            |            |
|   | Sundaram Multi Pap Ltd                                                         | 9,959,509  | 9,959,509  |
|   | 641,283 (previous year 641,283) equity shares of Rs. 1 each fully paid up      |            |            |
|   | Dwarikesh Sugar Industries Ltd                                                 | 693,613    | -          |
|   | 25,200 (previous year NIL) equity shares of Rs. 10 each fully paid up          |            |            |
|   | IFCI Ltd                                                                       | 4,609,723  | -          |
|   | 190,000 (previous year NIL) equity shares of Rs. 10 each fully paid up         |            |            |
|   | ITC Ltd                                                                        | 2,903,592  | -          |
|   | 9,000 (previous year NIL) equity shares of Rs. 1 each fully paid up            |            |            |
|   | Larsen Toubro Ltd                                                              | 12,977,025 | -          |
|   | 12,900 (previous year NIL) equity shares of Rs. 2 each fully paid up           |            |            |
|   | Marico Ltd                                                                     | 863,357    | -          |
|   | 4,000 (previous year NIL) equity shares of Rs. 1 each fully paid up            |            |            |
|   | Monsanto India Ltd                                                             | 5,316,291  | -          |
|   | 3,650 (previous year NIL) equity shares of Rs. 10 each fully paid up           |            |            |
|   | Nestle India Ltd                                                               | 2,687,158  | -          |
|   | 500 (previous year NIL) equity shares of Rs. 10 each fully paid up             |            |            |
|   | Procter Gamble Hygiene Health Care Ltd                                         | 1,536,998  | -          |
|   | 500 (previous year NIL) equity shares of Rs. 10 each fully paid up             |            |            |
|   | Rallis India Ltd                                                               | 2,508,373  | -          |
|   | 15,000 (previous year NIL) equity shares of Rs. 1 each fully paid up           |            |            |
|   | Strides Arcolab Ltd                                                            | 16,430,280 | -          |
|   | 45,000 (previous year NIL) equity shares of Rs. 10 each fully paid up          |            |            |
|   | Tata Consultancy Services Ltd                                                  | 4,282,646  | -          |
|   | 1,900 (previous year NIL) equity shares of Rs. 1 each fully paid up            |            |            |
|   | Ultratech Cement Ltd                                                           | 7,988,734  | -          |
|   | 4,750 (previous year NIL) equity shares of Rs. 10 each fully paid up           |            |            |
|   | United Spirits Ltd                                                             | 26,033,309 | -          |
|   | 10,000 (previous year NIL) equity shares of Rs. 10 each fully paid up          |            |            |
|   | Unity Infraprojects Ltd                                                        | 169,483    | -          |
|   | 8,000 (previous year NIL) equity shares of Rs. 2 each fully paid up            |            |            |
|   | Wipro Ltd                                                                      | 1,934,412  | -          |
|   | 3,500 (previous year NIL) equity shares of Rs. 2 each fully paid up            |            |            |

|                                                                                          |                      |                      |
|------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Investment in tax free bonds</b>                                                      |                      |                      |
| HUDCO,8.14%,25 Oct 2023                                                                  | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| HUDCO,8.39%,25 Oct 2023                                                                  | 4,970,450            | -                    |
| 5,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                             |                      |                      |
| IIFCL,8.38%,15 Nov 2028                                                                  | 25,000,000           | -                    |
| 25,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| IREDA,8.55%,13 Mar 2029                                                                  | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| IRFC,8.40%,18 Feb 2029                                                                   | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| IRFC,8.63%,26 Mar 2029                                                                   | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| NHAL,8.50%,05 Feb 2029                                                                   | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| NHB,8.63%,13 Jan 2029                                                                    | 7,220,000            | -                    |
| 1,444 (previous year NIL) bonds having F.V of Rs. 5,000 each                             |                      |                      |
| NHPC,8.54%,02 Nov 2028                                                                   | 16,105,000           | -                    |
| 16,105 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| NHPC,8.79%,02 Nov 2028                                                                   | 5,088,910            | -                    |
| 5,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                             |                      |                      |
| PFC,8.54%,16 Nov 2028                                                                    | 29,150,000           | -                    |
| 29,150 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| PFC,8.79%,16 Nov 2028                                                                    | 4,405,009            | -                    |
| 4,310 (previous year NIL) bonds having F.V of Rs. 1,000 each                             |                      |                      |
| REC,8.26%,24 Sept 2023                                                                   | 4,996,850            | -                    |
| 5,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                             |                      |                      |
| REC,8.63%,24 Mar 2029                                                                    | 20,000,000           | -                    |
| 20,000 (previous year NIL) bonds having F.V of Rs. 1,000 each                            |                      |                      |
| <b>Total non current investments</b>                                                     | <b>403,540,541</b>   | <b>95,335,979</b>    |
| <b>Notes</b>                                                                             |                      |                      |
| Aggregate market value of quoted investments                                             | 317,957,194          | 11,895,800           |
| Aggregate amount of quoted investments (at cost)                                         | 317,830,721          | 9,959,509            |
| Aggregate amount of unquoted investments                                                 | 85,709,820           | 85,376,470           |
| <b>9 Long Term Loans and Advances</b>                                                    |                      |                      |
| Advance Tax (Net off Provision for Tax Rs. 27,007,759/-; Previous Year Rs. 13,375,094/-) | 24,691,435           | 19,315,255           |
| <b>Total long term loans and advances</b>                                                | <b>24,691,435</b>    | <b>19,315,255</b>    |
| <b>10 Cash and Bank Balances</b>                                                         |                      |                      |
| <b>i) Cash and cash equivalents</b>                                                      |                      |                      |
| Balances with bank                                                                       | 5,539,325            | 10,816,052           |
| Cash in hand                                                                             | 957,096              | 486,194              |
|                                                                                          | 6,496,421            | 11,302,247           |
| <b>ii) Other bank balances</b>                                                           |                      |                      |
| Earmarked bank balances                                                                  |                      |                      |
| Unpaid dividend bank account                                                             | 1,127,553            | -                    |
| <b>Total Cash and Bank Balances</b>                                                      | <b>7,623,974</b>     | <b>-</b>             |
| <b>11 Short Term Loans and Advances</b>                                                  |                      |                      |
| <b>Unsecured, considered good</b>                                                        |                      |                      |
| Advances recoverable in cash or in kind or for value to be received                      | 436,648,855          | 1,932,080,360        |
| <b>Others</b>                                                                            |                      |                      |
| OCRPS Application Money                                                                  | 894,900,000          | 894,900,000          |
| Advances to Employee                                                                     | -                    | 20,834               |
| Duties and taxes recoverable                                                             | 535,545              | 295,773              |
| <b>Total short term loans and advances</b>                                               | <b>1,332,084,400</b> | <b>2,827,296,967</b> |
| <b>12 Other Current Assets</b>                                                           |                      |                      |
| Interest Accrued and due                                                                 | 4,131,342            | -                    |
| <b>Total other current assets</b>                                                        | <b>4,131,342</b>     | <b>-</b>             |

|                                               | Year ended<br>31st March, 2014 | Year ended<br>31st March, 2013 |
|-----------------------------------------------|--------------------------------|--------------------------------|
|                                               | Rs.                            | Rs.                            |
| <b>13 Revenue From Operations</b>             |                                |                                |
| Interest                                      | 189,675,708                    | 155,802,063                    |
| Profit on Sale of Investment                  | -                              | 500,000                        |
| Processing Fees                               | 300,000                        | 3,810,000                      |
| <b>Total revenue from operations</b>          | <b>189,975,708</b>             | <b>160,112,063</b>             |
| <b>14 Other Income</b>                        |                                |                                |
| <b>Dividend Income:</b>                       |                                |                                |
| Shares                                        | 86,228                         | 38,889                         |
| <b>Interest Income on Bonds:</b>              |                                |                                |
| Taxable                                       | 1,011,684                      | -                              |
| Taxfree                                       | 4,308,328                      | -                              |
| Other non-operating income                    | -                              | 487,047                        |
| <b>Total other income</b>                     | <b>5,406,240</b>               | <b>525,936</b>                 |
| <b>15 Operating Expenses</b>                  |                                |                                |
| <b>Interest expense on:</b>                   |                                |                                |
| Borrowings                                    | 141,465,253                    | 131,453,226                    |
| Legal & Professional fees                     | 1,826,000                      | 4,609,635                      |
| <b>Total direct expenses</b>                  | <b>143,291,253</b>             | <b>136,062,861</b>             |
| <b>16 Employee Benefits Expenses</b>          |                                |                                |
| Salaries and wages                            | 3,164,813                      | 352,517                        |
| Staff welfare expenses                        | 205,680                        | 44,460                         |
| <b>Total employee benefit expenses</b>        | <b>3,370,493</b>               | <b>396,977</b>                 |
| <b>17 Other Expenses</b>                      |                                |                                |
| Travelling and conveyance                     | 261,148                        | 498,426                        |
| Printing and stationery                       | 35,256                         | 41,926                         |
| Provision for Standard & Sub- Standard Assets | 10,014,587                     | 2,892,092                      |
| Business promotion                            | 49,008                         | 33,395                         |
| Director Sitting fees                         | 20,000                         | 12,500                         |
| Legal and professional                        | 1,026,000                      | 303,175                        |
| Payments to auditors                          | 47,500                         | 47,500                         |
| Bank Charges                                  | -                              | 3,285                          |
| Annual, Listing Fees and Other fees           | 393,634                        | 470,985                        |
| Stamp Duty & Postage                          | 455,200                        | 220,352                        |
| Rent, rates and taxes                         | 2,500                          | 2,500                          |
| Other Miscellaneous Expenses                  | 103,854                        | 127,804                        |
| <b>Total other expenses</b>                   | <b>12,408,687</b>              | <b>4,653,940</b>               |

18 Other Required Disclosures;

1 Earnings Per Share

(Rs.)

| Particulars                                                                      | Year ended 31st<br>March, 2014 | Year ended 31st<br>March, 2013 |
|----------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Net profit for the year attributable to equity shareholders (Rs.)                | 22,678,850                     | 12,251,250                     |
| Weighted Average No. of Equity shares outstanding for Basic Earnings per share   | 5,856,321                      | 3,296,164                      |
| Weighted Average No. of Equity shares outstanding for Diluted Earnings per share | 5,856,321                      | 3,500,000                      |
| Basic Earnings per share (face valued of Rs 10/-)                                | 3.87                           | 3.72                           |
| Diluted Earnings per share (face valued of Rs 10/- each)                         | 3.87                           | 3.50                           |

2 Related Party Disclosures

a) Related Parties

NIL

- 3 In the opinion of the Management, all Current Assets, Loans & Advances & Current Liabilities would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. Further provisions have been made for all known & accrued liabilities.

The Following additional information is disclosed in terms of RBI Circulars: (From Note No 4 to 7 below)

| (Rs. in Lacs) |                                                                                                                         |                       |                   |
|---------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|
| 4             | Particulars                                                                                                             | Amount<br>outstanding | Amount<br>overdue |
|               | <b><u>Liabilities side :</u></b>                                                                                        |                       |                   |
|               | (1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: |                       |                   |
|               | (a) Debentures : Secured                                                                                                | -                     | -                 |
|               | : Unsecured                                                                                                             | -                     | -                 |
|               | (Other than falling within the meaning of public deposits)                                                              |                       |                   |
|               | (b) Deferred Credits                                                                                                    |                       |                   |
|               | (c) Term Loans                                                                                                          |                       |                   |
|               | (d) Inter-corporate loans and borrowing                                                                                 | 7,724.51              | 16,562.17         |
|               | (e) Commercial Paper                                                                                                    |                       |                   |
|               | (f) Other Loans (specify nature)                                                                                        |                       |                   |
|               | <b>Total</b>                                                                                                            | <b>7,724.51</b>       | <b>16,562</b>     |

|                                                                                                           |           |          |
|-----------------------------------------------------------------------------------------------------------|-----------|----------|
| <b><u>Assets side :</u></b>                                                                               |           |          |
| (2) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below) : |           |          |
| (a) Secured                                                                                               | -         | -        |
| (b) Unsecured                                                                                             | 4,358.95  | 8,852.18 |
| <b>Total</b>                                                                                              | 4,358.95  | 8,852.18 |
| (3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities          |           |          |
| (i) Leased assets including lease rentals under Sundry debtors :                                          |           |          |
| (a) Financial lease                                                                                       | -         | -        |
| (b) Operating lease                                                                                       | -         | -        |
| (ii) Stock on hire including hire charges under sundry debtors:                                           |           |          |
| (a) Assets on hire                                                                                        | -         | -        |
| (b) Repossessed Assets                                                                                    | -         | -        |
| (iii) Other loans counting towards AFC activities                                                         |           |          |
| (a) Loans where assets have been repossessed                                                              | -         | -        |
| (b) Loans other than (a) above                                                                            | -         | -        |
| <b>Total</b>                                                                                              | -         | -        |
| (4) Break-up of Investments :                                                                             |           |          |
| <b><u>Current Investments:</u></b>                                                                        |           |          |
| <b>1. Quoted</b>                                                                                          |           |          |
| (i) Shares : (a) Equity                                                                                   | -         | -        |
| (b) Preference                                                                                            | -         | -        |
| (ii) Debentures and Bonds                                                                                 | -         | -        |
| (iii) Units of mutual funds                                                                               | -         | -        |
| (iv) Government Securities                                                                                | -         | -        |
| (v) Others (Please specify)                                                                               | -         | -        |
| <b>2. Unquoted</b>                                                                                        |           |          |
| (i) Shares : (a) Equity                                                                                   | -         | -        |
| (b) Preference                                                                                            | -         | -        |
| (ii) Debentures and Bonds                                                                                 | -         | -        |
| (iii) Units of mutual funds                                                                               | -         | -        |
| (iv) Government Securities                                                                                | -         | -        |
| (v) Others (Please specify)                                                                               | -         | -        |
| <b><u>Assets side :</u></b>                                                                               |           |          |
| (i) Shares : (a) Equity                                                                                   | 1,008.95  | 99.60    |
| (b) Preference                                                                                            | -         | -        |
| (ii) Debentures and Bonds                                                                                 | 2,169     | -        |
| (iii) Units of mutual funds                                                                               | -         | -        |
| (iv) Government Securities                                                                                | -         | -        |
| (v) Others (Please specify)                                                                               | -         | -        |
| <b>2. Unquoted</b>                                                                                        |           |          |
| (i) Shares : (a) Equity                                                                                   | 857.10    | 853.76   |
| (b) Preference                                                                                            | -         | -        |
| (ii) Debentures and Bonds                                                                                 | -         | -        |
| (iii) Units of mutual funds                                                                               | -         | -        |
| (iv) Government Securities                                                                                | -         | -        |
| (v) OCRPS Application Money                                                                               | 8,949.00  | 8,949.00 |
| <b>Total</b>                                                                                              | 12,984.41 | 9,902.36 |

| Category                                                                                                                               | Secured /<br>Unsecured                           | Total                             |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------|
| (5) Borrower group-wise classification of assets financed as in (2) and (3) above :                                                    |                                                  |                                   |
| <b>1. Related parties</b>                                                                                                              |                                                  |                                   |
| (a) Subsidiaries                                                                                                                       |                                                  |                                   |
| (b) Companies in the same group                                                                                                        |                                                  |                                   |
| (c) Other related parties                                                                                                              |                                                  |                                   |
| <b>2. Other than related parties</b>                                                                                                   | 4,358.95                                         | 4,358.95                          |
| <b>Total</b>                                                                                                                           | 4,358.95                                         | 4,358.95                          |
| Category                                                                                                                               | Market<br>Value/Break up or<br>fair value or NAV | Book Value<br>(Net of Provisions) |
| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): |                                                  |                                   |
| <b>1. Related parties</b>                                                                                                              |                                                  |                                   |
| (a) Subsidiaries                                                                                                                       | -                                                | -                                 |
| (b) Companies in the same group                                                                                                        | -                                                | -                                 |
| (c) Other related parties                                                                                                              | -                                                | -                                 |
| <b>2. Other than related parties</b>                                                                                                   | 12,984.41                                        | 12,984.41                         |
| <b>Total</b>                                                                                                                           | 12,984.41                                        | 12,984.41                         |
| (7) Other information                                                                                                                  |                                                  |                                   |
| (i) Gross Non-performing Assets                                                                                                        |                                                  |                                   |
| (a) Related Parties                                                                                                                    | -                                                | -                                 |
| (b) Other than related parties                                                                                                         | -                                                | -                                 |
| (ii) Net Non-Performing Assets                                                                                                         |                                                  |                                   |
| (a) Related Parties                                                                                                                    | -                                                | -                                 |
| (b) Other than related parties                                                                                                         | -                                                | -                                 |
| (iii) Assets acquired in satisfaction of debt                                                                                          | -                                                | -                                 |
| <b>Total</b>                                                                                                                           | -                                                | -                                 |

5. Exposure to real Estate Sector is 337,571,830/- Includes Kanaka & Associates, Piramal Sunteck Realty Pvt. Ltd., Sunteck Realty Ltd., Skystart Buildcon Pvt. Ltd., Starteck Infraprojects Pvt. Ltd.
6. The Company has maintained 63.41% as Capital Adequacy Ratio as on 31.03.2014
7. Pursuant to Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, a Systemically Important NBFC is required to disclose the Maturity Pattern in the Balance Sheet. Pursuant to the said provisions the borrowings by the Company from other body Corporates are payable as and when the demand been made by the Body Corporates and the Loans and advances granted during the year are perpetual and are renewed on the timely basis. Hence it is difficult to arrive at the Maturity Pattern by the Company as per the NBFC Directions.
8. Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.

9. **Micro, Small and Medium Enterprises**

The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro Small and Medium enterprises, as defined under Micro Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2014 is made in the financial statements based on information received and available with the company.

10. Other information pursuant to provision of paragraph 3, 4A, 4C & 4D of Part II of schedule VI of the Companies Act, 1956 are either Nil or Not Applicable.

**NIVEDITA MERCANTILE AND FINANCING LIMITED**  
**Registered Office: 5<sup>th</sup> Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai 400057**  
**Tel No.: 022-26267800, Fax No: 022-26267890, website: [www.niveditaindia.com](http://www.niveditaindia.com)**  
**CIN: L51900MH1985PLC037039**  
**29<sup>th</sup> ANNUAL GENERAL MEETING**  
**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]

Name of the Member(s):

.....

Registered address:

.....

E-mail ID: .....

Folio No. / DP ID and Client ID:

.....

I/We, being the Member(s) of .....shares of the above named Company, hereby appoint

1. Name: .....  
E-mail ID: .....  
Address:.....  
Signature:.....  
or failing him/her
2. Name: .....  
E-mail ID: .....  
Address:.....  
Signature:.....  
or failing him/her
3. Name: .....  
E-mail ID: .....  
Address:.....  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting, to be held on 22<sup>nd</sup> day, the September 2014 at 10.00 p.m. at Sunteck Centre, Ground Floor, 37-40 Subhash road, Vile Parle – East, Mumbai- 400057 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

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

| <b>Resolution No.</b> | <b>Description</b>                                                                                                                                                                                                               | <b>For</b> | <b>Against</b> |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|
| 1.                    | Adoption of the Audited Balance Sheet as at 31 <sup>st</sup> March, 2014, the Statement of Profit & Loss for the financial year ended 31 <sup>st</sup> March, 2014, the Report of the Board of Directors' and Auditors' thereon. |            |                |
| 2.                    | Declaration of Dividend.                                                                                                                                                                                                         |            |                |
| 3.                    | Re-appointment of Mr. Rajeshkmar Mundra, Director retiring by rotation.                                                                                                                                                          |            |                |
| 4.                    | Re-appointment of M/s Bagaria & Co. LLP, Chartered Accountants, Mumbai statutory auditors of the Company.                                                                                                                        |            |                |
| 5.                    | Appointment of Mr. Sudarshan Somani as a Director of the Company.                                                                                                                                                                |            |                |
| 6.                    | Appointment of Mr. Hiten Shah as an Independent Director of the Company.                                                                                                                                                         |            |                |
| 7.                    | Appointment of Mr. Asim Santara as an Independent Director of the Company                                                                                                                                                        |            |                |
| 8.                    | Appointment of Mr. Sudarshan Somani as an Independent Director of the Company                                                                                                                                                    |            |                |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

.....  
Signature of Shareholder

.....

Affix a  
Rs. 1/-  
Revenue  
~

Signature of first proxy holder    Signature of second proxy holder    Signature of third proxy holder

\* Please put a ( ) in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Notes:**

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. A proxy need not be a Member of the Company.

3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.

4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**NIVEDITA MERCANTILE AND FINANCING LIMITED**  
Registered Office: 5<sup>th</sup> Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai 400057  
Tel No.: 022-26267800, Fax No: 022-26267890, website: [www.niveditaindia.com](http://www.niveditaindia.com)  
CIN: L51900MH1985PLC037039  
**29<sup>th</sup> ANNUAL GENERAL MEETING**  
**BALLOT FORM**  
(To be returned to Scrutinizer appointed by the Company)

Name(s) of the Member(s):

.....

Address :

.....

.....

Folio No. / DPID No. and Client ID\*:

.....

Number of Equity Share(s) held:

.....

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the Twenty Ninth Annual General Meeting of the Company, to be held on 22<sup>nd</sup> day, September , 2014 at 10.00 p.m. at Sunteck Centre, Ground Floor, 37-40 Subhash road, Vile Parle – East, Mumbai- 400057 in respect of businesses as stated in the Notice dated 14<sup>th</sup> August, 2014 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters:

| Item No. | Description                                                                                                                                                                                                                      | No. of equity shares held | I/We assent resolution (FOR) | I/We dissent the to the resolution (AGAINST) |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|----------------------------------------------|
| 1.       | Adoption of the Audited Balance Sheet as at 31 <sup>st</sup> March, 2014, the Statement of Profit & Loss for the financial year ended 31 <sup>st</sup> March, 2014, the Report of the Board of Directors' and Auditors' thereon. |                           |                              |                                              |

|    |                                                                                                           |  |  |  |
|----|-----------------------------------------------------------------------------------------------------------|--|--|--|
| 2. | Declaration of Dividend.                                                                                  |  |  |  |
| 3. | Re-appointment of Mr. Rajeshkumar Mundra, Director retiring by rotation.                                  |  |  |  |
| 4. | Re-appointment of M/s Bagaria & Co. LLP, Chartered Accountants, Mumbai statutory auditors of the Company. |  |  |  |
| 5. | Appointment of Mr. Sudarshan Somani as a Director of the Company.                                         |  |  |  |
| 6. | Appointment of Mr. Hiten Shah as an Independent Director of the Company.                                  |  |  |  |
| 7. | Appointment of Mr. Asim Santara as an Independent Director of the Company                                 |  |  |  |
| 8. | Appointment of Mr. Sudarshan Somani as an Independent Director of the Company                             |  |  |  |

\* Applicable for investors holding shares in Electronic Form.

Place:

Date:

Signature of the Member/ Beneficial Owner

### INSTRUCTIONS:

1. A Member desiring to exercise vote by ballot form may complete this ballot form and send it to the Scrutinizer, appointed by the Board of Directors of the Company viz. Mr. Veeraraghvan N., Practicing Company Secretary at Sunteck Realty Limited, 5<sup>th</sup> Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (East), Mumbai - 400 057.

2. In case of shares held by companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/Authority.

3. Unsigned ballot forms will be rejected.

4. A Member need not cast all the votes in the same way.

5. Duly completed ballot form should reach the Scrutinizer not later than 6.30 p.m. on Wednesday, 17<sup>th</sup> September 2014.

6. The Scrutinizer's decision on the validity of a ballot form will be final.

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**CIN: L51900MH1985PLC037039**  
**29<sup>th</sup> ANNUAL GENERAL MEETING**

|                                     |  |
|-------------------------------------|--|
| Regd. Folio/DP ID & Client ID       |  |
| Name and Address of the Shareholder |  |

1) I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company being held on Monday, 22<sup>nd</sup> September, 2014, at 10.00 a.m. at Sunteck Centre, Ground Floor, 37-40 Subhash Road, Vileparle(East), Mumbai-400057

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 the Annual Report for reference at the meeting.

**Note:** Please fill in this attendance slip and hand it over at ENTRANCE of the MEETING HALL.

-----TEAR HERE -----

**ELECTRONIC VOTING PARTICULARS**

| Electronic Voting Event Number (EVEN) | User ID | Password |
|---------------------------------------|---------|----------|
|                                       |         |          |

**Note:** Please read the instructions printed under the Note no. 11 to the Notice dated 14<sup>th</sup> August, 2014 of the 29<sup>th</sup> Annual General Meeting. The Voting period starts from Monday, 15<sup>th</sup> September, 2014 and ends at 6.30 p.m. on Wednesday, 17<sup>th</sup> September, 2014. The voting module shall be disabled by NSDL for voting