

31st ANNUAL REPORT

2014-15

DURGESH MERCHANTS LIMITED

(CIN: L51219DL1984PLC248322)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kamal Ahuja (DIN: 00005195): Managing Director
Ms. Jayanti Sharma (DIN: 05285845): Director
Mr. Rajendra Pal Garg (DIN: 00525574): Director
Mr. Krishan Karthik (DIN: 07079790): Additional Director
Ms. Supriya Sinha(DIN: 07118175): Additional Director

KEY MANAGERIAL PERSON

Mr. Kamal Ahuja: Managing Director
Mr. Vipul Chadha: Chief Financial Officer
Ms. Shrashti Gupta: Company Secretary

STATUTORY AUDITORS

M/s Ajay Shikhar Jain & Company
Chartered Accountants
C-7/130, Yamuna Vihar, New Delhi-110053
Contact Number: 011-22919876

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153/A, 1st Floor, Okhla Phase I,
Okhla Industrial Area, New Delhi- 110020
Contact Number: 011-26812682

NAME OF THE STOCK EXCHANGES AT WHICH THE COMPANY'S SHARES ARE LISTED

Ludhiana Stock Exchange Limited
Calcutta Stock Exchange Limited

REGISTERED OFFICE

8/33, III floor, Satbhava School Marg,
W.E.A. Karol Bagh, New Delhi- 110005
Tel No.: +011-68888824
Website: www.durgeshmerchantsltd.com
Email: durgeshmerchants@gmail.com

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NOTICE

Notice is hereby given that the 31st **Annual General Meeting** of the Members of **Durgesh Merchants Limited** will be held on Wednesday, 30th day of September, 2015 at 12:00 noon at D-220, Basement, Defence Colony, New Delhi-110024 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Jayanti Sharma (DIN: 05285845), who retires by rotation and being eligible, seeks re-appointment.
3. To appoint M/s. Ajay Shikhar Jain & Co., Chartered Accountants (Firm Registration No. 016279N) as statutory auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. **TO APPOINT MR. KRISHAN KARTHIK (DIN: 07079790) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Krishan Karthik (DIN: 07079790), who was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 29th January, 2015, in terms of Section 161(1) of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years, and shall not be liable to retire by rotation.”

5. **TO APPOINT MS. SUPRIYA SINHA (DIN: 07118175) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Supriya Sinha (DIN: 07118175), who was appointed as an Additional Independent Director of the Company by the Board of Directors in their meeting held on 09th March, 2015, in terms of Section 161(1) of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years, and shall not be liable to retire by rotation.”

6. **ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY INTER-ALIA PURSUANT TO THE COMPANIES ACT, 2013**

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

“RESOLVED THAT pursuant to the provisions of Section 5 and 14 of the Companies Act, 2013 (“the Act”), Schedule I made thereunder, read with the Companies (incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association, primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary expedient, proper or desirable to make this resolution effective.”

7. **INCREASE IN BORROWING LIMITS OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, as may be amended from time to time, and other applicable provisions, if any, approval of members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money(s), from time to time, for and on behalf of the Company, from any bank/financial institution/lenders, in any form or manner or otherwise, in one or more tranches, whether unsecured or secured, on such terms and conditions as may be decided by the Board of Directors, notwithstanding that the moneys to be borrowed with the money(s) already borrowed by the Company, apart from temporary loans obtained/ to be obtained from the Company’s bankers in the ordinary course of business exceed the aggregate of the paid up Share Capital and its free reserves of the Company, provided that the total amount of the borrowings by the Board of Directors, at any time, shall not exceed the limit

of Rs. 18,00,00,000/- (Rupees Eighteen Crores Only) over and above the aggregate of the paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT Ms. Jayanti Sharma, Director of the Company be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

**By the Order of the Board
For Durgesh Merchants Limited**

Sd/-

**Jayanti Sharma
(Chairperson)**

DIN: 05285845

Address: 8/33, III Floor,
Satbhava School Marg,
W.E.A. Karol Bagh,
New Delhi-110005

Date: 02nd September, 2015

Place: New Delhi

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts of the proposed ordinary and special resolutions for the items is annexed hereto. The said Resolutions and Explanatory Statement are being sent for approval of the Shareholders, whose name appears in the Register of Members as on 28th August, 2015.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. The instrument appointing a proxy duly completed and signed should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. An incomplete proxy form or proxy form received beyond time limit is liable to be rejected. A proxy form is enclosed.
4. Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting.
5. Pursuant to Section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from Monday, 28th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive) for the purpose of Annual General Meeting and will be available for inspection at the venue of Annual General Meeting till the conclusion of the meeting.
6. The ISIN of the Equity Shares of Rs.10/- each is INE616Q01011.
7. Sections 101 and 136 of the Companies Act, 2013 read together with the rules made there under, permit the listed companies to send the notice of Annual General Meeting and the Annual Report, including financial statements, board's report, etc. by electronic mode to its members. The Company is therefore sending an email to its members, providing a link to the website of the Company facilitating Notice of Annual General Meeting and Annual Report for financial year 2014-15. Email is sent to those members whose email id is registered with Company/ Depositories. Apart from this, Notice of the Annual General Meeting shall also be available on the website of the AGENCY.
8. Register of contracts with related party and contracts and body Corporate etc. in which Directors are interested under section 189 of the Companies Act, 2013, Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Companies Act, 2013. The aforesaid registers shall be kept open for inspection at the Annual General Meeting by any person attending the meeting.
9. Members are requested to notify change in address, if any, to the Share Transfer Agent and Company quoting their Folio Numbers, Name & number of share held by them etc.
10. Members are requested to register their e-mail addresses with the Company or depository for receiving communications including Annual Reports, Notices, and Circulars etc. by the Company electronically.
11. Members/proxies are requested to bring their copies of annual reports to the meeting.
12. For security reasons, no article/baggage will be allowed at the venue of the meeting.
13. Members holding shares in Demat form are requested to furnish their Permanent Account Number (PAN) details to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the Company in order to comply with the SEBI guidelines.
14. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to

send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

15. Members are requested to bring along their Attendance Slip in the meeting, as enclosed with the Notice.
16. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
17. All documents referred in the accompanying Notice and Explanatory Statement shall be open for inspection by members and shall be available at the registered office of the Company on all working days during business hours from the date of this Notice up to the date of AGM.
18. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
19. Route map of the venue is annexed herewith.

ANNEURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4: (APPOINTMENT OF MR. KRISHAN KARTHIK (DIN: 07079790) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013)

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is in consistent with the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Krishan Kartik (DIN: 07079790), who was appointed as an Additional Independent Director by the Board being eligible, offers himself for appointment, and is proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

Therefore, the Directors of your Company recommend the aforesaid resolution for your consideration and approval.

Except Mr. Krishan Kartik (DIN: 07079790), being an appointee, none of Director and Key Managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution as set out in Item no. 4.

The Board of directors therefore, recommends the resolution for appointment of Mr. Krishan Kartik (DIN: 07079790) as an Independent Director of the Company for approval of the members by passing the Ordinary resolution.

Brief Resume of Mr. Krishan Kartik (DIN: 07079790) is as under:

Name	Krishan Kartik (DIN: 07079790)
Age	40 Years
Name of the other Companies in which Directorship held	N.A.
Name of the other Companies in which Committee Membership held (as per Clause 49 of the Listing Agreement)	N.A.
Shareholding in the Company	NIL

Item No. 5: (APPOINTMENT OF MS. SUPRIYA SINHA (DIN: 07118175) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013)

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Supriya Sinha (DIN: 07118175), who was appointed as an Additional Independent Director by the Board being eligible, offers herself for appointment, and is proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

Therefore, the Directors of your Company recommend the aforesaid resolution for your consideration and approval.

Except Ms. Supriya Sinha (DIN: 07118175), being an appointee, none of Director and Key Managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution as set out in Item no. 5.

The Board of directors therefore, recommends the resolution for appointment of **Ms. Supriya Sinha (DIN: 07118175)**, as an Independent Director of the Company for approval of the members by passing the **Ordinary resolution**.

Brief Resume of **Ms. Supriya Sinha (DIN: 07118175)** is as under:

Name	Supriya Sinha (DIN: 07118175)
Age	28 Years
Name of the other Companies in which Directorship held	N.A.
Name of the other Companies in which Committee Membership held (as per Clause 49 of the Listing Agreement)	N.A.
Shareholding in the Company	NIL

Item No 6: (ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY INTER-ALIA PURSUANT TO THE COMPANIES ACT, 2013)

The Articles of Association ("AOA") of the Company is presently in force since its incorporation of the Company i.e. year 1984. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence, the Board of Directors at its meeting held on 02nd September, 2015 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your approval is sought in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

Item No. 7: (INCREASE IN BORROWING LIMITS OF THE COMPANY)

In order to meet the working capital requirements and in suppression to all the resolutions passed earlier by the Company with respect to the borrowing powers of the Board of Directors, it is proposed to enhance the borrowing limits pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, to the tune of Rs. 18 Cr. (Rupees Eighteen Crores).

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Company requires the approval from Shareholders for approving the limit of borrowing so as to enable the Board of Directors to borrow funds beyond the aggregate of Paid-up Share Capital and Free reserves and upto the limit approved by the Shareholders.

Approval of members is sought for the aforesaid matter by way of Special Resolution. The Directors commended the resolution for the approval of members of the Company.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives is concerned or interested in any manner in the proposed resolution.

**By the Order of the Board
For Durgesh Merchants Limited**

Sd/-

**Jayanti Sharma
(Chairperson)
DIN: 05285845**

**Address: 8/33, III Floor,
Satbhraava School Marg,
W.E.A. Karol Bagh,
New Delhi-110005**

Date: 02nd September, 2015

Place: New Delhi

Dear Member,

Sub: Voting through electronic means

- I. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a

place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

NOTE: The Facility for Voting shall be decided by the Company i.e. "remote e-voting" or "Ballot Paper"

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. The remote e-voting period commences on 27th September, 2015 at 10:00 A.M. and ends on 29th September, 2015 at 05:00 P.M. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:

- I. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- (iii) Click on Shareholder - Login

- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

- (vii) Select "EVEN" of "Durgesh Merchants Limited".

- (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) 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 to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

- II. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)
USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- (iii)

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Pankaj Dawar of M/s Pankaj Dawar & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot

Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"

- XV. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.durgeshmerchantsltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the The Calcutta Stock Exchange Limited.

BOARD REPORT

To,

The Members of Durgesh Merchants Limited,

Your Directors are pleased to present the 31st Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2015.

1. BACKGROUND

The Company is a Non Deposit Accepting Non Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") received 14th May, 2002.

2. STATE OF COMPANY'S AFFAIR

With the expected positive momentum in the Indian economy, the Company is focused on growth and achieving profitability along with a renewed commitment to enhance quality and customer service and to reduce costs. Innovations, investment and positive modifications are expected in the near future, boosting the Company's revenues. Together with forward looking strategy, the Company is also focusing extensively on expanding the business and operational improvements through various strategic projects for operational excellence and cost cutting initiatives.

3. FINANCIAL HIGHLIGHTS

During the year under review, the revenue reported are Rs. 24.03 Lacs as compared to Rs.15.77 Lacs in the previous year with the ultimate increase of 52.38 %. Profit before for the current year is Rs. 2.97 Lacs as compared to Rs. 5.99 Lacs in the previous year with a percentage change of (50.42)%; Profit after tax for the current year is Rs. 1.58 Lacs as compared to Rs. 3.40 Lacs in the previous year with a percentage change of (53.52)%.

4. SUMMARY OF FINANCIAL RESULTS

The Company's financial results are as under:

Particulars	As on 31 st March, 2015 (In Rs.)	As on 31 st March, 2014 (In Rs.)
Total Income	2,403,570	1,577,485
Less: Total Expenditure	2,020,737	978,830
Profit before Exceptional and Extraordinary items & tax	382,832	598,655
Less: Extraordinary & Prior period items	85,361	-
Profit before tax	297,471	598,655
Less: Tax Expenses		
(1) Current tax	139,438	262,295
(2) Deferred Tax	-	-
(3) Previous year adjustments	-	3,656
Profit/ (Loss) after tax	158,033	340,016

5. RESERVE FUND

An amount of Rs. 31,607/- being 20% of the profits was transferred to Statutory Reserve Account for the financial year ended 31st March, 2015 as per the requirement of NBFC prudential norms.

6. DIVIDEND

As the Company needs further funds to enhance its business operations, to upgrade the efficiency and to meet out the deficiencies in working capital, the Directors do not recommend any dividend on Equity Shares for the financial year ended 31st March, 2015.

7. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has formed a vigil mechanism policy to review the matters relating to fraud risk, including corrective and remedial actions as regards people and processes, which is in direct control of the Audit Committee of the Company. The said policy has also posted on the website of the Company.

Whistle Blowers may send their concerns/complaints to the Chairperson of Audit Committee, in a sealed envelope marked confidential, for appropriate action.

9. BUSINESS RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The Audit Committee nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company.

As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head-Risk, to ensure Integrated Risk Management for various Risks.

10. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

11. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the RBI such as provisioning for Non-Performing Assets and for standard assets and Creation of Statutory Reserves.

The Company has complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and the RBI Act, 1934, Listing Agreement executed with the Stock Exchange and other applicable rules/regulations/guidelines issued from time to time.

12. DEPOSITS

The Company has not accepted any deposits from the public during the year and it continues to be a Non Banking Financial Company in conformity the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 1975.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED/RESIGNED**LIST OF DIRECTORS AS ON 31ST MARCH, 2015:**

S. No.	Name	Designation	Date of Appointment	Change
1.	Mr. Rajendra Pal Garg	Director	27/07/1989	-
2.	Mr. Kamal Ahuja	Managing Director	24/03/2014	-
3.	Ms. Jayanti Sharma	Director	27/06/2014	Regularized from Additional Director to Director in the AGM held on 29/09/2014
4.	Mr. Krishan Kartik	Additional Director	29/01/2015	Proposed to be regularized as Independent Director in the ensuing AGM
5.	Ms. Supriya Sinha	Additional Director	09/03/2015	Proposed to be regularized as Independent Director in the ensuing AGM

During the year under review, Mr. Manish Kumar Gupta, Ms. Shashi Sharma and Mr. Virender Kumar Sharma had tendered their resignation from the post Directors of the Company w.e.f. 27th June, 2014, 1st September, 2014 and 13th January, 2015 respectively.

LIST OF KEY MANAGERIAL PERSONNEL (KMP) AS ON 31ST MARCH, 2015

S. No.	Name	Designation	Date of Appointment	Change
1.	Mr. Kamal Ahuja	Managing Director	05/09/2014	-
2.	Ms. Shrashti Gupta	Company Secretary	01/11/2014	-
3.	Mr. Vipul Chadha	Chief Financial Officer	23/03/2015	-

During the year under review, Ms. Jayanti Sharma and Ms. Mukta Shiv had tendered their resignation from the post of Chief Financial Officer (CFO) and Company Secretary (CS) of the Company, respectively w.e.f. 1st November, 2014.

Brief resume of the Directors proposed to be appointed in ensuing Annual General Meeting, nature of their expertise in functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board are given as Annexure to the Notice convening the Annual General Meeting.

14. DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they met with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

15. MEETINGS HELD DURING THE F.Y. 2014-2015

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. During the year, 18 (eighteen) Board Meetings, 4 (Four) Audit Committee Meetings, 4 (Four) Share Transfer Committee Meeting, and 1 (one) Independent Directors' Meeting were conducted. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

16. COMPOSITION COMMITTEES OF THE BOARD AS ON 31.03.2015

a) **AUDIT COMMITTEE:** The composition of audit committee of the Company is as follows:

S. No.	Name of Member	Designation	Non-Executive/Executive/ Independent
1.	Krishan Kartik	Chairman	Non-Executive & Independent Director
2.	Supriya Sinha	Member	Non-Executive & Independent Director
3.	Jayanti Sharma	Member	Non-Executive

The Board is under process of adopting optimum composition of the audit committee as prescribed in the Companies Act, 2013. The Board has accepted all the recommendations proposed by audit committee during the financial year.

b) **NOMINATION AND REMUNERATION COMMITTEE:** The composition of Nomination and Remuneration committee of the Company is as follows:

S. No.	Name of Member	Designation	Non-Executive/ Independent	Executive/
1.	Krishan Kartik	Chairman	Non-Executive & Independent Director	
2.	Supriya Sinha	Member	Non-Executive & Independent Director	
3.	Jayanti Sharma	Member	Non-Executive	

c) **SHARE TRANSFER COMMITTEE:** The composition of Share Transfer committee of the Company is as follows:

S. No.	Name of Member	Designation	Non-Executive/ Independent	Executive/
1.	Rajendra Pal Garg	Chairman	Non-Executive	
2.	Jayanti Sharma	Member	Non-Executive	
3.	Krishan Kartik	Member	Non-Executive & Independent Director	

d) **FINANCE AND INVESTMENT COMMITTEE:** The composition of Loan Committee of the Company is as follows:

S. No.	Name of Member	Designation	Non-Executive/ Independent	Executive/
1.	Jayanti Sharma	Chairperson	Non-Executive	
2.	Rajendra Pal Garg	Member	Non-Executive	
3.	Krishan Kartik	Member	Non-Executive & Independent Director	

17. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committees, Nomination & Remuneration Committees, Share Transfer Committee and Finance and Investment Committee.

DURGESH MERCHANTS LIMITED

The manner in which the evaluation has been carried out is based on the criteria as specified by the management of the Company i.e. No. of meetings attended, quality suggestion accepted by the Board from the individual Director, participation of directors in Board discussion, etc.

18. CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business of the Company during the financial year 2014-15.

19. PARTICULARS OF EMPLOYEES

The information as per Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

20. DISCLOSURE UNDER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

No directors/employees of the Company was in receipt of amount exceeding a salary of Rs.5,00,000/-per month or Rs. 60,00,000/- per annum or more when employed for whole of the year, under the provisions of Rule 5 (2) & (3) of The Companies (Appointment And Remuneration) Rules, 2014.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no such orders passed against the company during the year.

22. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES U/S 188(1)

During the year under review, the Company has entered into any contract or arrangement with the Related Parties as per Section 188 of the Companies Act, 2013 enclosed as per "Annexure C". and particulars of Related Party Transactions entered into in pursuance to the existing Accounting Standard-18 as notified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Account) Rules, 2014 are given under Note 3.23 to the Financial Statements.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, Your Company has not given any Loans, Guarantees or made any Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act).

24. STATUTORY AUDITORS

The Company's Auditors, M/s Ajay Shikhar Jain & Company, Chartered Accountants, whose appointment shall be ratified as per provisions of the Companies Act, 2013, at the ensuing Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for ratification as Statutory Auditors of the Company. They shall hold office of the statutory auditors from the conclusion of ensuring Annual general meeting up to the 5th Annual General Meeting of the Company.

25. STATUTORY AUDITORS' REPORT

The observation made by the Auditors are self explanatory and do not require any further clarifications

26. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries, associates and joint venture companies. Hence, the disclosure of particulars with respect to information related to performance and financial position of the Subsidiaries, joint ventures or associate Companies subject to rule 8(1) and 8(5)(iv) of Companies (Accounts) Rules, 2014 is not applicable.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as Company is not covered under the criteria mentioned in Section 135(1) of Companies Act, 2013.

28. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Pankaj Dawar, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the Financial Year 2014-15. The Report of the Secretarial Auditor in Form MR-3 is annexed herewith as "**Annexure A**".

29. SECRETARIAL AUDITORS' REPORT

The Secretarial Auditor remarks are self-explanatory and do not require any clarification from the Board except the following:

Remark: *As required under Section 93 of the Companies Act, 2013 read with Rule 13 of Companies (Management and Administration) Rules, 2014, Company has not filed MGT-10 for transfers recorded in April, 2014 and for change in the holding of top ten shareholders pursuant to preferential allotment in its board meeting dated 3rd September, 2014.*

Board Clarification: As the Companies Act, 2013 was in the nascent stage, the management inadvertently bypassed the required compliance. The Board assures that the Company will comply with all the rules and provisions of the Companies Act, 2013 in future.

Remark: *The Disclosure of Interest was submitted to Registrar of Companies in the fourth Board Meeting (i.e. dated 30th May, 2014) instead of the First Board meeting of the Financial Year.*

Board Clarification: Due to absence of an in-house compliance officer; the management inadvertently bypassed the required compliance. The Board assures that the Company will comply with all the rules and provisions of the Companies Act, 2013 in future.

26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure B**".

27. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

The Board confirms that no complaints/ cases has been filed / pending with the Company under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2014-15.

28. CORPORATE GOVERNANCE

Disclosure related to corporate governance during the financial year under Clause 49 of the Listing Agreement is not applicable as Company is not covered under the criteria mentioned under said clause.

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities carried out by the Company, Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 relating to conversation of energy and technology absorption, are not applicable to the Company. During the year under review, the Company had no earnings and expenditure in foreign exchange.

30. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) of the Companies Act, 2013 and subject to disclosures in the Annual accounts your Directors' state as under:

- a.) that in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b.) that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2015 and of the profit and loss of the Company for that period;
- c.) that the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d.) that the directors have prepared the annual accounts on a going concern basis;
- e.) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f.) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

31. MATERIAL CHANGES & COMMITMENTS FROM DATE OF BALANCE SHEET TO THE DATE OF REPORT:

There are no material changes & commitments from date of Balance sheet to the date of report.

32. ACKNOWLEDGMENT

The Directors gratefully acknowledge all stakeholders of the company viz. financial institutions, Government Authorities, customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees, executives, staff and workers of the Company for their unstinted commitment and continued contribution to the Company.

**By the Order of the Board
For Durgesh Merchants Ltd.**

Sd/-

**Jayanti Sharma
(Chairperson)**

DIN: 05285845

Address: 8/33, III Floor,
Satbhava School Marg,
W.E.A. Karol Bagh,
New Delhi-110005

Date: 02nd September, 2015

Place: New Delhi

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To,
The Members,
Durgesh Merchants Limited
8/33, III Floor, Satbharva School Marg,
W.E.A, Karol Bagh, New Delhi-110005

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

Based on our verification of **Durgesh Merchants Limited's** books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year from **1st April, 2014 to 31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Durgesh Merchants Limited** for the financial year ended on **31st March, 2015** according to the provisions of:

- (i). The Companies Act, 2013 and the rules made there under and the Companies Act, 1956 to the extant applicable,
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under. **Not Applicable**
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **Not Applicable**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable**

Not Applicable

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

Not Applicable

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Not Applicable

(vi). RBI Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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

(i). The Equity Listing Agreements entered into by the Company with *Ludhiana Stock and Capital Limited (formerly Ludhiana Stock Exchange Ltd.) and **The Calcutta Stock Exchange Limited.

* Recognition of Ludhiana Stock Exchange and Capital Limited (formerly Ludhiana Stock Exchange Ltd.) with Securities Exchange Board of India was expired on 27th April, 2014.

** Company's Securities got listed at The Calcutta Stock Exchange Limited w.e.f., 4th July, 2014.

During the period under review, as per the explanations and clarifications given to us and representations made by the management, the Company has generally complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following **Observations/ Non Compliances/ Adverse Remarks/ Qualifications**:

a) In respect of Companies Act 2013 and rules made there under:

- As required under Section 93 of the Companies Act, 2013 read with Rule 13 of Companies (Management and Administration) Rules, 2014, Company has not filed **MGT-10 for transfers recorded in April, 2014 and for change in the holding of top ten shareholders pursuant to preferential allotment in its board meeting dated 3rd September, 2014.**
- Status of Compliance of Section 203 of Companies Act, 2013 along with Rule 8 of Companies(Appointment and Remuneration) Rules, 2014:

- Company Secretary of the Company is appointed on 5th August, 2014.
- Managing Director of the Company is appointed on 5th September, 2014.
- Chief Financial Officer of the Company is appointed on 23rd March, 2015.

b) In respect of RBI Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:

- Company had adopted the Fair Practice Code and Policy on Know your Customer (KYC) and Anti Money Laundering (PMLA) in its board meeting dated 5th August, 2014. However the same was submitted to the Reserve Bank of India, Delhi on 3rd Nov, 2014.

We further report that:

- (i). the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act,
- (ii). the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel *except that the Disclosure of Interest was submitted to Registrar of Companies in the fourth Board Meeting (i.e. dated 30th May, 2014) instead of the First Board meeting of the Financial Year 2014-15.*
- (iii). Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iv). We further report that based on the information received and records maintained by the Company, there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the audit period under review following events occurred in the Company:

- the Company has made a preferential allotment of 21, 74,000 equity shares to the non-promoters on 3rd September, 2014 and has complied with the applicable Acts, Rules, Regulations and Provisions applicable thereto.
- Share Purchase Agreement has been signed on 23.03.2015 between Mr. R.P Garg, Ms. Kiran Garg, Mr. Heman Garg and Mr. Dushan Garg (Promoter and Promoter Group of the Company) and Mr. Kamal Ahuja (Acquirer).
- The Company has also filed an application with the Reserve Bank of India, Delhi, seeking approval for change in management/control of the Company; application as on date is under process.

**For PANKAJ DAWAR & ASSOCIATES
Company Secretaries**

**Sd/-
(PANKAJ DAWAR)
C.P. No.: 14270**

**Date: 1st September, 2015
Place: New Delhi**

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management and Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

I	CIN	L51219DL1984PLC248322
ii	Registration Date	31 st December, 1984
iii	Name of the Company	Durgesh Merchants Ltd.
Iv	Category/Sub-category of the Company	Company limited by Shares
V	Address of the Registered office and Contact details	8/33 III Floor, Satbhava School Marg; W.E.A karol Bagh, New Delhi 110005
Vi	Whether listed Company	Yes
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Skyline financial Services Private Limited D-153 A, 1 st Floor, Okhla Industrial Area, Phase- I, New Delhi-110020 011 -64732681/ 82/83

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1.	Non-mortgage loan services for business purposes n.e.c.	99711359	90.12%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NOT APPLICABLE					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	47600	47600	9.60	0	75600	75600	2.83	58.82
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) (1)	0	47600	47600	9.60	0	75600	75600	2.83	58.82
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	47600	47600	9.60	0	75600	75600	2.83	58.82
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0

d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	77300	77300	15.58	0	14000	14000	0.52	(81.89)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	246450	246450	49.69	0	204282	204282	7.65	(17.11)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	124650	124650	25.13	1876000	160389	2036389	76.27	1533.68
c) Others (Specify)	0	0	0	0	298000	41729	339729	12.72	100
Sub-total (B)(2):-	0	448400	448400	90.40	2174000	420400	2594400	97.17	478.59
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	448400	448400	90.40	2174000	420400	2594400	97.17	478.59

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	496000	496000	100	2174000	50000	2670000	100	438.31

(ii) SHARE HOLDING OF PROMOTERS

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	R P Garg	30000	6.05	Nil	30000	1.12	Nil	Nil
2	Kiran Garg	17600	3.55	Nil	17600	0.66	Nil	Nil
3	Heman Garg	Nil	Nil	Nil	26000	0.97	Nil	100
4	Dushan garg	Nil	Nil	Nil	2000	0.07	Nil	100
	Total	47600	9.60	Nil	75600	2.83	Nil	58.82

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company*	No. of shares	% of total shares of the Company
	At the beginning of the year	47600	1.78	47600	1.78
	Date wise increase/decrease in Promoters Share holding during-the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
1.	27.06.2014 (Purchase of Shares)	68000	2.54	1,15,600	4.33
2.	01.11.2014 (Sale of Shares)	(40000)	(1.50)	(75600)	(2.82)
	At the end of the year	75600	2.82	75,600	2.82

* The percentage of the total shares of the company has been calculated on the basis of 26,70,000 equity shares of the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company*	No of shares	% of total shares of the Company
1.	NEERAJ JAIN				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014 (Allotment of Shares on preferential basis)	2,00,000	7.49	2,00,000	7.49
	At the End of the year	2,00,000	7.69	2,00,000	7.69
2.	MOHANRAJ JAIN (HUF)				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	1,00,000	3.75	1,00,000	3.75
	At the End of the year	1,00,000	3.75	1,00,000	3.75
3.	RAVINDER KUMAR HUF				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	75,000	2.81	75,000	2.81
	At the End of the year	75,000	2.81	75,000	2.81
4.	HARINDER KALRA HUF				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for				

	increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	75,000	2.81	75,000	2.81
	At the End of the year	75,000	2.81	75,000	2.81
5.	MOHANLAL BHIMRAJ SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02
6.	MILAN MOHANLAL SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02
7.	NILAM MILAN SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02
8.	DIPESHKUMAR MOHANLAL SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				

	equity etc) 03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02
9.	MAMTABEN DIPESHKUMAR SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) 03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02
10.	RAJESHKUMAR MOHANLAL SHAH				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) 03.09.2014(Allotment of Shares on preferential basis)	54,000	2.02	54,000	2.02
	At the End of the year	54,000	2.02	54,000	2.02

* The percentage of the total shares of the company has been calculated on the basis of 26,70,000 equity shares of the Company.

(v) **Shareholding of Directors & Key Managerial Personnel:**

SI. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company*	No of shares	% of total shares of the Company
1.	Rajendra Pal Garg (Director)				
	At the beginning of the year	30,000	1.12		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				

	equity etc)	0	0	0	0.00
	At the end of the year	30,000	1.12	30,000	1.12
2.	Kamal Ahuja (Managing Director)				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	03.09.2014 (Allotment of shares on preferential basis)	1,40,000	5.24		
	01.11.2014 (Transfer of Shares)	40,000	1.50	1,80,000	6.74
	At the end of the year	1,80,000	6.74	1,80,000	6.74
3.	Shrashti Gupta (Company Secretary)				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	18.06.2014 (Transfer of Shares)	1	0	1	0
	At the end of the year	1	0	1	0
4.	Vipul Chadha (Chief Financial Officer)				
	At the beginning of the year	0	0		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	18.06.2014 (Transfer of Shares)	5	0	5	0
	At the end of the year	5	0	5	0

* The percentage of the total shares of the company has been calculated on the basis of 26,70,000 equity shares of the Company.

(v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

Indebtness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Additions	0	1,776,890	0	1,776,890
Reduction	0	0	0	0
Net Change	0	1,776,890	0	1,776,890
Indebtedness at the end of the financial year				
i) Principal Amount	0	1,750,000	0	1,750,000
ii) Interest due but not paid	0	26,890	0	26,890
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1,776,890	0	1,776,890

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

SI. No.	Name of the MD/WTD/Manager	Kamal Ahuja	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961	1,50,000	1,50,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option		

3	Sweat Equity	0	0
4	Commission	0	0
	as % of profit	0	0
	others (specify)	0	0
5	Others, please specify	0	0
	Total (A)	1,50,000	1,50,000
	Ceiling as per the Act	30,00,000	-

B. Remuneration to other Directors:

SI. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	Krishan Kathik	Supriya Sinha	0
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non Executive Directors			0
	(a) Fee for attending board committee meetings	0	0	0
	(b) Commission	0	0	0
	(c) Others, please specify.	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act.	0	0	0

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SI. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company CFO	Total
	Gross Salary			

			Secretary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	1,34,693	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission -as % of profit -others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total		1,34,693	0	0

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment			N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Form No. AOC-2

(Pursuant to clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis-N.A.

- a) Name(s) of the related party and nature of relationship:
- b) Nature of contracts/ arrangements/ transactions:
- c) Duration of the contracts / arrangements / transaction:
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- e) Justification for entering into such contracts or arrangements or transactions:
- f) Date(s) of approval by the Board:
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangements or transaction at arm's length basis: as table given below:

S.No.	Particulars	Details of the Parties
a)	Name(s) of the related party and nature of relationship:	M/s Epic Advisors Private Limited
b)	Nature of contracts/ arrangements/ transactions:	Payment of lease rent
c)	Duration of the contracts / arrangements / transaction:	11 months
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	As per lease agreement
e)	Date(s) of approval by the Board, if any	06 th May, 2014
f)	Amount paid as advances, if any:	-

For Durgesh Merchants Limited

Sd/-

Jayanti Sharma

(Chairperson)

DIN: 05285845

Address: 8/33, III Floor, Satbhava School Marg,

W.E.A, Karol Bagh, New Delhi- 110005

DURGESH MERCHANTS LIMITED
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DURGESH MERCHANTS LIMITED
Report on the [Standalone] Financial Statements

We have audited the accompanying standalone financial statements of **DURGESH MERCHANTS LIMITED** ("the company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information, in which we are incorporated the Returns for the year ended on that date audited by the branch auditors of the company's branches if any.

Management's Responsibility for the [Standalone] Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 203 ("the Act') with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; judgments and estimate that are reasonable and prudent: and design implementation of adequate financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true view and free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 (Qualified adverse] audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations to the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as 31st March, 2015, and its Profit/loss and its [cash flow] for the ended on that date.

[Emphasis of Matters]

1. The matters which required emphasis are mentioned in details in notes on accounts in Note no. 3.

Our opinion is not modified in respect of those matters.

Report on Other Legal and Regulatory Requirements

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

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

Further to our comments in the aforesaid annexure, as required by section 143(3) of the Act, report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited us. If any]
- 3.[The report on the accounts of the branch office of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report If any.]
4. The Balance Sheet, Statement of Profit and Loss, and the cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us If any].
5. In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rule, 2014.
6. The going concern matter described under the Emphasis of Matters Paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
7. On the basis of the written representations received from the directors of the company we of the opinion that no directors is disqualified as on 31st March, 2015 from being appointed as directors in terms of section 164(2) of the Act.
8. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - the Company does not have any pending litigations which would impact its financial position.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts for including derivative contracts -the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the investor education and Protection Fund by the Company.
9. The has not Incurred cash losses in current financial year and in the immediately Preceding financial year;
10. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
11. The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;
12. The term loans were applied for the purpose for which the loans were obtained;
13. Based on our in our opinion no fraud on or by the company has been noticed or reported during the year.

For Ajay Shikhar Jain & CO.
Chartered Accountants
(Firm's Registration No. 016279N)

Sd/-
(Proprietor)
Membership No. 097094

Place of Signature: Delhi
Date: 30.05.2015

Balance Sheet As At 31st March, 2015

Particulars	Note No.	Amount As at 31.03.2015	Amount As at 31.03.2014
I.EQUITY AND LIABILITIES			
(1) Shareholders Fund			
(a) Share Capital	3.1	26,700,000	4,960,000
(b) Reserve And Surplus	3.2	104,072	(53,962)
(2) Share Application Money Pending Allotment			
		-	2,880,000
(3) Current Liabilities			
(a) Trade Payables	3.3	11,323	-
(b) Other Current Liabilities	3.4	39,965	5,800
(c) Short Term Provisions	3.5	69,118	594,522
(d) Loans and Advances	3.6	1,776,890	-
TOTAL		28,701,368	8,386,360
II. ASSETS			
(1) Current Assets			
(a) Inventories	3.7	-	816,563
(b) Cash & Cash Equivalents	3.8	777,066	3,429,261
(c) Trade Receivables	3.9	423,121	781,482
(d) Short Term Loans And Advance	3.10	27,224,000	2,890,900
(e) Other Current Assets	3.12	277,181	468,154
TOTAL		28,701,368	8,386,360

The notes referred to above are an integral part of Balance Sheet

As per our Audit Report of even date attached

For Ajay Shikhar Jain & Co

Chartered Accountants

Firm Reg. No. 016279N

Sd/-

Ajay Kumar Jain

Proprietor

M.No. 097094

Date:30.05.2015

Place: New Delhi

For Durgesh Merchants Limited

Sd/-

Kamal Ahuja

Managing Director

DIN: 00005195

Sd/-

Vipul Chadha

Chief Financial Officer

Sd/-

Jayanti Sharma

Director

DIN: 05285845

Sd/-

Shrashti Gupta

Company Secretary

Membership No. A30287

Statement of Profit & Loss for the Year Ended 31st March, 2015

Particulars	Note No.	Amount As at 31.03.2015	Amount As at 31.03.2014
I. INCOME			
(1) Income From Operations	3.13	2,166,188	951,000
(2) Other Income	3.14	237,382	626,485
TOTAL INCOME		2,403,570	1,577,485
II. EXPENSES			
(1) Finance Cost	3.17	152,300	-
(2) Purchase of Stock in Trade	3.16	-	365,750
(3) Change in Inventories	3.15	-	-
(4) Employee Benefit Expenses	3.18	477,060	35,800
(5) Depreciation & Ammortisation Expenses		-	-
(6) Other Expenses	3.19	1,391,377	577,280
TOTAL EXPENSES		2,020,737	978,830
Profit Before Exceptional & Extraordinary Items & Tax		382,832	598,655
Exceptional Items		-	-
Profit Before Extraordinary Items & Tax		382,832	598,655
Extraordinary & Prior Period Items		85,361	-
Profit Before Tax		297,471	598,655
Tax Expenses			
(1) Current Tax		139,438	262,295
(2) Deferred Tax Assets/ (liabilities)		-	-
(3) Previous year adjustments		-	3,656
Profit / (Loss) For the Period		158,033	340,016
Earning Per Share			
(1) Basic	3.24	0.06	0.69
(2) Diluted	3.24	0.06	0.69

The notes referred to above are an integral part of Balance Sheet

As per our Audit Report of even date attached

For Ajay Shikhar Jain & Co

Chartered Accountants

Firm Reg. No. 016279N

For Durgesh Merchants Limited

Sd/-

Ajay Kumar Jain

Proprietor

M.No. 097094

Date:30.05.2015

Place: New Delhi

Sd/-

Kamal Ahuja

Managing Director

DIN: 00005195

Sd/-

Vipul Chadha

Chief Financial Officer

Sd/-

Jayanti Sharma

Director

DIN: 05285845

Sd/-

Shrashti Gupta

Company Secretary

Membership No. A30287

DURGESH MERCHANTS LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. COMPANY OVERVIEW

M/s Durgesh Merchants Limited is a Company incorporated under the provision of Companies Act, 1956 on 31st December, 1984 to carry on the financing and investment activities apart from these activities the company is also authorized by its Memorandum of Association to deal in the business of all types of commodities, merchandise, goods, real estate and carry on the business of financiers etc.

The company is a **registered Non Banking Financial Company (Non Deposit Accepting)**, bearing **Registration No. B.06.00133 dated 14th May 2002 U/s 45-IA** issued by the Reserve Bank of India in terms of applicable provisions of the Act.

2.1. ACCOUNTING CONVENTION

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis unless otherwise disclosed by way of note.

These accounts have been prepared under the historical cost conventions, on accrual basis and on the accounting principles of a going concern.

Accounting policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

The Accounting Standards and relevant guidelines notes issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013

2.2. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of freight, duties, taxes, interest and other incidental expenses related to acquisition and installation. Profit or loss arising from derecognition of fixed assets are measured as difference between the net disposal proceeds and the cost of the assets less accumulated depreciation up to the date of disposal and are recognised in the Statement of Profit and Loss.

2.3. INVESTMENTS

Long term investments are stated at cost less provision for diminution in value other than temporary if any.

2.4. INVENTORIES

Inventories if any are valued at lower of cost or net realizable value. Cost of inventories is computed on a FIFO basis. Finished Goods and Work in progress included raw material cost, Cost of conversion and other cost in bringing the inventories to their present location and condition.

2.5. DEPRECIATION AND AMMORTIZATION

Depreciation is charged under the written down value method in accordance with the rates and manner specified in Schedule II to the Companies Act, 2013.

2.6. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

2.7. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The

2.8. REVENUE

- i. Revenue is recognized when interest on loan given becomes due and follow mercantile system of accounting.
- ii. Other miscellaneous revenue are recognized when amount and reliability is certain.

2.9. BORROWING COST

Borrowing cost relating to (i) funds borrowed for acquisition of qualifying fixed assets are capitalized till the date of commissioning and thereafter charged to Profit and loss A/c and (ii) funds borrowed for other purposes are charged to Profit and Loss A/c.

2.10. FOREIGN CURRENCY TRANSACTION

The company has opted for accounting the exchange differences arising on reporting of long term Foreign Currency monetary items in line with companies (Accounting standards) Amendment rules, 2009 relating to accounting standard 11 (AS-11) notified by Government of India on 31st March, 2009.

2.11. RESEARCH AND DEVELOPMENT

Revenue expenditure charged to Profit and loss Account under respective heads of account and capital expenditure added to the cost of fixed assets in the year in which incurred. If any.

2.12. EMPLOYEE BENEFITS

- a. The Provident fund and ESIC are not applicable to the Company.
- b. The company has not made the provision of gratuity on the basis of actuarial valuation as on 31.03.2015.

2.13. TAXATION

a. Tax liability is estimated considering the provision of the Income Tax Act, 1961. Deferred Tax is recognized subjects to the consideration of Prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

b. The company has not made the provision for the deferred tax liability /assets as on 31.03.2015.

2.14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as result of past events it is probable that there will be an outflow of resources. Contingent liabilities, if any, are not recognized in the accounts but are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.15 PENALTIES, IF ANY, LEVIED BY ANY REGULATOR

No penalty has been levied against the company by any Regulator in India

2.16 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 EARNING PER SHARE

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

3. Notes on accounts for the year ended March 31, 2015

3.1. Share Capital	(Amt in Rs.)	
	As at March 31,	
	2015	2014
Particulars		
Authorized		
40,00,000 Equity Shares of face value of Rs. 10 each (Pr. Yr. 40,00,000 Equity Shares of face value of Rs. 10 each)	40,000,000	40,000,000
	40,000,000	40,000,000
Issued, Subscribed & Paid Up Equity Shares		
26,70,000 Equity Shares of face value of Rs. 10 each, fully paid up (Pr. Yr. 4,96,000 Equity Shares of face value of Rs. 10 each, fully paid up)	26,700,000	4,960,000
Total	26,700,000	4,960,000

The Company during the year has allotted 2174000 equity shares on preferential basis. The company has approved the same in its Board Meeting held on 3rd September, 2014. The company did not issue the offer letter as required under The Companies Act, 2013 because preferential issue procedure has been initiated before the introduction of Companies Act, 2013.

Rights, Preferences and Restrictions attached to shares

The equity shareholders have right to receive dividend out of balance of net profit remaining after payment to the preference shareholders, if any. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing general meeting.

The Company has only one of class of shares referred to as equity shares having a face value of Rs. 10 each. Each holder of one equity share is entitled to one vote per share.

Reconciliation of the number of shares outstanding

Particulars	As at March 31,	
	2015	2014
Number of shares outstanding at the beginning of the year	496,000	496,000
Add: Shares issued during the year	2,174,000	-
Number of shares outstanding at the end of the year	2,670,000	496,000

DURGESH MERCHANTS LIMITED

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

Particulars	As at March 31,		As at March 31,	
	2015		2014	
	No of	% Holding	No of Shares	% Holding
M/s Sunlog Credits Private Limited	-	0%	45,000	9.07%
R.P Garg	-	0%	30,000	6.05%
Neeraj Jain	200000	7.49%	-	0.00%
Kamal Ahuja	180000	6.74%	-	0.00%
Total	380000	14.23%	75,000	15.12%

3.2. Reserves & Surplus

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
(A) Statutory Reserve Fund (as required under section 45-IC of Reserve Bank of India Act, 1934)		
Opening Balance	208479	-
Add: Current year transfer	31,607	68,125
Add: Transfer of profit from the past years to Statutory Reserve Fund	-	140,353
Total	240086	208,478
(c) Surplus Of Profit & Loss Account		
Balance in the Profit & Loss Account - Opening	(262,440)	(393,978)
Add: Profit/ (Loss) during the year	158,033	340,016
Less: Transfer to Reserve Fund	31,607	68,125
Less: Transfer of profit from the past years to Statutory Reserve Fund	-	140,353
Balance in the Profit & Loss Account - Closing	(136,014)	(262,440)
Total	104,072	(53,962)

The Company has created reserve under section 45-IC of the RBI Act of Rs. 31,607/- @20% of the current year profit (after Tax).

3.3. Trade Payables

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
SSI Undertakings	-	-
Others		
- CMYK Prontech Ltd.	960	-
- DBS Prakashan Pvt. Ltd	6992	-
- Skyline Financials Services Pvt. Ltd.	3371	-
Total	11323	-

3.4. Other Current Liabilities

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
TDS Payable	9,965	-
Audit Fees Payable	15,000	5,800
Directors Remuneration Payable	15,000	-
Total	39,965	5,800

3.5. Short Term Provisions

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Provision for Income Tax- Current Year	139438	262,295
- Provision for Standard Assets	69,118	7,227
- Provision for Increase in Authorised Capital	-	325,000
Total	208,556	594,522

3.6. Loans & Advances (Liability)

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Panafic Industrials Limited	19,777	-
- Shakumbri Motor and General Finance Ltd.	1,757,113	-
Total	1,776,890	-

3.7. Inventories

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Stock in hand	-	816,563
Total	-	816,563

DURGESH MERCHANTS LIMITED

Note : In previous years the share purchase was shown as closing stock . While the company is not carrying on any trading on regular basis . Therefore the shares purchase activity of the Company deems to be an investment.

3.8. Cash & Cash Equivalents

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
Balances with Banks		
- Union Bank of India	55,265	40,160
- Kotak Mahindra Bank	152,379	3,070,313
Cash in hand	569,422	318,788
Total	777,066	3,429,261

3.9. Trade Receivables

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
Unsecured, considered good Debts outstanding for a period exceeding 6 months		
- SKI Capital Services Ltd	-	781,482
Debts outstanding for a period not exceeding 6 months		
- Avenue Tradelink Pvt. Ltd.	279,693.00	
- Innoviz Traders Pvt. Ltd.	10,912.00	
- Jainsons Rugs International Pvt. Ltd.	48,157.00	
- Medieval Buildcon Pvt. Ltd.	10,016.00	
- Nakkash Propbuild Pvt. Ltd.	33,140.00	
- Saransh Buildcon Pvt. Ltd.	41,203.00	
Total	423,121.00	781,482

3.10. Short Term Loans and Advances

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Avenue Tradelink Pvt. Ltd.	5,711,500	-
- Gagan Kumar	1,750,000	-
- Innoviz Traders Pvt. Ltd.	1,212,500	-
- Jainsons Rugs International Pvt. Ltd.	3,675,000	-
- Lawmax Mangament Consultants Pvt. Ltd.	600,000	-
- Medieval Buildcon Pvt. Ltd.	600,000	-
- Nakkash Propbuild Pvt. Ltd.	4,000,000	-
- Saransh Buildcon Pvt. Ltd.	3,000,000	-
- Shine Propbuild Pvt. Ltd.	6,675,000	-
- Bharat Yarn Traders	-	1,702,500
- RK Bansal Finance Ltd	-	1,163,400
- Total Cares Pvt Ltd	-	25,000
Total	27,224,000	2,890,900

3.11 The company has been charging interest on loans given to the borrowers on mutual basis and in some individual cases the Company able to recover only the Principal outstanding amount WHEREAS the interest provided during the year had been reversed at the end of Financial Year ending on 31st March 2015

3.12. Other Current Assets

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Ludhiana Stock Exchange	-	76,914
- ROC refund receivable	200000	200,000
- TDS Recoverable- Previous Years	-	79,200
- TDS Recoverable F.Y. 2014-15	77,181	-
- TDS Recoverable F.Y. 2013-14	-	107,610
- Income Tax Refund - F.Y. 2012-13	-	4,430
Total	277,181	468,154

3.13. Income from Operation

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Income from financial operations	2,166,188	951,000
Total	2,166,188	951,000

3.14. Other Income

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
- Dividend Income	11,166	14,135
- Profit on Sale of Shares	225,926	612,350
- Interest on Income Tax Refund	290	-
Total	237,382	626,485

3.15. Change In Inventories

Particulars	(Amt in Rs.)	
	As at March 31,	
	2015	2014
Opening Stock	816,563	816,563
Closing Stock	-	816,563
Total	816,563	-

Note : In previous years the share purchase was shown as closing stock . While the company is not carrying on any trading on regular basis . Therefore the shares purchase activity of the Company deems to be an investment.

Expenses		
Particulars	As at March 31,	
	2015	2014
	3.16 Purchases	
- Purchases of Shares	-	365,750
	-	365,750
3.17. Finance Cost		
- Interest on Loan	145,080	
- Bank Charges	7,220	-
	152,300	-
3.18. Employee Benefit Expenses		
- Staff Salary	416,000	30,000
- Staff welfare Expenses	61,060	5,800
	477,060	35,800
3.19. Other Expenses		
Payment to Auditors		
- Auditors Remuneration	15,000	2,500
Others		
- Business Promotion Expenses	49,246	-
- Conveyance Expenses	88,459	-
- Demat Charges	3,014	-
- Directors Remuneration	150,000	-
- Interest on Income Tax	17,086	-

DURGESH MERCHANTS LIMITED

- Interest on late Payment of TDS	613	-
- Interest on Refundable Share Application Money	335,630	-
- Professional Expenses	-	11,000
- Accounting Charges	-	11,000
- Bad Debts written off	25,000	-
- Advertisement Expenses	30,181	6,845
- Printing & Stationery	49,406	845
- Provision for Standard Assets	61,891	7,227
- Stock Exchange Fees	188,764	167,666
- CDSL Fees	26,968	22,472
- NSDL Fees	9,297	-
- RTA Fees	3,371	20,225
- ROC Fees	30,500	2,500
- Office Maintenance Expenses	69,212	-
- Registartion Fees	11,236	-
- Stamp Duty	21,750	-
- Short & Excess	4	-
- Provision for Increase in Authorised Capital	-	325,000
- Rent	165,000	-
- Misc. Expenses	39,749	-
Total	1,391,377	577,280

3.20. There is no liability provided on the account of Contingent Liabilities in the current year as well as in the previous year.

3.21. The Details of managerial remuneration provided to the directors during the year :

Particulars	(Amt in Rs.)	
	2014-15	2013-14
Director Remuneration	150,000	-
Conveyance Allowance (Money value perquisites)	-	-
Sitting Fees	-	-
Total	150,000	-

3.22. Disclosure of Prior period items and Extraordinary items in compliance with Accounting Standard-5 issued by ICAI

The Company has adjusted Rs. 85,361 as prior period and extraordinary items in the Profit and Loss Account for the year ended 31st March 2015,. Prior Period items include Rs. 79,200 that constitutes Income Tax relating to Financial Year 2012-13 and extraordinary items include Rs. 6,161 that constitutes TDS on interest on refund of Share application money which was not sought to be deducted bt was wrongly deducted in the books.

3.23. Related Party Transactions during the year as per Accounting Standard 18:-

Disclosure details pertaining to related party transactions (as certified by the management of the Company) entered into during the year in terms of Accounting Standards AS-18 " Related party disclosures" as issued by ICAI:-

1. Key Managerial Personnel: Date of Appointment

Mr. Kamal Ahuja	Managing Director	24-Mar-14
Mr. R.P. Garg	Director	27-Jul-89
Ms. Jayanti Sharma	Director	27-Jun-14
Krishan Kartik	Additional Director	29-Jan-15
Supriya Sinha	Additional Director	9-Mar-15
Vipul Chadha	Chief Financial Office	23-Mar-15
Shrashti Gupta	Company Secretary	1-Nov-14

2. Relative of Key Managerial Personnel: Nil

3. Parties in which the Key Managerial Personnel/ Director(s) of the Company is/are interested: ☐

- M/s Shakumbri Motar and General Finance Ltd.
- M/s Grover Ahuja and Associates
- M/s Epic Advisors Private Limited

DURGESH MERCHANTS LIMITED

4. Details of transactions under the ordinary course of business between Company and related parties during the year and the status of outstanding balances as on 31st March 2015 is :-

Particulars	Purpose	Opening Balance	Amount paid during the Year	Maximum Balance Outstanding	Balance as on March 31 2015
(a). M/s Shakumbri Motar and General Finance Ltd.	Loans taken during the year	-	-	1,757,113.00	1,757,113.00
(b). M/s Grover Ahuja and Associates	Payment of Statutory dues during the year	-	551,202.00	427,200.00	-
(c). M/s Epic Advisors Private Limited	Payment of Rent	-	165,000.00	165,000.00	-
Total				1,757,113.00	

3.24. In the opinion of the Board of Directors the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet and provisions for all liabilities have been made.

3.25. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by ICAI, the particulars of EPS for the equity shareholders are as below:

Particulars	2014-15	2013-14
(a) Net Profit/(loss) as per Profit & Loss Account (Rs.)	158,033	340,016
(b) Average No of Ordinary Share Outstanding	2670000	496,000
(c) EPS (Basic/ Diluted)[(a)/(b)]	0.06	0.69
(d) Face Value of each equity share (Rs.)	10	10

3.26 The Company is engaged in the business of Non Banking Financial Institution and it has obtained Certificate of Registration from the Reserve Bank of India

3.27 The Company is entitled to continue to hold such Certificate of Registration in terms of its asset/income pattern as on 31st March 2015

3.28 The Company has been classified as Loan Company as defined in Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank), Directions, 1998 with reference to the Business carried on by it during the Financial Year 2014-15.

3.29 The Board of Directors have passed resolution for non acceptance of any Public Deposits.

3.30 The Company has not accepted any Public Deposits during the Financial Year 2014-15

3.31 The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudentials Norms (Reserve Bank) Directions, 2007.

3.32 Foreign Exchange Earnings & Expenditure -NIL

3.23. Previous year figures have been regrouped and rearranged wherever considered necessary to comply with the requirements of revised Schedule VI to make them comparable with those of the current year.

For Ajay Shikhar Jain & Co
Chartered Accountants
Firm Reg. No. 016279N

Sd/-
Ajay Kumar Jain
Proprietor
M.No.097094

Date:30.05.2015
Place: New Delhi

For Durgesh Merchants Limited

Sd/-
Kamal Ahuja
Managing Director
DIN: 00005195

Sd/-
Jayanti Sharma
Director
DIN: 05285845

Sd/-
Vipul Chadha
Chief Financial Officer

Sd/-
Shrashti Gupta
Company Secretary
Membership No. A30287

DURGESH MERCHANTS LIMITED

**Schedule to the Balance Sheet of a
Non-Banking Financial Company**

[As required in terms of Paragraph 9BB of Non-Banking Financial Companies
Prudential Norms (Reserve Bank) Directions, 1998]

RBI No. : B.06.00133 dated: 14th May, 2002

(Rs.in lakhs)

Particulars		31.03.2015	
	Liabilities side :		
1	Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :	Amount Outstanding	Amount overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	17.77	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans (specify nature)	NIL	NIL
	*Please see Note I below		
2	Break-up of (1)(f) above (Outstanding public deposits Inclusive of Interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
	Assets side :	Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables[other than those Included in (4) below] :		
	(a) Secured	Nil	
	(b) Unsecured	272.24	
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP Activities :		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	NIL	
	(b) Operating Lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debenture and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Governments Securities	NIL	
	(v) Others (please specify)	NIL	
	2. Unquoted :		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debenture and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Governemts Securities	NIL	
	(iii) Others (Please specify)	NIL	
	Long Term Investments :		
	Current Investments :		
	1. Quoted :		

DURGESH MERCHANTS LIMITED

	(i) Shares : (a) Equity (b) Preference		NIL NIL
	(ii) Debenture and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Governments Securities		NIL
	(v) Others (please specify)		NIL
	2. Unquoted :		
	(i) Shares : (a) Equity (b) Preference		NIL NIL
	(ii) Debenture and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Governemts Securities		NIL
	(iii) Others (Investment in partnership firm)		NIL
6	Borrower group-wise classification of all leased stock-on-hire and loans and advances :		
	Category	Amount net of provisions	
		Secured	Unsecured
	1. Realted Parties "	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	NIL	272.24
	Total	NIL	272.24
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
	Category	Market Value / Break-up or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties "	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	NIL	NIL
	Total	NIL	NIL
8	Other Information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets	NIL	
	(a) Realted parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-Performing Assets	NIL	
	(a) Realted parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of debt	NIL	

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in cloumn (5) above.

For Ajay Shikhar Jain & Co
Chartered Accountants
Firm Reg. No. 016279N

For Durgesh Merchants Limited

Sd/-
Ajay Kumar Jain
Proprietor
M.No. 097094
Date:30.05.2015
Place: New Delhi

Sd/-
Kamal Ahuja
Managing Director
DIN: 00005195

Sd/-
Vipul Chadha
Chief Financial Officer

Sd/-
Jayanti Sharma
Director
DIN: 05285845

Sd/-
Shrashti Gupta
Company Secretary
Membership No. A30287

Cash Flow Statement For The Year Ended 31st March, 2015

Particulars	Amount as on 31.03.2015	Amount as on 31.03.2014
Cash flow from operating Activities		
Profit before tax and after depreciation	297,471	598,655
Add: Depreciation	-	-
Operating Profits before working capital changes	297,471	598,655
Less: Increase in working capital	21,670,230	-
Add: Decrease in working capital	-	82,849
Less: Provision adjusted in Profit & Loss A/c	-	-
Profit before tax	(21,372,758)	681,504
Current Income Tax	139,438	262,295
Cash Flow From Operating Activities Before Exceptional & Extraordinary Items	(21,512,196)	419,209
Exceptional Items	-	3,656
Cash Flow From Operating Activities Before Extraordinary Items	(21,512,196)	422,865
Extraordinary Items	-	-
Net Cash Flow from operating activities (A)	(21,512,196)	422,865
Cash Flow From Investing Activities	-	-
Net cash flow from investing activities (B)		
Cash Flow From Financial Activities		
Share Application money received	-	2,880,000
Issue of Share Capital	21,740,000	
Share Application money refund	(2,880,000)	-
Net Cash Flow From Financing Activities (C)	18,860,000	2,880,000
Net Cash Flow During the year (A+B+C)	(2,652,197)	3,302,865
Add: Opening Cash And Cash Equivalents	3,429,261	126,396
Closing Cash Balance Cash And Cash Equivalents	777,066	3,429,261

Notes:

The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 on 'Cash Flow Statement' as notified under

Include both long-term and short-term assets/ liabilities.

Fixed deposits have been included in the operating activities, since it is directly attributable to the primary revenue generating operations of

Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

For Ajay Shikhar Jain & Co
Chartered Accountants
Firm Reg. No. 016279N

For Durgesh Merchants Limited

Sd/-
Ajay Kumar Jain
Proprietor
M.No. 097094

Sd/-
Kamal Ahuja
Managing Director
DIN: 00005195

Sd/-
Jayanti Sharma
Director
DIN: 05285845

Date:30.05.2015
Place: New Delhi

Sd/-
Vipul Chadha
Chief Financial Officer

Sd/-
Shrashti Gupta
Company Secretary & Compliance Officer
Membership No. A30287

**Form No. MGT-11
Proxy Form**

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

CIN	L51219DL1984PLC248322
Name of the Company	Durgesh Merchants Limited
Registered office	8/33, III Floor; Satbhava School Marg ,W.E.A Karol Bagh, New Delhi - 110005

Name of the member(s)	:
Registered address	:
E-mail ID	:
Folio No/Client ID	:
DP ID	:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him

2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him

3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the Wednesday, 30th September, 2015 at 12:00 noon at D-220, Basement, Defence Colony, New Delhi-110024 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars
Ordinary Business	
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2015 and reports of the Board of Directors and the Auditors thereon
2.	Appointment of Ms. Jayanti Sharma, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment
3.	Appointment of M/s. Ajay Shikhar Jain & Co., Chartered Accountants. as Statutory Auditors
Special Business	
4.	Appointment of Mr. Krishan Karthik (DIN: 07079790) as an Independent Director
5.	Appointment of Ms. Supriya Sinha (DIN: 07118175) as an Independent Director
6.	Adoption of new set of Articles of Association of Company inter-alia pursuant to the Companies Act, 2013
7.	Limits on Borrowing powers of the Company according to Section 180(1)(c) of Companies act, 2013

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)



Note: 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.

ELECTRONIC VOTING PARTICULARS

EVEN(Electronic Voting Event Number)	PASSWORD	USER ID	NO. OF SHARES

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

Commencement of e-voting	From 10:00 a.m. on September 27 th , 2015
End of e-voting	Upto 05:00 p.m. on September 29 th , 2015

The cut-off date for the purpose of e-voting is 23rd September, 2015

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

ATTENDANCE SLIP

I/We hereby record my presence at the Annual General Meeting Wednesday, the 30th September, 2015 at 12:00 noon at D-220, Basement, Defence Colony, New Delhi-110024

Name of the Shareholders or Proxy (In Block Letters) _____

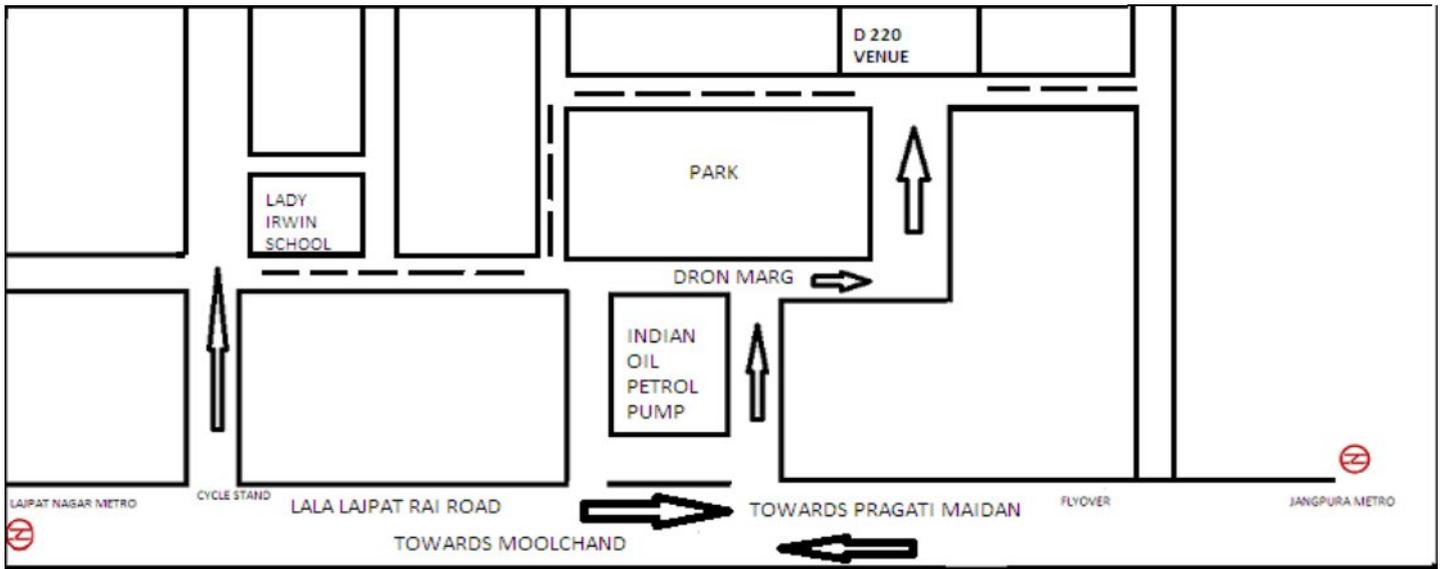
No. of Shares Held _____

Regd. Folio No./DPID-CLID _____

Signature of the Shareholder/Proxy

Note: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

Route Map:



BOOK POST

If undelivered please return to:

Durgesh Merchants Limited
8/33, III Floor, Satbhava School Marg, W.E.A, Karol Bagh, New Delhi- 110005
E-mail ID: durgeshmerchants@gmail.com
Tel.: 011-68888824