

32ND ANNUAL REPORT

2015-16

DURGESH MERCHANTS LIMITED

(CIN: L51219DL1984PLC248322)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Jayanti Sharma (DIN: 05285845): Director
Mr. Rajendra Pal Garg (DIN: 00525574): Director
Mr. Krishan Karthik (DIN: 07079790): Independent Director
Ms. Supriya Sinha(DIN: 07118175): Independent Director

KEY MANAGERIAL PERSON

Mr. Vipul Chadha: Chief Financial Officer

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

Calcutta Stock Exchange Limited

REGISTERED OFFICE

D-220, Basement, Defence Colony,
New Delhi-110 024
Tel No.: +011-68888824
Website: www.durgeshmerchantsltd.com
Email: durgeshmerchants@gmail.com

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd (Thirty Second) Annual General Meeting of the Members of **M/S Durgesh Merchants Limited** will be held on Wednesday, 14th day of September, 2016 at 10:00 a.m. at D-220, Basement, Defence Colony, New Delhi-110024 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016, together with the Profit and Loss Account for the financial year ended on that date along with schedules appended thereto and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Pal Garg (DIN: 00525574), who retires by rotation and being eligible, seeks re-appointment
3. To appoint **M/s Krishan Rakesh & Company, Chartered Accountants** (FRN : 009088N) as Statutory Auditors of the Company and to fix their remuneration and for that purpose pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, **M/s Krishan Rakesh & Company, Chartered Accountants** be and are hereby appointed as the auditors of the Company, to hold office for a term of 5 years from the conclusion of this 32nd AGM till the conclusion of the 37th AGM (subject to ratification of the appointment by the members at every intervening AGM held after this AGM) in respect of the financial years beginning April 1, 2016 and ending March 31, 2021, and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration as may be determined in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors.”

SPECIAL BUSINESS

4. **TO APPOINT MR. SANDEEP GROVER (DIN: 07556149) AS AN INDEPENDENT DIRECTOR OF THE COMPANY 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 a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, Mr. Sandeep Grover (DIN 07556149), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office up to a term of 5 (five) years, and shall not be liable to retire by rotation.”

5. **APPROVAL FOR CONTRIBUTION TO CHARITABLE INSTITUTION PURSUANT TO SECTION 181 OF 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 Section 181 of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors for making a contribution to a charitable institution up to a sum of Rs.10,00,000/- (Rupees Ten Lakh Only) in such installments as may be thought fit by the Board in its own discretion.”

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

Sd/-
Praveen Prabhaker Tiwari
Company Secretary
Address: D-220, Basement,
Defence Colony, New Delhi-110024

Date: August 16, 2016
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 12th August, 2016.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY /PROXIES TO ATTEND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company.
3. The Instrument of Proxy, duly executed and properly stamped, should reach the Company at its registered office not less than 48 hours before the time of the meeting. **Proxy Form (MGT-11) is enclosed.**
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days written notice is given to the Company.
5. The Statutory registers maintained under Section 170 of the Companies Act, 2013 will be available at the venue for inspection by members.
6. The Register of contracts or arrangements in which directors are interested, as maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
7. Members are requested to intimate immediately any change in their address, including e mail addresses, to the Company.
8. Members/Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Attendance Slip is enclosed.
9. Members may also note that the Notice of the 32nd AGM will be available on the Company's website, www.durgeshmerchantsltd.com. The physical copies of the documents will also be available at the Company's registered office for inspection during

normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : durgeshmerchants@gmail.com

10. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking re-appointment at the AGM, is furnished as annexure to the Notice. The directors being eligible, offers him for re-appointment as required under the Companies Act, 2013 and the Rules there under.
11. Route map of the venue of meeting is attached

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4:****(APPOINTMENT OF MR. SANDEEP GROVER (DIN: 07556149) 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. Sandeep Grover (DIN: 07556149), being eligible, offers himself for appointment, and is proposed to be appointed as Independent Director for a term as stated in the Resolution.

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

Except Mr. Sandeep Grover (DIN: 07556149), being an appointee, none of the Directors 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, recommend the resolution for appointment of Mr. Sandeep Grover (DIN: 07556149) as an Independent Director of the Company for approval of the members by passing an Ordinary resolution.

Brief Resume of Mr. Sandeep Grover (DIN: 07556149) is as under:

Name	Mr. Sandeep Grover
Age	42
Name of the other Companies in which Directorship held	NIL
Name of the other Companies in which Committee Membership held	NIL
Shareholding in the Company	NIL

Item No. 5:

(APPROVAL FOR CONTRIBUTION TO CHARITABLE INSTITUTION PURSUANT TO SECTION 181 OF COMPANIES ACT, 2013)

Under Section 181 of the Companies Act 2013, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the Members is required for such contributions during a financial year exceeding five percent of its average net profits during the three immediately preceding financial years. The approval of the Members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to make contributions to bona fide charitable and other funds, in a financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial years.

The Board recommends the resolution for approval by the members of the Company.

None of the Directors of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Additional information on Director recommended for re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

Mr. Rajendra Pal Garg

Mr. Rajendra Pal Garg has been associated with the Company for more than 30 years. He has held the office of the Director in Durgesh Merchants Limited since 27th July, 1989. He has been a part of Company's decision making, quality and regulatory operations and has played an imperative role in formulating the business strategies.

Disclosure of relationships between directors inter-se

Nil

Listed companies (other than Durgesh Merchants Limited) in which Mr. Rajendra Pal Gupta holds directorship and committee membership:

1. Directorship
Nil
2. Chairperson of Board committees
Nil
3. Member of Board committees
Nil
4. Shareholding in the Company
30000 Shares (i.e. 1.12 %)

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 Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.
- 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 11th September, 2016 at 09:00 a.m. and ends on 13th September, 2016 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 i.e. 7th September, 2016 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. (xiii) above, to cast vote.

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 i.e. 7th September, 2016.

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. 7th September, 2016, 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. Ms. Nimisha Gupta of M/s Nimisha Gupta & Associates, Company Secretaries has been appointed 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.

DIRECTORS' REPORT**The Members
Durgesh Merchants Limited,**

The Board of Directors hereby presents the Directors' Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended on 31st March, 2016.

1. BACKGROUND

The Company is a Non Deposit Accepting Non Banking Finance Company ("NBFC"), holding a Certificate of Registration (**Regn. No. 06.00133**) from the Reserve Bank of India ("RBI") dated May 14, 2002.

Upon change in jurisdiction to RBI Delhi, a fresh Certificate of Registration (**B-14.03319**), dated September 11, 2015 is obtained.

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. 22.06 Lac as compared to Rs. 24.03 Lac in the previous year with a percentage change of (8.19)%. Profit before tax for the current year is Rs. 1.89 Lac as compared to Rs. 2.97 Lac in the previous year with a percentage change of 36.13%; Profit after tax for the current year is Rs. 1.31 Lac as compared to Rs. 1.58 Lac in the previous year with a percentage change of 16.94%.

4. SUMMARY OF FINANCIAL RESULTS

The Company's financial results are as under:

Particulars	As on 31 st March, 2016 (In Rs.)	As on 31 st March, 2015 (In Rs.)
Total Income	2,206,594	2,403,570
Less: Total Expenditure	2,016,625	2,020,737
Profit before Exceptional and Extraordinary items & tax	189,969	382,832
Less: Extraordinary & Prior period items	-	85,361
Profit before tax	189,969	297,471
Less: Tax Expenses		
(1) Current tax	58,700	139,438
(2) Deferred Tax	(1,233)	
(3) Previous year adjustments		
Profit/ (Loss) after tax	130,036	158,033
Earning Per Share		
(1) Basic	0.05	0.06
(2) Diluted	0.05	0.06

5. RESERVE FUND

An amount of Rs. 26,007/- being 20% of the profits was transferred to Statutory Reserve Account for the financial year ended 31st March, 2016 as per the requirement of NBFC prudential norms.

6. CHANGE IN MANAGEMENT/CONTROL OF THE COMPANY

During the year, Mr. Kamal Ahuja (“proposed Acquirer”) entered into Share Purchase Agreement (“SPA”) with the existing promoters of Durgesh Merchants Limited (“the Company”) with the objective of taking complete management control, along with the acquisition of 75600 equity shares (representing 2.83% of total equity share capital), at a price of Rs. 10/- per share.

Pursuant to RBI Notification No. **DNBS (PD) CC.No.376/03.10.001/2013-14, dated May 26, 2014 (amended as DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 9, 2015)** , prior approval of the Reserve Bank of India (RBI) was required for any takeover or acquisition of control of an NBFC, whether by acquisition of shares or otherwise.

The Company, being an NBFC, has filed an Application, dated March 23, 2015 , seeking prior approval of RBI for change in management/ control and the said approval is awaited as on date.

7. DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended 31st March, 2016.

Company needs further funds to enhance its business operations, to upgrade the efficiency and to meet out the deficiencies in working capital before recommending Dividend in any further financial year.

8. 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.

9. INTERNAL CONTROL SYSTEM

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.

Further, pursuant to Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, Mr. Shivesh Tomer of M/s. Shivesh & Co., Chartered Accountants, having ICAI Membership No. 88577 is the Internal Auditor of the Company who is performing all the duties as required to performed by a Internal auditor under the Companies Act 2013.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013, every listed Company shall establish a Whistle Blower policy/Vigil Mechanism for the Directors and Employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or Ethics Policy. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant & perceived as such, would be a matter of serious concern for the Company. 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.

11. 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.

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, 2015 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

13. COMPLIANCE STATUS

The Company has complied with all applicable provisions of the Companies Act, 2013 and applicable regulations, circulars and guidelines issued by the RBI Act, 1934, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other applicable rules/regulations/guidelines issued from time to time.

14. DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

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

During the year, there were no such orders passed against the Company.

16. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED/RESIGNED DURING THE YEAR UNDER REVIEW.

During the Year under review, the following changes occurred in the position of Directors/KMPs of the Company:

LIST OF DIRECTORS AS ON 31ST MARCH, 2016:

S. No.	Name	Designation	Date of Appointment	Change
1.	Mr. Rajendra Pal Garg	Director	27/07/1989	-
2.	Ms. Jayanti Sharma	Director	27/06/2014	-
3.	Mr. Krishan Kartik	Independent Director	29/01/2015	-
4.	Ms. Supriya Sinha	Independent Director	09/03/2015	-

During the year under review, Mr. Kamal Ahuja, resigned from the post of Director of the Company with effect from 7th March, 2016.

LIST OF KEY MANAGERIAL PERSONNEL (KMP) AS ON 31ST MARCH, 2016

S. No.	Name	Designation	Date of Appointment	Change
1.	Ms. Shrashti Gupta	Company Secretary	01/11/2014	Resigned w.e.f 5 th December, 2015
2.	Mr. Kamal Ahuja	Director	05/09/2014	Resigned w.e.f. 7 th March, 2016
3.	Mr. Vipul Chadha *	Chief Financial Officer	23/03/2015	-

* Mr. Vipul Chadha has resigned from the post of Chief Financial Officer of the Company w.e.f. April 26, 2016.

17. BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of director on various parameters such as:

- Board dynamics and relationship
- Information flows

- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees effectiveness
- Peer 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.

In respect of the above mentioned Evaluation framework, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board & its Committees, execution and performance of specific roles, duties, obligations and governance. The performance evaluation of Committees, Executive Directors, Non-Executive Directors and Independent Directors was completed. The Performance evaluation of the Chairman, Non-Executive Directors & Board as a whole was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process Directors of the Company has carried their own performance evaluation too known as "Self Assessment"

18. **MEETINGS HELD DURING THE FINANCIAL YEAR 2015-16**

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. During the year, 9 (Nine) 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.

19. **COMPOSITION OF COMMITTEES OF THE BOARD AS ON 31.03.2016**

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

S. No.	Name of Member	Designation	Category 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	Category 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

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

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

20. DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 15-16:

Directors	Ratio to median remuneration*
Mr. Krishan Kartik	NIL
Mr. Rajendra Pal Garg	NIL
Mr. Krishan Kartik	NIL
Ms. Jayanti Sharma	NIL
Ms. Supriya Sinha	NIL

* Directors do not receive any remuneration, sitting fees, or commission from the Company.

- ii) Except Company Secretary no remuneration was paid to any Director of the Company in a FY 2015-16. Further there is no increase in the salary of Company Secretary during the year.
- iii) The total decrease in median remuneration of the employees in current year is (3.7%) as compared to the median remuneration paid to the employees in the previous year.
- iv) The number of employees on the rolls of Company as on 31st March, 2016 is 16 (Sixteen).
- v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year cannot be compared with the percentile increase in the managerial remuneration as the managerial personnel were not paid any salary in the last financial year.
- vi) The Company affirms that remuneration given (if any) is as per the remuneration policy of the Company.

21. 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.8,50,000/-per month or Rs. 1,02,00,000/- 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 of Managerial Personnel) Amendment Rules, 2016.

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 UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the 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. MATERIAL CHANGES & COMMITMENTS FROM DATE OF BALANCE SHEET TO THE DATE OF REPORT:

- The Company has acquired 100 % shares of Innowiz Traders Private Limited (“Innowiz”), consequent to which Innowiz has become wholly owned subsidiary of the Company w.e.f. June 15, 2016.
- Mr. Vipul Chandha has resigned from the post of Chief Financial Officer of the Company w.e.f. April 26, 2016.

CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business of the Company during the financial year 2015-16.

25. STATUTORY AUDITORS

M/s Krishan Rakesh & Company, Chartered Accountants (FRN: 009088N), who have been appointed as the Statutory Auditors of the Company, have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under, to hold office until the conclusion of the ensuing Annual General Meeting up to the 37th (Thirty Seventh) Annual General Meeting of the Company.

26. 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 2015-16. The Report of the Secretarial Auditor in Form MR-3 is annexed herewith as “**Annexure A**”, which forms part of the Board Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and is self explanatory, need no further comments from the Board.

27. STATUTORY AUDITORS' REPORT

The observation made by the Auditors are self explanatory and do not require any further clarifications. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

28. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 as required under Section 92 of the Companies Act, 2013, is included in this report as **Annexure B** and forms integral part of this report.

29. 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 2015-16.

30. DETAILS OF 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.

31. 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.

32. CORPORATE GOVERNANCE

Disclosure related to corporate governance during the financial year under Regulation 17 to Regulation 27 & Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is not applicable as Company is not covered under the criteria mentioned under said Regulation.

33. 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 Rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation 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.

34. 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, 2016, 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, 2016 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.

35. ACKNOWLEDGMENT AND APPRECIATION

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
(Director)
DIN: 05285845
Address: D-220, Basement, Defence Colony,
New Delhi-110024

Sd/-
Krishan Kartik
(Director)
DIN: 07079790
Address: D-220, Basement, Defence Colony,
New Delhi-110024

Date: August 16, 2016
Place: New Delhi

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

To,

The Members,
Durgesh Merchants Limited
D-220, Basement
Defence Colony,
New Delhi-110024

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 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Durgesh Merchants Limited** its books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2016 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 the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i). Companies Act, 2013 and the rules made there under, and The Companies Act, 1956 and rules made there under to the extent 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (ECB). **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**
 - 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
- (vii). 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) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Uniform Listing Agreement entered into by the Company with Calcutta Stock Exchange Limited.

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

➤ **Observations/ Non Compliances/ Adverse Remarks/ Qualifications in respect of Listing Agreement Compliance are as follows:**

- The Uniform Listing Agreement, duly signed and executed, between the Company and the Calcutta Stock Exchange, dated 8th January, 2016 is awaited from Calcutta Stock Exchange till date.

We further report that:

The Board 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 which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent to the 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.

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.

For PANKAJ DAWAR & ASSOCIATES
Company Secretaries

Sd/-
(Pankaj Dawar)
C.P. No.: 14270

Date: July 27, 2016
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

The Members,

Durgesh Merchants Limited
D-220, Basement, Defence Colony,
New Delhi-110024

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For PANKAJ DAWAR & ASSOCIATES
Company Secretaries

Sd/-
(Pankaj Dawar)
C.P. No.: 14270

Date: July 27, 2016
Place: New Delhi

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016**

[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	D-220, Basement, Defence Colony, New Delhi-110024
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	99.90%

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	75600	75600	2.83	0	75600	75600	2.83	0
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	75600	75600	2.83	0	75600	75600	2.83	0
(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	75600	75600	2.83	0	75600	75600	2.83	0
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	14000	14000	0.52	0	14000	14000	0.52	0
ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	204282	204282	7.65	0	204282	204282	7.65	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1876000	160389	2036389	76.27	1876000	160389	2036389	76.27	0
c) Others (Specify)	298000	41729	339729	12.72	298000	41729	339729	12.72	0
Sub-total (B)(2):-	2174000	259440	2594400	97.17	2174000	259440	2594400	97.17	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	2174000	259440	2594400	97.17	2174000	259440	2594400	97.17	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2174000	496000	2670000	100	2174000	496000	2670000	100	0

(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	1.12	Nil	30000	1.12	Nil	Nil
2	Kiran Garg	17600	0.66	Nil	17600	0.66	Nil	Nil
3	Heman Garg	26000	0.97	Nil	26000	0.97	Nil	Nil
4	Dushan Garg	2000	0.07	Nil	2000	0.07	Nil	Nil
	Total	75600	2.83	Nil	75600	2.83	Nil	NIL

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

Sl. 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	75600	2.83	75,600	2.83
	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				
	At the end of the year	75600	2.83	75,600	2.83

(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	2,00,000	7.49	2,00,000	7.49
	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)	0	0	0	0
	At the End of the year	2,00,000	7.69	2,00,000	7.69
2.	KAMAL AHUJA				
	At the beginning of the year	180000	6.74	180000	6.74
	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)	0	0	0	0
	At the End of the year	180000	6.74	180000	6.74
3.	ASHOK JAIN				
	At the beginning of the year	100000	3.75	100000	3.75
	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)	0	0	0	0
	At the End of the year	100000	3.75	100000	3.75
4.	RAVINDER KUMAR HUF				

	At the beginning of the year	75000	2.81	75000	2.81
	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)	0	0	0	0
	At the End of the year	75,000	2.81	75,000	2.81
5.	HARINDER KALRA HUF				
	At the beginning of the year	75000	2.81	75000	2.81
	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)	0	0	0	0
	At the End of the year	75,000	2.81	75,000	2.81
6.	MOHANLAL BHIMRAJ SHAH				
	At the beginning of the year	54000	2.02	54000	2.02
	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)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
7.	MILAN MOHANLAL SHAH				
	At the beginning of the year	54000	2.02	54000	2.02
	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)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
8.	NILAM MILAN SHAH				
	At the beginning of the year	54000	2.02	54000	2.02
	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)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
9.	DIPESHKUMAR MOHANLAL SHAH				
	At the beginning of the year	54000	2.02	54,000	2.02
	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)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
10.	MAMTABEN DIPESHKUMAR SHAH				

	At the beginning of the year	54000	2.02	54,000	2.02
	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)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02

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

Sl. 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	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)	0	0	0	0
	At the end of the year	30,000	1.12	30,000	1.12
2.	Vipul Chadha (Chief Financial Officer)				
	At the beginning of the year	5	0	5	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)	0	0	0	0
	At the end of the year	5	0	5	0

(v) **Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness 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	0	0	0
Reduction	0	26,890	0	26,890
Net Change	0	26,890	0	26,890
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	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1,750,000	0	1,750,000

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. 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	0	0
	(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)	0	0
	Ceiling as per the Act	14,303.96	14,303.96

* Mr. Kamal Ahuja resigned from the post of Managing Director w.e.f. 14th October, 2015 and discontinued his remuneration w.e.f April, 2015

B. Remuneration to other Directors:

Sl. 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.	14,303.96	14,303.96	14,303.96

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	134,693	2,00,161	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		0	0	0

*Ms. Shrashti Gupta resigned from the post of Company Secretary of the Company w.e.f 5th December, 2015.

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.

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS DURGESH MERCHANTS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Durgesh Merchants Limited ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statement that give a true and fair view of financial position, the financial statement prepare in accordance with applicable Accounting Standard and Schedule notified under Companies Act, 2013 ("the Act"). Management's responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depends on the auditors' judgments, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of financial statements in order to design audit procedure that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the statement of profit and loss, of the profit for the financial year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) Company has no Branch office.
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 2013.
- f) In our opinion, no financial transaction has the adverse effect on the functioning of the Company.

- g) On the basis of the written representations received from the Directors taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of sub-section (2) of Section 164 of Companies Act, 2013.
- h) No qualification, reservation or adverse remark relating to maintenance of accounts has been observed.
- i) The Company has adequate internal financial control system and in our opinion Company has ensured operating effectiveness of such controls.
- j) No case is pending against the Company as on date 31st March 2016.
- k) There are no material foreseeable losses.
- l) There is no amount which is required to be transfer to Investor Education and Protection Fund.

For AJAY SHIKHAR JAIN & CO.
Chartered Accountants
(Firm Reg. No.: 016279N)

Sd/-
(Proprietor)
Membership No: 097094

Place : Delhi
Dated: May 30, 2016

Balance Sheet As At 31st March, 2016

Particulars	Note No.	Amount As at 31.03.2016	Amount As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders Fund			
(a) Share Capital	3.1	26,700,000	26,700,000
(b) Reserve And Surplus	3.2	222,688	104,072
(2) Share Application Money Pending Allotment			
		-	-
(3) Current Liabilities			
(a) Trade Payables	3.3	36,985	11,323
(b) Other Current Liabilities	3.4	260,661	39,965
(c) Short Term Provisions	3.5	191,162	69,118
(d) Short Term Borrowings	3.6	1,750,000	1,776,890
TOTAL		29,161,496	28,701,368
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	3.7	55,436	-
(b) Non Current Investment	3.8	309,925	-
(2) Current Assets			
(a) Inventories		-	-
(b) Cash & Cash Equivalents	3.9	625,534	777,066
(c) Trade Receivables	3.10	1,891,035	423,121
(d) Short Term Loans And Advance	3.11	25,859,000	27,224,000
(e) Other Current Assets	3.12	420,566	277,181
TOTAL		29,161,496	28,701,368

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: 30th May, 2016
Place: New Delhi

For Durgesh Merchants Limited

Sd/-
Jayanti Sharma
Director
DIN : 05285845

Sd/-
Praveen Prabhaker Tiwari
Company Secretary
Membership No A45041

Sd/-
Krishan Karthik
Director
DIN: 07079790

Statement of Profit & Loss for the Year Ended 31st March' 2016

Particulars	Note No.	Amount As at 31.03.2016	Amount As at 31.03.2015
I. INCOME			
(1) Income From Operations	3.13	2,204,294	2,166,188
(2) Other Income	3.14	2,300	237,382
TOTAL INCOME		2,206,594	2,403,570
II. EXPENSES			
(1) Finance Cost	3.15	158,624	152,300
(2) Purchase of Stock in Trade		-	-
(3) Change in Inventories		-	-
(4) Employee Benefit Expenses	3.16	1,173,439	477,060
(5) Depreciation & Amortization Expenses		38,364	-
(6) Other Expenses	3.17	646,198	1,391,377
TOTAL EXPENSES		2,016,625	2,020,737
Profit Before Exceptional & Extraordinary Items & Tax		189,969	382,832
Exceptional Items		-	-
Profit Before Extraordinary Items & Tax		189,969	382,832
Extraordinary & Prior Period Items		-	85,361
Profit Before Tax		189,969	297,471
Tax Expenses			
(1) Current Tax		58,700	139,438
(2) Deferred Tax Assets/ (liabilities)		(1,233)	-
(3) Previous year adjustments			-
Profit / (Loss) For the Period		130,036	158,033
Earning Per Share			
(1) Basic	3.24	0.05	0.06
(2) Diluted	3.24	0.05	0.06

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: 30th May, 2016
Place: New Delhi

For Durgesh Merchants Limited

Sd/-

Jayanti Sharma
Director
DIN : 05285845

Sd/-
Praveen
Prabhaker Tiwari

Company Secretary
Membership No A45041

Sd/-

Krishan Karthik
Director
DIN: 07079790

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 Straight Line 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 management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between actual results and the estimates as are recognized in the period in which the results are known/ materialized.

2.8. REVENUE RECOGNITION

- 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.

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 31.03.2016.

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.

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, 2016

3.1. Share Capital

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
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	26,700,000	26,700,000
Total	26,700,000	26,700,000

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,	
	2016	2015
Number of shares outstanding at the beginning of the year	2,670,000	496,000
Add: Shares issued during the year	-	2,174,000
Number of shares outstanding at the end of the year	2,670,000	2,670,000

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,	
	2016		2015	
	No of Shares	% Holding	No of Shares	% Holding
Neeraj Jain	380000	14.23%	200000	7.49%
Kamal Ahuja	180000	6.74%	180000	6.74%
Total	380000	14.23%	380000	14.23%

3.2. Reserves & Surplus

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
(A) Statutory Reserve Fund (as required under section 45-IC of Reserve Bank of India Act, 1934)		
Opening Balance	240086	208,479
Add: Current year transfer	26,007	31,607

Add: Transfer of profit from the past years to Statutory Reserve Fund	-	-
Total	266093	240086
(c) Surplus Of Profit & Loss Account		
Balance in the Profit & Loss Account - Opening	(136,014)	(262,440)
Add: Profit/ (Loss) during the year	130,036	158,033
Less: Transfer to Reserve Fund	26,007	31,607
Less: Transfer of profit from the past years to Statutory Reserve Fund	-	-
Balance in the Profit & Loss Account - Closing	(43,405)	(136,014)
Total	222,688	104,072
The Company has created reserve under section 45-IC of the RBI Act of Rs. 26,007/- @20% of the current year profit (after Tax).		

3.3. Trade Payables

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
Others		
- CMYK Prontech Ltd.	-	960
- DBS Prakashan Pvt. Ltd	-	6,992
- Central Depository Services Ltd	3,435	-
- Experian Credit Information Co India Ltd	673	-
- NSDL	10,305	-
- Skyline Financials Services Pvt. Ltd.	22,572	3,371
Total	36,985.26	11,323

3.4. Other Current Liabilities

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
TDS Payable	7,712	9,965
Audit Fees Payable	25,000	15,000
Deferred Tax Liabilities	1,233	-
Interest Payable on Loan	148,863	-
Salary Payable	72,353	-
Secretarial Audit Fees Payable	5,500	-
Directors Remuneration Payable	-	15,000
Total	260,661	39,965

3.5. Short Term Provisions

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
- Provision for Income Tax- Current Year	58700	-
- Provision for Standard Assets	132,462	69,118
Total	191,162	69,118

3.6. Loans & Advances (Liability)

(Amt in Rs.)

Particulars	As at March 31,	
	2016	2015
- Panafic Industrials Limited	-	19,777
- Shakumbri Motor and General Finance Ltd.	1,750,000	1,757,113
Total	1,750,000	1,776,890

3.7 Details of Fixed Assets & Depreciation thereon as per Companies Act, 2013

Date of Purchase	Particulars	Original Cost (Rs.)	Depreciation Charged upto 31.03.2015	WDV as on 01.04.2015	Addition During the Year	Life as per Co. Act, 2013	Life used till 31.03.2015	Remaining Life	Salvage Value	Depreciation amount over whole life	Depreciation written Back	Rate of Dep.	Dep. For the year	Adjusted with P&L	WDV as on 31.03.2016
(A) Computer															
20.06.2015	Computer	40,950	-	-	40,950	3	-	3	-	-	-	63.16%	20,124		20,826
		40,950	-	-	40,950								20,124	-	20,826
(B) Furniture & Fixture															
01.05.2015	Furniture & Fixture	9,650	-	-	9,650	10	-	10	-	-	-	25.89%	2,062		7,588
20.06.2015	Furniture & Fixture	18,200	-	-	18,200	10	-	10	-	-	-	25.89%	3,890		14,310
		27,850	-	-	27,850								5,952	-	21,898
(B) Printer															
20.06.2015	Printer	25,000	-	-	25,000	3	-	3	-	-	-	63.16%	12,288		12,712
		25,000	-	-	25,000								12,288	-	12,712
	TOTAL	93,800	-	-	93,800								38,364	-	55,436

3.7 Details of Fixed Assets & Depreciation thereon as per Income Tax Act, 1961

S.No	Particulars	WDV as on 1st April, 2015	Additions during the year		Deletions during the year	Total	Dep rate	Depreciation during the year	WDV as on 31st March 2016
			Before 30.09.2015	After 01.10.2015					
1	Computer	-	40,950.00	-	-	40,950.00	60%	24,570.00	16,380.00
2	Furniture & Fixture	-	27,850.00	-	-	27,850.00	10%	2,785.00	25,065.00
3	Printer	-	25,000.00	-	-	25,000.00	60%	15,000.00	10,000.00
	Total	-	93,800.00	-	-	93,800.00		42,355.00	51,445.00

3.8. Investment

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
- Jainsons Rugs International Private Limited	309,925	-
Total	309,925	-

3.9. Cash & Cash Equivalents

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
Balances with Banks		
- Union Bank of India	-	55,265
- Kotak Mahindra Bank	25,588	152,379
Cash in hand	599,946	569,422
Total	625,534	777,066

3.10. Trade Receivables

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
Unsecured, considered good		
Debts outstanding for a period exceeding 6 months		
- Avenue Tradelink Pvt. Ltd.	587,976.00	-
- Innowiz Traders Pvt. Ltd.	76,656.00	-
- Jainsons Rugs International Pvt. Ltd.	246,832.00	-
- Lawmax Management Consultant Private Limited	32,533.00	-
- Medieval Buildcon Pvt. Ltd.	42,549.00	-
- Nakkash Propbuild Pvt. Ltd.	250,027.00	-
- Saransh Buildcon Pvt. Ltd.	203,869.00	-
Debts outstanding for a period not exceeding 6 months		
- Avenue Tradelink Pvt. Ltd.	110,157.00	279,693.00
- Innowiz Traders Pvt. Ltd.	26,564.00	10,912.00
- Jainsons Rugs International Pvt. Ltd.	69,568.00	48,157.00
- Lawmax Management Consultant Private Limited	16,067.00	-
- Medieval Buildcon Pvt. Ltd.	21,467.00	10,016.00
- Nakkash Propbuild Pvt. Ltd.	101,576.00	33,140.00
- Saransh Buildcon Pvt. Ltd.	80,334.00	41,203.00
- Shine Propbuild Pvt Ltd	24,860.00	-
Total	1,891,035.00	423,121.00

3.10.1 During the year the company has earned interest on loan given of Rs.22,04,294 out of which 16,88,479/- was yet to be received from the parties to whom the loan has been granted during the year.

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
- Avenue Tradelink Pvt. Ltd.	3,616,500	5,711,500
- Gagan Kumar	-	1,750,000
- Innowiz Traders Pvt. Ltd.	862,500	1,212,500
- Jainsons Rugs International Pvt. Ltd.	155,000	3,675,000
- Lawmax Management Consultant Pvt. Ltd.	600,000	600,000
- Medieval Buildcon Pvt. Ltd.	600,000	600,000
- Nakkash Propbuild Pvt. Ltd.	4,000,000	4,000,000
- Saransh Buildcon Pvt. Ltd.	3,000,000	3,000,000
- Shine Propbuild Pvt. Ltd.	6,675,000	6,675,000
- Reliable Finance Corporation Private Limited*	6,350,000	-
Total	25,859,000	27,224,000

*3.11.1 Advance given to M/s Reliable Finance corporation Private Limited against purchase of Equity Share of M/s. Bazel International Limited, however, confirmation of transfer from Registrar and Transfer Agent (RTA) is still awaited.

3.11.2 All the loans granted above Rs.1,95,09,000/- was outstanding for more than one year and the same was repayable on demand. Therefore, the said loans are shown under the head Short term loans and advances.

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
- ROC refund receivable	200000	200000
- TDS Recoverable F.Y. 2014-15	-	77,181
- TDS Recoverable F.Y. 2015-16	220,566	-
Total	420,566	277,181

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
- Income from financial operations	2,204,294	2,166,188
Total	2,204,294	2,166,188

Particulars	(Amt in Rs.)	
	As at March 31,	
	2016	2015
- Dividend Income	-	11,166
- Profit on Sale of Shares	-	225,926
- Interest on Income Tax Refund	2300	290
Total	2,300	237,382

Expenses

3.15. Finance Cost	(Amt in Rs.)	
	As at March 31,	
	2016	2015
Particulars		
- Interest on Loan	157,500	145,080
-		
- Bank Charges	1,124	7,220
Total	158,624	152,300

3.16. Employee Benefit Expenses

- Staff Salary	1,111,994	416,000
- Staff welfare Expenses	61,445	61,060
Total	1,173,439	477,060

3.17. Other Expenses

Payment to Auditors		
- Auditors Remuneration	25,000	15,000
Others		
- Business Promotion Expenses	12,550	49,246
- Conveyance Expenses	58,027	88,459
- Demat Charges	-	3,014
- Directors Remuneration	15,000	150,000
- Interest on Income Tax	-	17,086
- Interest on late Payment of TDS	225	613
- Interest on Refundable Share Application Money	-	335,630
- Professional Expenses	15,000	-
- Mobile Charges Reimbursement Expense	27,800	-
- Bad Debts written off	-	25,000
- CIC Expense	50,160	-
- Credit Information Report Usage Expense	975	-
- Advertisement Expenses	42,680	30,181
- Festival Expense	16,500	-
- Printing & Stationery	36,469	49,406
- Provision for Standard Assets	63,344	61,891
- Stock Exchange Fees	-	188,764
- CDSL Fees	10,177	26,968
- NSDL Fees	10,305	9,297
- RTA Fees	24,819	3,371
- ROC Fees	18,600	30,500
- Listing Fees	28,090	-
- Office Maintenance Expenses	34,253	69,212

- Registration Fees	5,618	11,236
- Stamp Duty	-	21,750
- Short & Excess	3	4
- Telephone Expense	10,493	-
- Secretarial Audit	5,500	-
- Travelling Expense	16,400	-
-Postage Expense	3,881	-
- Rent	90,000	165,000
- Misc. Expenses	24,329	39,749
Total	646,198	1,391,377

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

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

Particulars	(Amt in Rs.)	
	2015-16	2014-15
Director Remuneration	15,000	150,000
Conveyance Allowance (Money value perquisites)	-	-
Sitting Fees	-	-
Total	15,000	150,000

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

3.21. 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	Designation	Date of Appointment	Remuneration
Vipul Chadha	Chief Financial Officer	23.03.2015	2,00,161
Praveen Prabhaker Tiwari	Company Secretary	19.05.2016	-

2. Relative of Key Managerial Personnel: Nil

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

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 2016 is :- NIL

3.22. 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.

3.23.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	2015-16	2014-15
(a) Net Profit/(loss) as per Profit & Loss Account (Rs.)	130,036	158,033
(b) Average No of Ordinary Share Outstanding	2670000	2670000
(c) EPS (Basic/ Diluted)[(a)/(b)]	0.05	0.06
(d) Face Value of each equity share (Rs.)	10	10

**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.14.03319 dated: 11th September, 2015

(Rs.in lakhs)

Particulars		31.03.2016	
	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 (other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	('c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	17.5	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		258.59
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP Activities		NIL
	(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) Governments Securities		NIL
	(iii) Others (Please specify)		NIL
	Long Term 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) Governments 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
			Total
	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	258.59
	Total	NIL	258.59
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) Subsidies	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) Related parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	NIL
	(a) Related parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL
Notes :		
1	As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.	
2	Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.	
3	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 column (5) above.	

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

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

For Durgesh Merchants Limited

Sd/-
Jayanti Sharma
Director
DIN : 05285845

Sd/-
Praveen Prabhaker Tiwari
Company Secretary
Membership No A45041

Sd/-
Krishan Kartik
Director
DIN: 07079790

Cash Flow Statement For The Year Ended 31st March, 2016

Particulars	Amount as on	Amount as on
	31.03.2016	31.03.2015
Cash flow from operating Activities		
Profit before tax and after depreciation	189,969	297,471
Add: Depreciation	38,364	-
Operating Profits before working capital changes	228,333	297,471
Less: Increase in working capital		21,670,230
Add: Decrease in working capital	82,559	-
Less: Provision adjusted in Profit & Loss A/c		-
Profit before tax	310,893	(21,372,759)
Current Income Tax	58,700	139,438
Cash Flow From Operating Activities Before Exceptional & Extraordinary Items	252,193	(21,512,197)
Exceptional Items	-	-
Cash Flow From Operating Activities Before Extraordinary Items	252,193	(21,512,197)
Extraordinary Items	-	-
Net Cash Flow from operating activities (A)	252,193	(21,512,197)
Cash Flow From Investing Activities	-	-
Purchase of Investment	(309,925)	
Purchase of Fixed Assets	(93,800)	
Net cash flow from investing activities (B)	(403,725)	
Cash Flow From Financial Activities		
Share Application money received	-	-
Issue of Share Capital	-	21,740,000
Share Application money refund	-	(2,880,000)
Net Cash Flow From Financing Activities (C)	-	18,860,000
Net Cash Flow During the year (A+B+C)	(151,532)	(2,652,197)
Add: Opening Cash And Cash Equivalents	777,064	3,429,261
Closing Cash Balance Cash And Cash Equivalents	625,534	777,064
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 Companies (Accounting Standard) Rules, 2006.		
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 the Company.		
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

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

For Durgesh Merchants Limited

Sd/-
Jayanti Sharma
Director
DIN : 05285845

Sd/-
Praveen Prabhaker Tiwari
Company Secretary
Membership No A45041

Sd/-
Krishan Kartik
Director
DIN: 07079790

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 : D-220, Basement, Defence Colony,
 New Delhi-110024
Name of the Members :
Registered Address :
E-mail ID :
Folio No./Client ID :
DP ID :

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

2. 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 32nd (Thirty Second) Annual General Meeting of the Members of **M/S Durgesh Merchants Limited** will be held on Wednesday, 14th September, 2016 at 10:00 a.m. at D-220, Basement, Defence Colony, New Delhi-110024 and at any adjournment thereof in respect of such resolutions as indicated below:

Sl. No.	Particulars
Ordinary Business	
1.	Adoption of Annual Accounts along with Board's Report and Auditors Report
2.	Appointment of Mr. Rajendra Pal Gupta, 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 Statutory Auditor
4.	Appointment of Mr. Sandeep Grover as an Independent Director of the Company
5.	Approval of donation to Charitable /religious trust

Affix
Revenue
Stamp

Signed this..... day of..... 2016.

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	
End of e-voting	

The cut-off date for the purpose of e-voting is _

----- **TEAR HERE** -----
ATTENDANCE SLIP

I/We hereby record my presence at the Annual General Meeting on Wednesday, the 14th day of September, 2016 at 10:00 a.m. at D-220, Basement, Defence Colony, New Delhi-110 024

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

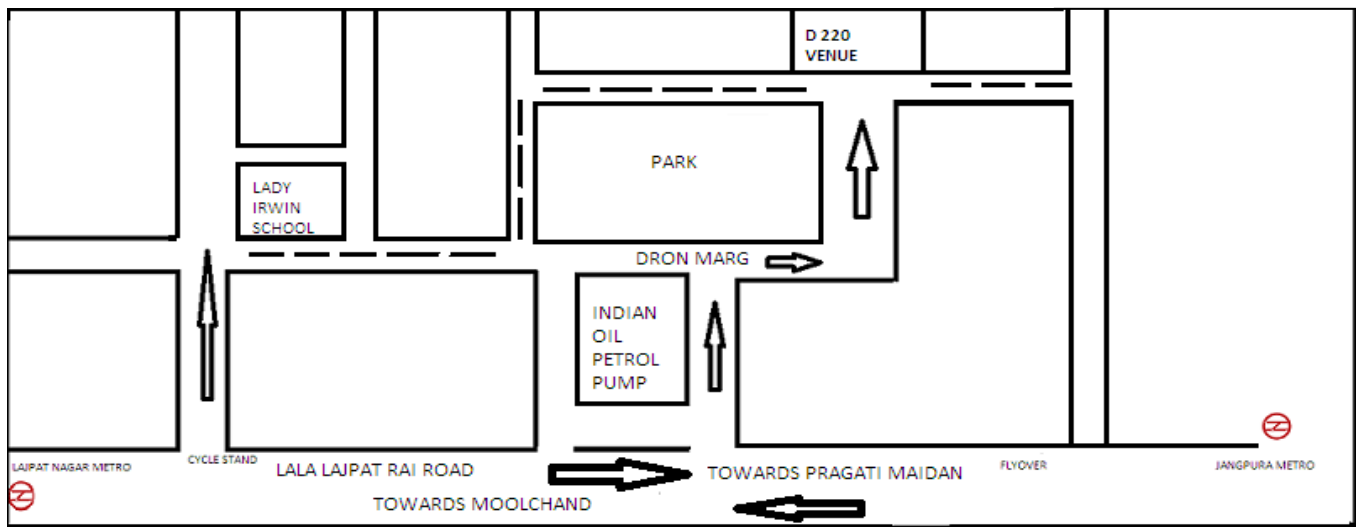
No. of Shares Held _____

Regd. Folio No./DPID-CLID _____

Signature of the Shareholder/Proxy

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

Route Map:



BOOK POST

If undelivered please return to:

Durgesh Merchants Limited
D-220, Basement, Defence Colony, New Delhi-110 024
E-mail ID: durgeshmerchants@gmail.com
Tel.: 011-68888824