

35TH ANNUAL REPORT

2018-19

DURGESH MERCHANTS LIMITED

(CIN: L65923DL1984PLC248322)

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COMPANY INFORMATION

CIN:	L65923DL1984PLC248322
BOARD OF DIRECTORS:	<p>Mr. Rohit Ahuja (DIN: 07859817): (Managing Director)</p> <p>Ms. Jayanti Sharma (DIN: 05285845): (Director)</p> <p>Mr. Kamall Ahuja (DIN: 00005195): (Director and Compliance Officer)</p> <p>Ms. Poonam Ahuja (DIN: 05351468): (Director)</p> <p>Ms. Chanchal Rani (DIN: 08225103): (Additional Non-Executive Independent Director)</p> <p>Mr. Yash Malhotra (DIN: 07596446): (Independent Director)</p> <p>Ms. Komal Jain (DIN: 08305062): (Additional Non-Executive Independent Director)</p>
COMPANY SECRETARY AND COMPLIANCE OFFICER :	<p>Mr. Praveen Prabhaker Tiwari (resigned as Company Secretary and Compliance Officer of the Company w.e.f. 2nd April, 2019).</p> <p>Mr. Kamall Ahuja (Appointed as Compliance Officer w.e.f. 16th July, 2019).</p>

BOARD COMMITTEES:**A. AUDIT COMMITTEE :**

S. NO.	NAME OF MEMBERS	DESIGNATION	CATEGORY
1.	Ms. Chanchal Rani	Chairman	Additional Non-Executive Independent Director Director
2.	Mr. Yash Malhotra	Member	Independent Non-Executive Director
3.	Ms. Jayanti Sharma	Member	Non-Executive Director

B. NOMINATION AND REMUNERATION COMMITTEE :

S. NO.	NAME OF MEMBERS	DESIGNATION	CATEGORY
1.	Ms. Chanchal Rani	Chairman	Additional Non-Executive Independent Director Director
2.	Mr. Yash Malhotra	Member	Independent Non-Executive Director
3.	Ms. Jayanti Sharma	Member	Non-Executive Director

C. SHARE TRANSFER COMMITTEE :

S. NO.	NAME OF MEMBERS	DESIGNATION	CATEGORY
1.	Mr. Kamall Ahuja	Chairman	Non- Executive Director

2.	Ms. Jayanti Sharma	Member	Non- Executive Director
3.	Ms. Chanchal Rani	Member	Additional Non-Executive Independent Director
D. FINANCE & INVESTMENT COMMITTEE :			
S. NO.	NAME OF MEMBERS	DESIGNATION	CATEGORY
1.	Ms. Chanchal Rani	Chairman	Additional Non-Executive Independent Director
2.	Ms. Jayanti Sharma	Member	Non- Executive Director
3.	Mr. Kamall Ahuja	Member	Non- Executive Director

SECRETARIAL AUDITOR :	M/s Mohit Singhal & Associates Address: I-29, Arya Samaj Road, Uttam Nagar, New Delhi - 110059 Contact No.: 9650066558
BANKERS:	Kotak Mahindra Bank

STATUTORY AUDITORS:	M/s Krishan Rakesh & Co. (Chartered Accountants) Address: 143, Kohat Enclave, 2nd Floor, Pitampura, Delhi-110034, Contact No. : 011-45182170
REGISTERED OFFICE:	D-220, Basement, Defence Colony, New Delhi-110024
REGISTRAR & SHARES TRANSFER AGENT:	Skyline Financial Services Private Limited Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Contact No: 011-40450193-97
ISIN NO.	INE616Q01011
COMPANY WEBSITE:	<u>www.durgeshmerchantsltd.com</u>
E-MAIL:	durgeshmerchants@gmail.com

DURGESH MERCHANTS LIMITED
CIN: L65923DL1984PLC248322

Regd. Office: D-220, Basement, Defence Colony,
New Delhi – 110024
Ph. : 011-68888824
Email ID : durgeshmerchants@gmail.com
Website : www.durgeshmerchantsltd.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th (Thirty Fifth) Annual General Meeting of the Members of **Durgesh Merchants Limited** will be held on Saturday, **the 21st day of September, 2019** at **2:30 P.M.** at **D-251, Ground Floor, Conference Hall, Defence Colony, New Delhi-110024** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet for the financial year ended 31st March, 2019, together with the Profit and Loss Account, Cash Flow Statement 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. Kamall Ahuja (DIN: 00005195), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **TO APPOINT MS. CHANCHAL RANI (DIN: 08225103) 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 an **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, Ms. Chanchal Rani (DIN: 08225103), who was appointed as an Additional Non-Executive Independent Director of the Company on 14th September, 2018 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation in terms of Section 149(4), (10) & (11) and 152(6)(e) of the Companies Act, 2013 to hold office for a term of five(5) consecutive years.”

4. **TO APPOINT MS. KOMAL JAIN (DIN: 08305062) 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 an **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, Ms. Komal Jain (DIN: 08305062), who was appointed as an Additional Non Executive Independent Director of the Company on 30th November, 2018 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of Section 149(4), (10) & (11) of the Companies Act, 2013, to hold office for a term of five(5) consecutive years ”

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. 1,00,00,000/- (Rupees One Crore Only) in such installments as may be thought fit by the Board in its own discretion.”

6. **APPROVAL FOR INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY.**

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 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the

Company from the present Rs. 4,00,00,000/- (Rupees Four Crores Only) consisting of 40,00,000 (Rupees Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten each) to Rs. 10,00,00,000/- (Rupees Ten Crores) consisting of 1,00,00,000 (Rupees One Crore) Equity Shares of Rs. 10/- (Rupees Ten each).”

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company shall be Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores only) Equity Shares of Rs. 10/- (Rupees Ten each) with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company.

RESOLVED FURTHER THAT the directors of the Company be and are hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution.”

7. APPROVAL FOR ACCEPTANCE OF CONVERTIBLE LOAN UPTO RS. 10 CRORES

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any re-enactments thereof, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force and the approval of the Board, the consent of the shareholders of the Company be and is hereby accorded for borrowing a sum upto Rs. 10,00,00,000/- (Rupees Ten Crores only) from Easun Capital Markets Ltd. on such terms and conditions as may be decided via execution of the Loan Agreement.

RESOLVED FURTHER THAT the draft of the loan agreement as approved by the board members in the board meeting held on 23rd August, 2019 be and is hereby approved by the shareholders in the Annual General Meeting of the Company.

RESOLVED FURTHER THAT a loan conversion option shall be available with the lender, Easun Capital Markets Ltd., as per the terms and conditions decided and approved by the shareholders in the loan agreement.”

**By order of the Board
For DURGESH MERCHANTS LIMITED**

**Kamall Ahuja
(Director & Compliance Officer)
DIN: 00005195
Address: A-5, Second Floor,
Gurudwara Marg, Defence Colony,
Lajpat Nagar, South Delhi
New Delhi - 110024**

**Date: 23rd August, 2019
Place: New Delhi**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. An incomplete proxy form or proxy form received beyond time limit is liable to be rejected. A proxy form is enclosed.

- 2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting. Also, Route map to the venue of the meeting is enclosed.**
- 3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.**
- 4. Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting.**
- 5. Pursuant to section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from 13th September, 2019 to 21st September, 2019 (both days inclusive) for the purpose of Annual General Meeting.**
- 6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company M/s. Skyline Financial Services Private Limited, (R&T Agent).**
- 7. The Company is providing facility of REMOTE E-VOTING and the business may be transacted through such voting. Details instructions are provided in the notice itself.**
- 8. The facility for voting through Ballot paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.**

9. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
10. The ISIN of the Equity Shares of Rs.10/- each is INE616Q01011.
11. Electronic copy of the Notice of Annual General Meeting and Annual Report 2018-19 is being sent to all the members whose email-IDs are registered with the Company/Depositories for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of Annual General Meeting and Annual Report 2018-19 is being sent in the permitted mode.
12. All the material documents, Resolutions, Memorandum and Articles of Association of the Company etc. are open for inspection to the members during the office hour of all working day till the conclusion of the Annual General Meeting at the registered office of the Company.
13. Members are requested to notify the change in address, if any, to the Company quoting their Folio Numbers, Name and number of share held by them etc.
14. Members are requested to register their e-mail addresses with the Company or depository for receiving communications including Annual Reports, Notices and Circulars etc. by the Company electronically.
15. For security reasons, no article/baggage will be allowed at the venue of the meeting.
16. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
17. All documents referred to in accompanying Notice and Explanatory Statement shall be open for inspection by members and shall be available at the registered office of the Company on all working days during business hours from the date of this Notice up to the date of AGM.
18. The persons who have acquired shares and become members of the Company after the dispatch of notice and holding shares as on the cut-off date i.e. 9th September, 2019, then the member may obtain Login ID and other e-Voting related details from the Company.
19. Only bona fide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

20. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment /re-appointment at the AGM, is provided in their respective explanatory statement. The Directors being eligible, offers themselves for re-appointment as required under the Companies Act, 2013 and the Rules made there under is also provided in the annexure to the Notice.

ANNEXURE TO THE NOTICE

I. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATION

Item No. 2

RE-APPOINTMENT OF MR. KAMALL AHUJA (DIN: 00005195) AS A DIRECTOR OF THE COMPANY

In terms of Section 152(6) of the Companies Act, 2013, Mr. Kamall Ahuja, Director shall retire by rotation at this Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Mr. Kamall Ahuja was appointed as a Non-Executive Director w.e.f. 06th April, 2017.

Information about the Appointee Directors:

Mr. Kamall Ahuja

Brief Profile:

Mr. Kamall Ahuja is a practicing Advocate and has an experience of over 15 years in the field of legal consultancy. He possesses extensive management skills and has bestowed with high degree of knowledge and expertise while handling complex issues and is renowned for limitless dedication when it comes to being a part of team.

Apart from the aforesaid, He holds vast amount of experience in the NBFC Sector. He has served as a Director in Category 'B'/ Category 'A' Non-Banking Financial Company.

Nature of his expertise in specific functional areas:

He is an imperative person of the management of the Company. His management expertise and rich experience is continuously helping the business to develop and is further facilitating in the proposed expansion of financing business.

Disclosure of relationship between Directors inter-se:

Mr. Kamall Ahuja is spouse of Ms. Poonam Ahuja, Director and he is the Brother of Mr. Rohit Ahuja (Managing Director), except these he has no other relationship with any of the Directors on Board.

Name	Mr. Kamall Ahuja
Age	44 years
Name of the Listed Companies in which Directorship held	Nil
Name of the Listed Companies in which Committee Membership held	Nil
Shareholding in the Company	568100 (21.28%)

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

Item No. 3 & 4:

APPOINTMENT OF MS. CHANCHAL RANI AND MS. KOMAL JAIN AS INDEPENDENT DIRECTORS 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, 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, Ms. Chanchal Rani (DIN: 08225103) and Ms. Komal Jain (DIN: 08305062), being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in their respective resolutions.

Copy of the letter of appointment of Ms. Chanchal Rani and Ms. Komal Jain as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

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

Except Ms. Chanchal Rani and Ms. Komal Jain, being appointees, none of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolutions as set out in Item Nos. 3 & 4.

The Board of Directors therefore, recommends the resolutions for appointment of **Ms. Chanchal Rani and Ms. Komal Jain** as Independent Directors of the Company for approval of the members by passing Ordinary resolutions.

Information about the Appointee Directors:

1. Ms. Chanchal Rani

Brief Profile:

Ms. Chanchal Jain is a versatile player in her area of professional field. She is competent and having a caliber to hold the proposed position and provide valuable services to the Company.

Disclosure of relationship between Directors inter-se:

Ms. Chanchal Rani has no relationship with any of the Directors on Board.

Name	Ms. Chanchal Rani
Age	34 years
Name of the Listed Companies in which Directorship held	Nil
Name of the Listed Companies in which Committee Membership held	Nil
Shareholding in the Company	5000 (0.19%)

2. Ms. Komal Jain**Brief Profile**

Ms. Komal Jain is a member of the Institute of Company Secretaries of India with a rich experience of more than 2 years. She is widely credited with abilities of leadership, managerial capacities and forethought. Under her supervision, Company has observed an improvement in terms of constant earnings and good amount of profits.

She is a versatile player in her area of professional field. She is competent and having a caliber to hold the proposed position and provide valuable services to the Company.

Disclosure of relationship between Directors inter-se:

Ms. Komal Jain has no relationship with any of the Directors on Board.

Name	Ms. Komal Jain
Age	25 years
Name of the Listed Companies in which Directorship held	Nil
Name of the Listed Companies in which Committee Membership held	Nil
Shareholding in the Company	1000 (0.04%)

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.

ITEM NO. 6

APPROVAL FOR INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY.

The present Authorised share Capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crores) consisting of 40,00,000 (Rupees Forty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten each) and the paid up share capital of the Company is Rs. 2,67,00,000/- (Rupees Two Crores Sixty Seven Lacs) consisting of 26,70,000 (Twenty Six Lacs Seventy Thousand only) Equity Shares of Rs. 10/- (Rupees Ten each). The Company proposes to increase its authorized share capital to Rs. 10,00,00,000/- (Rupees Ten Crores) to facilitate any fund raising in future via further issue of equity shares of the company.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V of the Memorandum of Association of the Company.

Pursuant to Section 13 and 61 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

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. 6.

ITEM NO. 7

APPROVAL FOR ACCEPTANCE OF CONVERTIBLE LOAN UPTO RS. 10 CRORES

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For the same, Company is desirous of raising Funds through taking convertible Loan from Easun Capital Markets Ltd.

It was intimated by the Board members in the meeting held on 23rd August, 2019 that the company is proposing to take convertible loan upto Rs. 10,00,00,000 (Rupees Ten Crores Only) from Easun Capital Markets Ltd. The proposal is required to be placed before the shareholders in the annual general meeting scheduled for 21st September, 2019 for their approval.

It was thereafter decided to approve the Draft of the Loan Agreement as placed before the meeting for fixing the terms and conditions of the convertible loan and its subsequent conversion, if any.

Therefore, pursuant to the relevant provisions of the Companies Act, 2013, including any statutory modifications or any re-enactments thereof, for the time being in force, the matter was placed before the shareholders for approval via passing of the said resolution as a special resolution.

None of the Directors or the Key Managerial Persons of the Company or any relatives of such Directors or Key Managerial Persons are in any way, concerned or interested, either directly or indirectly, in the proposal contained as aforesaid.

E-voting Instructions:

Dear Member,

Sub: Voting through electronic means

Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2015, Durgesh Merchants Limited ("the Company") is offering e-Voting facility to its members in respect of the business to be transacted at the Annual General Meeting scheduled to be held on Saturday, the 21st day of September 2019 at 2:30 P.M. at **D-251, Ground Floor, Conference Hall, Defence Colony, New Delhi-110024.**

The Company has engaged the services of National Securities Depository Limited (NSDL) as the Authorized Agency to provide e-Voting facilities. The e-Voting particulars are set out below:

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

- Commencement of e-Voting: 17th September, 2019 at 9:00 A.M.
- End of e-Voting: 20th September, 2019 till 5:00 P.M.
- The cut-off date for the purpose of e-Voting is 09th September, 2019.

Please read the instructions printed overleaf before exercising the vote. This Communication forms an internal part of the Notice dated 23rd August, 2019 for the Annual General Meeting scheduled to be held on Saturday, the 21st day of September, 2019. The Notice of the Annual General Meeting and this communication will also be available on the website of the Company.

Voting through electronic means

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- (ii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- (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 17th September, 2019 (9:00 A.M.) and ends on 20th September, 2019 (5:00 P.M.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 09th September, 2019, 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:
- A.** 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 cmohitsinghal@gmail.com with a copy marked to evoting@nsdl.co.

B. 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 :

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

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

(ii) 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

(iii) 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.

(iv) 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).

(v) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 09th September, 2019.

(vi) 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 09th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or durgeshmerchants@gmail.com.

(vii) 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.

(viii) 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.

(ix) 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.

(x) Mr. Mohit Singhal on behalf of M/s Mohit Singhal & Associates (Certificate of Practice Number: 15995) 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.

- (xi) 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 Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xii) The Scrutinizer shall after the conclusion of voting at the 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 favour 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.
- (xiii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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 stock exchange.

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

**Kamall Ahuja
(Director & Compliance Officer)
DIN: 00005195
Address: A-5, Second Floor,
Gurudwara Marg, Defence Colony,
Lajpat Nagar, South Delhi,
New Delhi - 110024**

**Date: 23rd August, 2019
Place: New Delhi**

BOARD'S REPORT

**To,
The Shareholders
Durgesh Merchants Limited**

The Board of Directors hereby submits the report of business and operations of your Company ('the Company' or 'Durgesh Merchants Limited') along with Audited Financial Statements for the Financial Year ended on 31st March, 2019.

1. BACKGROUND

The Company is a Non Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration (B-14.03319), from the Reserve Bank of India ("RBI") dated September 11, 2015 .

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 RESULTS

Particulars	Amount (Rs.) As at 31st March, 2019	Amount (Rs.) As at 31st March, 2018
Total Income	2,341,075	1,750,654.00
Less: Total Expenditure	2096037.70	2,541,167.05
Profit before Exceptional and Extraordinary items & tax	245037.70	(7,905,13.05)
Less: Extraordinary & Prior period items	-	-

Profit before tax	2,45,037.70	(790,513.05)
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Less: Tax Expenses		
(1)Current tax	47200	-
(2)Deferred Tax	-	-
(3)Previous year adjustments	1000	8,396
Profit/ (Loss) after tax	1,96,837.30	(7,821,17.05)
Earning Per Share		
(1) Basic	0.08	(0.30)
(2) Diluted	0.08	(0.30)

The Financial performance of the Company for the financial year ended 31st March, 2019 is summarized below:-

4. OPERATIONAL PERFORMANCE

During the year under review, the revenue reported is Rs. 23,41,075 as compared to Rs. 17,50,654 in the previous year. Profit before tax for the current year is Rs. 2,45,037.30 as compared to Rs. (7,90,513.05) in the previous year, Profit after tax for the current year is Rs. 1,96,837.30 as compared to Rs. (7,82,117.05) in the previous year.

5. DIVIDEND

The board decided not to propose any dividend for the relevant Financial Year ending on 31st March, 2019.

6. RESERVES AND SURPLUS

The Company has Rs. (88,003.29) in the Reserve and Surplus. Out of which, the Company has not transferred anything as required under Section 45-IC of RBI Act, 1934 to the Statutory Reserve due to insufficient profit.

7. LISTING OF SECURITIES

Since 2014, the securities of the Company are listed on the Calcutta Stock Exchange Limited. The Company has been placed on the dissemination board in April, 2019. The Annual listing fees has been duly paid to the Stock Exchange.

8. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiary.

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

9. BRANCHES OF THE COMPANY

During the period under review, the Company doesn't have any branch office.

10. DEPOSITS FROM PUBLIC

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 with the Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 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.

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

During the year under review, the Company has not entered into any contract or arrangement with the Related Parties as per Section 188 of the Companies Act, 2013 is included in this report as **Annexure - I**(the Act).

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

Pursuant to the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kamall Ahuja, Director, who retires by rotation and, being eligible, offers himself for re-appointment.

The List of Directors & Key Managerial Personnel as on 31st March, 2019 is as below:

LIST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Name	Designation	Date of Appointment
1.	Kamall Ahuja	Director	06/04/2017
2.	Jayanti Sharma	Director	29/09/2014
3.	Poonam Ahuja	Director	22/03/2017
4.	Rohit Ahuja	Managing Director	30/05/2017
5.	Chanchal Rani	Additional Non-Executive Independent Director	14/09/2018
6.	Manish Saini	CFO (KMP)	25/04/2018
7.	Komal Jain	Additional Non-Executive Independent Director	30/11/2018
8.	Mr. Yash Malhotra*	Independent Director	02/01/2017
9.	Mr. Praveen Prabhaker Tiwari**	Company Secretary	19/05/2016

The following changes occurred in the position of Directors/KMPs of the Company:

1. Ms. Chanchal Rani has been appointed as an Additional Director (Non-Executive and Independent) on the Board w.e.f. 14th September, 2018.
2. Ms. Komal Jain has been appointed as an Additional Director (Non-Executive and Independent) on the Board w.e.f. 30th November, 2018.
3. Mr. Vivek Sharma has resigned from the position of CFO (KMP) w.e.f. 25/04/2018.
4. Mr. Krishan Kartik has resigned from the post of Directorship (Independent Director) w.e.f. 14/09/2018.
5. Mr. Manish Saini has been appointed as the CFO (KMP) of the Company w.e.f. 25/04/2018.
6. Ms. Surbhi Sharda resigned from the post of Directorship (Independent Director) w.e.f. 30/11/2018
7. Mr. Yash Malhotra has resigned from the post of Directorship (Independent Director) w.e.f. 22/04/2019.*
8. Mr. Praveen Prabhaker Tiwari has resigned from the post of Company Secretary w.e.f. 02/04/2019.**

13. MEETINGS HELD DURING THE FINANCIAL YEAR 2018-19

The Agenda and Notice of the Meetings were circulated well in advance to the respective Directors. During the year under review, 12 (Twelve) Board Meetings, 4 (Four) Audit Committee Meetings, 4 (Four) Nomination and Remuneration Committee Meetings, 1 (One) Independent Director's Committee Meeting, (NIL) Share Transfer Meeting and (NIL) Finance & Investment Committee Meeting were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 i.e. the maximum interval between any two meetings did not exceed 120 days.

14. COMPOSITION OF COMMITTEES OF THE BOARD AS ON 31ST MARCH, 2019:

a) AUDIT COMMITTEE:

In compliance with the provisions of Section 177 of the Companies Act, 2013, the primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurately and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The composition of Audit Committee of the Company is as following:

S. No.	Name of Member	Designation	Category
1.	Ms. Chanchal Rani	Chairman	Additional Non- Executive Independent Director
2.	Ms. Jayanti Sharma	Member	Non- Executive Director
3.	Mr. Yash Malhotra	Member	Non-Executive Independent Director

The Board has accepted all the recommendations proposed by Audit Committee during the Financial Year.

b) NOMINATION AND REMUNERATION COMMITTEE:

In compliance with provisions of 178(1) of the Companies Act, 2013, the purpose of the Committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors and to review their remuneration, consistent with criteria approved by the Board, and to recommend, for approval by the Board. The composition of Nomination and Remuneration Committee of the Company is as follows:

S. No.	Name of Member	Designation	Category
1.	Ms. Chanchal Rani	Chairman	Additional Non- Executive Independent Director
2.	Ms. Jayanti Sharma	Member	Non- Executive Director
3.	Mr. Yash Malhotra	Member	Non- Executive Independent Director

c) SHARE TRANSFER COMMITTEE:

In compliance with provisions of 178(5) of the Companies Act, 2013, the purpose of the Committee is to review and approval of all requests pertaining to sub-division, consolidation, transfer, transmission of shares and issue of duplicate share certificates; Review and approval of all requests pertaining to dematerialization or rematerialization of shares; Review of statutory compliances pertaining to share / security capital, processes, shareholders, Registrar & Share Transfer Agent (RTA) and the depository(s) National Securities Depository Limited ("NSDL") and/ or Central Depository Services (India) Limited ("CDSL"). The composition of Share Transfer Committee of the Company is as follows:

S. No.	Name of Member	Designation	Category
1.	Mr. Kamall Ahuja	Chairman	Non- Executive Director
2.	Ms. Jayanti Sharma	Member	Non- Executive Director
3.	Ms. Chanchal Rani	Member	Additional Non-Executive Independent Director

d) FINANCE AND INVESTMENT COMMITTEE:

The Board of Directors has constituted Finance and Investment Committee to assist it in overseeing acquisitions and investments made by the Company and provide oversight on key investment policies of the Company. The composition of Finance and Investment Committee is as follows:

S.No.	Name of Member	Designation	Category
1.	Ms. Chanchal Rani	Chairman	Additional Non-Executive Independent Director
2.	Ms. Jayanti Sharma	Member	Non- Executive Director

3.	Mr. Kamall Ahuja	Member	Non- Executive Director
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15. DECLARATION BY INDEPENDENT DIRECTOR

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149(7) of the Act, stating that they meet the criteria of independence as provided in subsection (6) and Regulation 25 of Listing Regulations.

16. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

In terms of regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company familiarizes the Directors about their role and responsibility at the time of their appointment through a formal letter of appointment.

17. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- 1.) in the preparation of annual accounts for the financial year ended 31st March, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 2.) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Companies as at 31st March, 2019 and of the loss of the Company for the period ended on that date;
- 3.) the Directors have taken proper and sufficient care 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;
- 4.) the Directors have prepared the annual accounts on a going concern basis;
- 5.) the Directors have laid down proper internal financial controls to be followed by the Company and such internal financial control are adequate and operating effectively ; and the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively .

18. CORPORATE GOVERNANCE

Disclosures 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 the Company is not covered under the criteria as mentioned in the said Regulation.

19. 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 Committee, Nomination & Remuneration Committee, 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 carried out their own performance evaluation too known as "Self Assessment".

20. 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 M/s Mohit Singhal & Associates (represented by Mr. Mohit Singhal), Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2018-19.

21. SECRETARIAL AUDITORS' REPORT

The Report of the Secretarial Auditor in Form MR-3 is annexed herewith as "**Annexure II**", which forms part of the Board Report. The remarks made by the Auditor along with the clarifications by the Board are mentioned herein:

Remark i): Ms. Chanchal Rani and Ms. Komal Jain was appointed as Additional Director (Independent) of the Company on Sept. 14, 2018 and Nov. 30, 2018 respectively, although their DIN was received after their appointment thereby violating the provisions of Section 152(3) & (4) of the Companies Act, 2013.

Clarification i): Due to some unavoidable circumstances, the DIN could not be applied within time due to which it was received after their appointment. The Company shall take care that this should not be repeated in the near future.

Remark ii): Ms. Chanchal Rani was appointed as Independent Director in the Company w.e.f. Sept. 14, 2018 and she resigned from the position of Internal Auditor of the Company w.e.f. Sept. 15, 2018, thus she was not qualified to become the Independent director of the Company under the provisions of Section 149 of the Companies Act, 2013.

Clarification ii): This was an inadvertent mistake made by the Company for which necessary steps shall be taken in order to remove the persistence of this adverse remark and shall take care that this should not be repeated in the near future. The composition of Independent Directors shall also be taken care.

Remark iii): As per the provisions of Rule 12 of The Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kamal Ahuja (DIN: 00005195,) the director of the Company has changed his name to “Kamall Ahuja”, however, the intimation of such change was given to Registrar of Companies (ROC) after the time prescribed under the said Rules.

Clarification iii): All the required intimations were made to the authorities but due to some unavoidable circumstances, it could not be made within the prescribed time limit as per the Rules prescribed under the Companies Act, 2013.

Remark iv): In the form MGT-7 filed for the financial year 2017-18, the Company has mistakenly mentioned “No” for the question “Whether shares listed on recognized Stock Exchange(s)?”. Due to which the CIN was changed to “U65923DL1984PLC248322”.

Clarification iv): In the Form MGT 7 filed for financial year 2017-18, it was inadvertently mentioned that the shares of the Company are not listed on any recognized stock exchange. Due to this the CIN of the Company was changed to U65923DL1984PLC248322. The Company is under process of resolving this matter.

Remark v): During the reporting year, the Company filed its MGT-7 for the financial year 2017-18 where it was inadvertently mentioned that the Company has given salary to its Independent Directors. The amount should have been mentioned under the head “others” as sitting fees.

Clarification v): The amount paid to the independent directors were mistakenly mentioned under the head Salary on the other hand it should be mentioned under the head “others”. The Company shall not repeat the same in the future.

Remark vi): The Company has not mentioned the Name, DIN, Designation or other mandatory details as specified under the provisions of Rule 7 of The Companies (Registration Offices and Fees) Rules, 2014 in its Balance Sheet as on March 31, 2018;

Clarification vi): The Company missed mentioning the same on the Balance Sheet for Financial year 2017-18. This has been taken care by the Company in the Balance Sheet for financial year 2018-19 and shall be followed in its letter and spirit for all balance sheets in the future.

Remark vii): Resignation of Mr. Vivek Sharma was taken note in 27/BM Board Meeting held on April 25, 2018 and accordingly e-form DIR-12 was filed. But, the date of acceptance on the resignation letter was inadvertently written as April 26, 2018.

Clarification vii): This was a clerical mistake made at the time of receiving the Resignation Letter. This shall be taken care by the Company in the future so that the same error will not be repeated.

Remark viii): The Company failed to produce the dispatch proof of submission of intimation to the Stock Exchanges for change in Director held on Sept. 14, 2018 and Nov. 30, 2018 respectively.

Clarification viii): Since the Registered Office of the Company was undergoing some renovation work, some of the dispatch proofs were misplaced, due to which the Company was unable to submit it to the Secretarial Auditor.

Remark ix): The Company has published majority of publication in Hindi Newspaper in English Language.

Clarification ix): Inadvertently, the said newspaper publication was given in English language (in both newspapers), which would be taken care in future.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

Pursuant to Section 186(11) of the Companies Act, 2013, disclosure under Section 134(3)(g) of the Companies Act, 2013 is not applicable on the Company.

23. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 134(3) of the Companies Act, 2013, is included in this report as **Annexure - III** and forms integral part of this report.

24. CHANGE IN THE NATURE OF BUSINESS

There has been no change in nature of business during the financial year under review.

25. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Krishan Rakesh & Co., Chartered Accountants, (FRN: 009088N) are appointed as Statutory Auditors of your Company in the Annual General Meeting held on 14th September, 2016 for a term of five years beginning April 1, 2016 and ending March 31, 2021.

The Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company.

26. STATUTORY AUDITORS' REPORT

The observation made by the Auditors are self – explanatory and do not require any further clarifications under Section 134(3)(f). The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

27. PARTICULARS OF EMPLOYEES

The information as per Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

- (i). The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19:

S.No.	Directors*	Ratio to median remuneration
1.	Mr. Krishan Kartik	NIL
2.	Mr. Kamall Ahuja	NIL
3.	Mr. Rohit Ahuja	NIL
4.	Ms. Jayanti Sharma	NIL
5.	Mr. Yash Malhotra	NIL
6.	Ms. Surbhi Sharda	NIL
7.	Ms. Poonam Ahuja	NIL
8.	Ms. Chanchal Rani	NIL
9.	Ms. Komal Jain	NIL

*Note: None of the Director receive any remuneration from the Company.

- (ii). the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year - Nil

- (iii). the percentage increase in the median remuneration of employees in the financial year; - Nil

- (iv). As of 31st March, 2019, total no. of permanent employees on the roll of the Company: **1**

- (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 key parameters for any variable component of remuneration availed by the directors; - Nil

(vii). The Company affirms that remuneration given to employees is as per the remuneration policy of the Company.

However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

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

The Details of top ten employees in terms of remuneration drawn are attached in this Board's Report as **Annexure-IV**.

Further, no Director / employee of the Company, was in receipt of amount exceeding a salary of Rs. 8,50,000/- per month or more when employed for a part of the financial year and Rs. 1,02,00,000/- per annum or more when employed for whole of the year, under the provision of Rule 5 (2) & (3) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

29.HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nature this asset. The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operation of the Company. It looks at the employees entire life cycle, to ensure timely interventions and help build a long-lasting and fruitful career.

30.CORPORATE POLICY

We seek to promote and follow the highest level of ethical standards in our business transactions. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on the website of the Company.

The Policies are reviewed periodically by the Board and updated on the basis of need and new Compliance.

The Key Policies are as follows:

Name of the Policy	Brief Description
---------------------------	--------------------------

<p>Vigil Mechanism/Whistle Blower Policy</p>	<p>This policy has been established with a view to provide a tool to Directors and Employees of the Company to report to Management, genuine concerns including unethical behavior, actual or suspected fraud or violation of the code or the policy. The Policy also provides for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provides for direct access to the chairman of the Audit Committee in exceptional cases.</p>
<p>Risk Management Policy</p>	<p>This Policy represents the basic standards of Risk Assessment to be followed by the Company. Changes in the Policy will become effective upon approval by the Board of Directors of the Company. All relevant employees must be thoroughly familiar or made familiar with it and make use of the material contained in this Policy.</p>
<p>Remuneration Policy</p>	<p>The Board, on the recommendation of Nomination and Remuneration Committee, has framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.</p>
<p>Policy for determining materiality of event or Information</p>	<p>The Objective of this policy is to outline the guidelines to be followed by the Company for consistent, transparent and timely public disclosures of material information events/information and to ensure that such information is adequately disseminated to the stock Exchange(s) where the securities of the Company are listed in pursuance with the Regulations and to provide an overall governance framework for such determination of</p>

	materiality.
Policy of Preservation of Records	This policy sets the Standards for classifying, managing and storing the records of the Company. The purpose of this policy is to establish framework for effective records Management and the process for Subsequent archival of such records.
KYC and AML Policies	This policy is made to prevent criminal elements from using Company for money laundering activities and to enable the Company to know/ understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently.
Sexual Harassment Policy	As required under the Sexual Harassment of women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, the Company has policy on prevention of Sexual harassment of women at workplace and matters connected therewith.
Other policies	Policies like: Policy For Determining Material Subsidiaries, Insider Trading Prohibition Code Pursuant To SEBI (PIT) Regulations, 2015, Policy On Related Party Transaction(S), Policy on Familiarization of Independent Directors, Fair Practice Code are prepared by the Company and followed in its true letter and spirit.

31. 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 2018-19.

32. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's for the Financial Year 2018-19.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

34. EMPLOYEE STOCK OPTIONS DETAILS

During the year under review, the Company has no Employee's Stock Options schemes.

35. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2019 and is annexed as **Annexure- V** of this Annual Report for the reference of the stakeholders.

36. INTERNAL AUDIT & CONTROL

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 efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

Mr. Akhilesh Kumar Manjhi, has been appointed as the Internal Auditor of the Company w.e.f. 15th September, 2018 and is entrusted with the responsibility of implementing the internal control system.

37. CONSERVATION OF ENERGY, 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 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.

38. ACKNOWLEDGEMENT AND APPRECIATION

Yours Directors would like to express their grateful appreciation for assistance and cooperation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, staff and workers of the Company at all levels.

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

**Kamall Ahuja
Director
DIN: 00005195
Address: A-5, Second Floor, Gurudwara Marg,
Defence Colony, Lajpat Nagar,
New Delhi - 110024**

**Poonam Ahuja
Director
DIN: 05351468
Address: A-5, Second Floor,
Gurudwara Marg, Defence
Colony, Lajpat Nagar, New Delhi
- 110024**

**Date: 23rd August, 2019
Place: New Delhi**

Form No. AOC-2

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

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis: N.A.

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts /arrangements/transaction
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Date(s) of approval by the Board, if any
- f) Amount paid as advances, if any

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

**Kamall Ahuja
Director
DIN: 00005195
Address: A-5, Second Floor, Gurudwara Marg,
Defence Colony, Lajpat Nagar,
New Delhi - 110024**

**Poonam Ahuja
Director
DIN: 05351468
Address: A-5, Second Floor,
Gurudwara Marg, Defence
Colony, Lajpat Nagar, New Delhi -
110024**

**Date: 23rd August, 2019
Place: New Delhi**

FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN
(As on financial year ended on 31st March, 2019)**

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

I. REGISTRATION & OTHER DETAILS

i.	CIN	L65923DL1984PLC248322
ii.	Registration Date	27 th December, 1984
iii.	Name of the Company	Durgesh Merchants Limited
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:

Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
Non-mortgage loan services for business purposes n.e.c.	99711359	99.79%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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 % to 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	568100	0	568100	21.28	568100	0	568100	21.28	NIL
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Bank/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) (1)	568100	0	568100	21.28	568100	0	568100	21.28	Nil
(2) Foreign									

a)NRI-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)	568100	0	568100	21.28	568100	0	568100	21.28	Nil

B. Public Shareholding

(1) Institutions

a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks/FI	0	0	0	0	0	0	0	0	0.00
C) Central govt.	0	0	0	0	0	0	0	0	0.00
d)State Govt.	0	0	0	0	0	0	0	0	0.00

e) Venture Capital Fund	0	0	0	0	0	0	0	0	0.00
f)Insur	0	0	0	0	0	0	0	0	0.00

ance Compa nies									
g) FIIS	0	0	0	0	0	0	0	0	0.00
h) Foreign Ventur e Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Other s (Indivi dual)	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0.00

(2) Non Institutions

a) Bodies corporate

i) Indian	290000	4000	294000	11.01	290000	3900	293900	11.01	Nil
ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals

i) Individual shareholders holding nominal share capital upto Rs.2	0	334671	334671	12.53	348171	0	348171	13.04	0.51
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lakhs									
ii)Individuals share holders holding nominal share capital in excess of Rs. 2 lakhs	1133500	0	1133500	42.45	1133500	24829	1158329	43.38	0.93
c) Others									
(HUF)	298000	41729	339729	12.72	298000	3500	301500	11.29	(1.43)
Body corporates	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	1721500	380400	2101900	78.72	2069671	32229	2101900	78.72	Nil
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1721500	380400	2101900	78.72	2069671	32229	2101900	78.72	Nil
C. Shares held by Custodian for GDRs &	0	0	0	0	0	0	0	0	0.00

ADRs									
Grand Total (A+B+C)	2289600	380400	2670000	100	2637771	32229	2670000	100	0.00

(ii) Shareholding of promoters

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total Shares of the Company	% of shares Pledged encumbered	No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	% change in share holding during the year
1.	Kamall Ahuja	568100	21.28	0	568100	21.28	0	0

(iii) Change in Promoters' Shareholding:

Particulars	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
At the beginning of the year	568100	21.28	568100	21.28
Shares already held by the proposed Acquirer	-	-	-	-
At the end of the year	568100	21.28	568100	21.28

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

S. No.	Particulars	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.	BAZEL INTERNATIONAL LIMITED				
	At the beginning of the year	290000	10.86	290000	10.86
	(acquisition of shares)	-	-	-	-
	At the End of the year	290000	10.86	290000	10.86
2.	Pankaj Dawar				
	At the beginning of the year	0	0	0	0
	(acquisition of shares)	100000	3.75	100000	3.75
	At the End of the year	100000	3.75	100000	3.75
3.	Ashok Jain				
	At the beginning of the year	100000	3.75	100000	3.75
	(acquisition of shares)	0	0	0	0
	At the End of the year	100000	3.75	100000	3.75
4.	Ravinder Kumar				
	At the beginning of the year	75,000	2.81	75,000	2.81

	(acquisition of shares)	0	0	0	0
	At the End of the year	75,000	2.81	75,000	2.81
5	HARINDER SINGH KALRA				
	At the beginning of the year	75,000	2.81	75,000	2.81
	(acquisition of shares)	0	0	0	0
	At the End of the year	75,000	2.81	75,000	2.81
6	NILAM MILAN SHAH				
	At the beginning of the year	54000	2.02	54000	2.02
	(acquisition of shares)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
7	JAYSHREEBEN SHARADKUMAR SHAH				
	At the beginning of the year	54000	2.02	54000	2.02
	(acquisition of shares)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
8	MAMTABEN DIPESHKUMAR SHAH				
	At the beginning of the year	54000	2.02	54,000	2.02

	(acquisition of shares)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
9	RAJESHKUMAR MOHANLAL SHAH	54,000	2.02	54,000	2.02
	(acquisition of shares)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02
10	SHARAD MOHANLAL SHAH	54,000	2.02	54,000	2.02
	(acquisition of shares)	0	0	0	0
	At the End of the year	54,000	2.02	54,000	2.02

(v) Shareholding of Director's & Key Managerial Personnel's:

SI. No.	Particulars	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.	Praveen Prabhaker Tiwari (Company Secretary and Compliance Officer)				
	At the beginning of the year	1	0	1	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	0	0	0	0

	At the end of the year	1	0	1	0
2.	Kamall Ahuja(Director)				
	At the beginning of the year	568100	21.28	568100	21.28
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/honus/swea	0	0	0	0
	At the end of the year	568100	21.28	568100	21.28
3.	Surbhi Sharda(Director)				
	At the beginning of the year	3	0	3	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	0	0	0	0
	At the end of the year	3	0	3	0
4.	Yash Malhotra(Director)				
	At the beginning of the year	1	0	1	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	0	0	0	0
	At the end of the year	1	0	1	0
5.	Chanchal Rani (Additional Non -Executive Independent Director)				
	At the beginning of the year	0	0	0	0

	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	5000 (Transfer of Shares as on 31 st March, 2019)	0.19	5000	0.19
	At the end of the year	5000	0.19	5000	0.19
6.	Komal Jain (Additional Non Executive Independent Director)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	1000 (Transfer of Shares as on 31 st March, 2019)	0.04	1000	0.04
	At the end of the year	1000	0.04	1000	0.04
7.	Manish Saini (Chief Financial Officer(CFO)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease(e.g.allot	3000 (Transfer of shares as on 31 st March, 2019)	0.11	3000	0.11
	At the end of the year	3000	0.11	3000	0.11

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	86,74,218	0	86,74,218
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	86,74,218	0	86,74,218
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	0	(86,74,218)	0	(86,74,218)
Net Change	0	0	0	0
Indebtedness at the end 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

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	N.A.	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	5% of profit calculated as per Section 198 of Companies Act, 2013	5% of profit calculated as per Section 198 of Companies Act, 2013

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of the Directors*			Total Amount	
1	Independent Directors	Chanchal Rani	Yash Malhotra	Komal Jain		0
	(a) Fee for attending Board committee meetings	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
2	Other Non- Executive Directors	Jayanti Sharma	Rohit Ahuja	Poonam Ahuja	Kamall Ahuja	0
	(a) Fee for attending board committee meetings	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0

	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act.	3% of profit calculated as per Section 198				3% of profit calculated as per Section 198

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

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Mr. Praveen Prabhaker Tiwari)	CFO (Mr. Manish Saini)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	0	4,54,235	2,39,408	6,93,643
	(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	4,54,235	2,39,408	6,93,643

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	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

By the order of the Board
For Durgesh Merchants Limited

Kamall Ahuja
Director
DIN: 00005195
Address: A-5, Second Floor, Gurudwara Marg,
Defence Colony, Lajpat Nagar,
New Delhi - 110024

Poonam Ahuja
Director
DIN: 05351468
Address: A-5, Second Floor,
Gurudwara Marg, Defence
Colony, Lajpat Nagar, New Delhi -
110024

Date: 23rd August, 2019
Place: New Delhi

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 (the audit period), 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:

I 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, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (*Not applicable to the Company during the Audit Period*)
- 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; (*Not Applicable to the Company during the Audit Period*)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (*Not Applicable to the Company during the Audit Period*)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*Not Applicable to the Company during the Audit Period*)

- 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 to the Company during the Audit Period*) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (*Not Applicable to the Company during the Audit Period*)

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Whereas,

- *Ms. Chanchal Rani and Ms. Komal Jain was appointed as Additional Director (Independent) of the Company on Sept. 14, 2018 and Nov. 30, 2018 respectively, although their DIN was received after their appointment thereby violating the provisions of Section 152(3) & (4) of the Companies Act, 2013.*
- **Ms. Chanchal Rani was appointed as Independent Director in the Company w.e.f. Sept. 14, 2018 and she resigned from the position of Internal Auditor of the Company w.e.f. Sept. 15, 2018, thus she was not qualified to become the Independent director of the Company under the provisions of Section 149 of the Companies Act, 2013.**
- **As per the provisions of Rule 12 of The Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kamal Ahuja (DIN: 00005195,) the director of the Company has changed his name to “Kamall Ahuja”, however, the intimation of such change was given to Registrar of Companies (ROC) after the time prescribed under the said Rules.**
- **In the form MGT-7 filed for the financial year 2017-18, the Company has mistakenly mentioned “No” for the question “Whether shares listed on recognized Stock Exchange(s)?”. Due to which the CIN was changed to “U65923DL1984PLC248322”.**
- **During the reporting year, the Company filed its MGT-7 for the financial year 2017-18 where it was inadvertently mentioned that the Company has given salary to its Independent Directors. The amount should have been mentioned under the head “others” as sitting fees.**
- *The Company has not mentioned the Name, DIN, Designation or other mandatory details as specified under the provisions of Rule 7 of The Companies (Registration Offices and Fees) Rules, 2014 in its Balance Sheet as on March 31, 2018;*
- **Resignation of Mr. Vivek Sharma was taken note in 27/BM Board Meeting held on April 25, 2018 and accordingly e-form DIR-12 was filed. But, the date of acceptance on the resignation letter was inadvertently written as April 26, 2018.**
- **The Company failed to produce the dispatch proof of submission of intimation to the Stock Exchanges for change in Director held on Sept. 14, 2018 and Nov. 30, 2018 respectively.**
- **The Company has published majority of publication in Hindi Newspaper in English Language.**

I further report that,

The Company has now produced the dispatch proof of Compliance certificate for the half year ended March, 2018 under Regulation 7 (3) of the of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, which was not provided by them previously.

The Company has now produced the dispatch proof of Submission of Advance Intimation of May 10, 2019, Board Meeting under Regulation 29 (1) (a) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, which was not provided by them previously.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors; the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, the composition of Independent Directors falls below the limit prescribed under the provision of Section 149 of the Companies Act, 2013 due to adverse remark no. ii).

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board of Directors were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance reports/certificates of the Company Secretary which were taken on record by the Board of Directors, 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.

I further report that during the audit period the company following specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For and on behalf of
Mohit Singhal & Associates**

**Mohit Singhal
Company Secretaries
Proprietor**

ACS No.: 43204; CP No.: 15995

Place: New Delhi

Date: Aug 22, 2019

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 Members
Durgesh Merchants Limited**

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process 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 procedure on 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 and on behalf of
Mohit Singhal & Associates**

**Mohit Singhal
Company Secretaries
Proprietor**

ACS No.: 43204; CP No.: 15995

**Place: New Delhi
Date: Aug 22, 2019**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Durgesh Merchants Limited is a Non-Banking Finance Company (NBFC) and is engaged in Non-mortgage loan services for business purposes. It is one of the growing NBFC's in the Country and offers wide range of financial services to many sectors. The Company offers Credit facilities to individual and business clients. It offers business loans and fulfils working capital requirement of individuals and body corporates.

The Company has established its own norm for evaluating different needs of its clients and providing appropriate payment options.

BUSINESS ENVIRONMENT OVERVIEW

Non-Banking Financial Companies (NBFCs) continued to grow their share in the financial services industry. As per RBI in its Financially Stability Report, NBFCs have outperformed Scheduled Commercial Banks growth in advances and asset quality.

We believe that the growth of NBFCs will result in their share in financial services sector increasing in the near future.

BUSINESS UPDATE

The revenue from operations during the financial year 2018-19 is Rs. 23,41,075 as compared to Rs. 17,47,016 in the previous financial year. The Financial performance of the company is in herein below along with the chart which plots the profit after tax over last two years.

Particulars	Amount (Rs.)	Amount (Rs.)
	As at 31st March, 2019	As at 31st March, 2018
Total Income	23,41,075	17,47,016
Less: Total Expenditure	20,96,037.70	25,41,167.05
Profit before Exceptional and Extraordinary items & tax	2,45,037.30	(790,513.05)
Less: Extraordinary & Prior period items	-	-

INTERNAL CONTROL SYSTEM

Company has an independent internal management function that is commensurate with the size and scale of the Company. It evaluates the adequacy of all internal controls, its processes and ensures strict adherence to clearly laid down processes as well as to the prescribed regulatory and legal framework.

OPPORTUNITIES AND THREATS

Over the years, your company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The primary risks that the company is exposed to credit risk, market risk and operational risk. Deriving from the long years of experience in NBFC sector your company's credit policy framework is designed to provide the right balance between business growth and portfolio quality.

RISK MANAGEMENT

Durgesh Merchants Limited identifies its various operational risks inherent under its business model. The operational risks arise out of an inadequate or failed internal process, people and its systems. The Company has formed a proper Risk Management Committee which effectively identifies, measure, report, monitor and control such operational risks.

HUMAN RESOURCES

Company has always emphasised on its people considering them as most valuable resource. In present scenario where competition prevails, it is a necessity to focus on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results and to achieve higher performance in their respective assignments and company can get overall benefit.

FUTURE STRATEGY

NBFC's has proven their tenacity in many other specialised financial services such as factoring, lease finance, venture capital finance, and in the business of securitised based lending such as IPO Financing, Promoter funding etc. They have also been providing a major boost in Micro, Small and Medium enterprises and other avenues where banks exercise cautious lending. All the above factors emphasize the potential and opportunities in store for NBFC's and the regulations when designed to provide the right environment provides impetus to the growth of the sector.

The Company hence wishes to diversify its lending activities in the coming period and shall embark on this path and move forward once the existing investments which are at an incubating stage begin to bear fruits.

CAUTIONARY STATEMENT

Statement in Management and Discussion Analysis Report describing the Company's future projections, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed. Important factors that could influence the company's operations include economic and political conditions in which the company operates interest rate fluctuations, changes in Government/RBI regulations, Tax Laws, other statutes and incidental factors.

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

**Kamall Ahuja
Director
DIN: 00005195
Address: A-5, Second Floor, Gurudwara Marg,
Defence Colony, Lajpat Nagar,
New Delhi - 110024**

**Poonam Ahuja
Director
DIN: 05351468
Address: A-5, Second Floor,
Gurudwara Marg, Defence
Colony, Lajpat Nagar, New Delhi -
110024**

**Date: 23rd August, 2019
Place: New Delhi**

Name	Designation	Remuneration received	Nature of employment	Qualifications and experience	Date of commencement of employment	Age (In years)	The last employment held by such employee before joining the Company	The Number of equity shares held in the company	Whether the employee is a relative of any Director of the Company
Manish Saini	Employee	2,39,408	Permanent	Graduate	1/09/1989	29	-	3000 shares	No

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DURGESH MERCHANTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DURGESH MERCHANTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its Loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management's for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other Matter

We did not audit the financial statements/ information of NIL branches included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of Rs. NIL as at 31st March 2019 and the total revenue of Rs. NIL for the year ended on that date, as considered in the standalone financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. **N.A.**

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016 ("the Order") , issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, ,we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In our opinion, the company has, in all material respects reasonably adequate internal financial controls system over financial reporting, keeping in view the size of the company, and nature of its business. Such Internal financial controls over the financial reporting were operating effectively as on 31.03.2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note “ Audit of Internal Financial Controls Over Financial Reporting “ issued by The institute of Chartered accountants of India.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on its financial position in its financial statements.
 - ii. According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KRISHAN RAKESH & CO.

CHARTERED ACCOUNTANTS

Firm Regn No. 009088N

PLACE : DELHI

(K.K.GUPTA)

DATED: 10/05/2019

PARTNER

M No. 087891

**ANNEXURE - I REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR
THE YEAR ENDED 31st MARCH, 2019**

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to information & explanation given to us, company does not have any immovable property.
2. The Company has no Inventory during the year under Audit.
3. As informed to us the company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnership (LLP) or other parties covered in the register maintained under section 189 of the Companies Act.
4. According to the information and explanations given to us, the company has complies with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security provided.
5. According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act 2013.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

b) We According to information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Octroi, entry tax and other statutory dues which have not been deposited on account of any dispute.
8. The company has not obtained any loan from Financial Institution, Banks, and Government during the period under Audit. The Company has not issued any debentures.

9. The company has not obtained any Term Loans during the year under audit .The company has not raised any money during the year by way initial or further public offer.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2019.
11. According to the information and explanations given to us, the company has not provided any managerial remuneration for the period under audit.
12. The provisions of clause (xii) of the order are not applicable as the company is not a Nidhi Company as specified in the clause.
13. According to information and explanations given to us we are of the opinion that Company has not entered into any related party transaction for the period under audit.
14. According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.
15. According to information and explanation given to us the company has not entered into any non-cash transaction with the director or any person connected with him during the year.
16. According to the information and explanations given to us, In view of its business activities, the company has obtained registration under section 45IA of Reserve Bank of India Act, 1934.

FOR KRISHAN RAKESH & CO.

CHARTERED ACCOUNTANTS

Firm Regn No. 009088N

(K.K. GUPTA)

PLACE : DELHI

PARTNER

DATED : 10/05/2019

M.No. 087891

DURGESH MERCHANTS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2019

PARTICULARS	Notes	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
<u>EQUITY & LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
SHARE CAPITAL	2	26,700,000.00	26,700,000.00
RESERVES & SURPLUS	3	(88,003.29)	(308,040.59)
		2,66,11,996.71	2,63,91,959.41
<u>NON CURRENT LIABILITIES</u>			
Long Term Provision	4	48,400.00	71,600.00
		48,400.00	71,600.00
<u>CURRENT LIABILITIES</u>			
SHORT TERM BORROWINGS	5	0.00	8,674,218.00
OTHER CURRENT LIABILITIES	6	5,74,247.03	703,326.77
SHORT TERM PROVISION	7	0.00	0.00
		5,74,247.03	9,377,544.77
TOTAL		2,72,34,643.74	35,841,104.18
<u>ASSET</u>			
<u>NON CURRENT ASSETS</u>			
FIXED ASSETS			
TANGIBLE ASSET	8	12,210.00	13,856.00
INTANGIBLE ASSETS	8a	16,215.00	0.00
INVESTMENTS	9	6,659,925.00	6,659,925.00
		66,88,350.00	6,673,781.00

PARTICULARS	Notes	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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CURRENT ASSETS

CASH & CASH EQUIVALENTS	10	70,424.74	355,536.98
SHORT TERM LOANS & ADVANCES	11	2,04,75,869.00	28,811,786.20
		2,05,46,293.74	29,167,323.18
TOTAL		2,72,34,643.74	35,841,104.18

Significant Accounting Policies

1

The accompanying NOTES form an integral part of these financial statements.

In terms of our report of even date annexed

**For KRISHAN RAKESH & CO.
CHARTERED ACCOUNTANTS**

Sd/-
**K.K. GUPTA
PARTNER**

Sd/-
**Rohit Ahuja
Managing
Director
DIN-07859817**

Sd/-
**Kamall Ahuja
Director
DIN-00005195**

Sd/- Sd/-
**Manish Saini
CFO**

**PLACE : DELHI
DATED :10/05/2019**

DURGESH MERCHANTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH,2019

PARTICULARS	Notes	YEAR ENDED 31.03.2019 Rs.	YEAR ENDED 31.03.2018 Rs.
<u>REVENUE</u>			
REVENUE FROM OPERATIONS	12	23,41,075.00	1,747,016.00
OTHER INCOME	13	0.00	3,638.00
TOTAL REVENUE		23,41,075.00	1,750,654.00
<u>EXPENDITURE</u>			
PURCHASE OF SHARES		0.00	0.00
CHANGE IN INVENTORY	14	0.00	100,000.00
EMPLOYEE BENEFITS EXPENSES	15	11,04,259.00	1,212,898.00
FINANCE COSTS	16	5,49,608.00	140,535.00
DEPRECIATION & AMORTIZATION EXPENSE	8	8,431.00	14,727.00
OTHER EXPENSES	17	4,33,739.70	1,073,007.05
TOTAL EXPENSES		20,96,037.70	25,41,167.05
PROFIT / (LOSS) BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS & TAX		2,45,037.30	(7,90,513.05)
TAX EXPENSES:			
<u>CURRENT TAX</u>			
CURRENT YEAR		47,200.00	0.00
INCOME TAX ADJ EARLIER YEAR		1,000.00	8,396.00
<u>DEFERRED TAX</u>			
CURRENT YEAR		0.00	0.00
PROFIT FOR THE YEAR		1,96,837.30	(782,117.05)

PARTICULARS	Notes	YEAR ENDED 31.03.2019 Rs.	YEAR ENDED 31.03.2018 Rs.
Add: Contingent Provisions against Standard Assets		71,600.00	51,100.00
Less: Contingent Provisions against Standard Assets		48,400.00	71,600.00
Profit T/F to Balance Sheet		2,20,037.30	(802,617.05)
EARNING PER SHARE (BASIC / DILUTED) (Rs.) (After Contingent Provisions)		0.08	(0.30)

Significant Accounting Policies

1

The accompanying NOTES form an integral part of these financial statements.

**For KRISHAN RAKESH & CO.
CHARTERED ACCOUNTANTS**

Sd/-
K.K. GUPTA
PARTNER

Sd/-
Rohit Ahuja
Managing
Director
DIN-07859817

Sd/-
Kamall
Ahuja
Director
DIN-
00005195

Sd/-
Manish Saini
CFO

Sd/-

PLACE : DELHI
Date: 10/05/2019

DURGESH MERCHANTS LIMITED

NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES

I. 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.

II. Basis of preparation of financial statements:

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The management believes that the estimates made in the preparation of the financial statements are prudent and reasonable

III. Income and Expenditure

Income and Expenditure are accounted for on accrual basis except finance charges and interest on bad & doubtful debts which is recognized as per IRAC norms of RBI guidelines.

IV. Tangible Fixed Assets & Depreciation

- a) Fixed Assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in their acquisition, construction / installation.
- b) Depreciation is calculated on pro-rata basis from the date of additions, except in case of assets costing Rs. 5,000 or less, where each such asset is fully depreciated in the year of purchase. Depreciation on assets sold / discarded during the year is provided till the date of such sale / disposal. Depreciation is charged under the Straight Line Method in accordance with the rates and manner specified in Schedule II to the Companies Act, 2013.

c) **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.

V. **Investments**

Investment has been bifurcated into 'long term' and 'current' categories as per RBI Norms. Long term investment is valued at cost and current investment at cost or market value whichever is less. However, provision is being made where diminution in the value of long term investment other than temporary.

VI. **INVENTORIES**

Inventories of shares have been valued at cost.

VII. **LOANS & ADVANCES**

Loans and Advances are classified in accordance with IRAC norms issued by RBI.

VIII. **EMPLOYEE BENEFITS**

The Provident fund and ESIC are not applicable to the Company.

The company has not made the provision of gratuity on the basis of actuarial valuation as on 31.03.2019.

IX. Dividend is accounted for as and when it is declared.

X. **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less

XI. **Provision, Contingent Liabilities and Contingent Assets:**

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

a. **Provision for Non-Performing Assets**

Provision for standard and non-performing assets

- In accordance with Prudential Norms, contingent provision at 0.25% has been created on outstanding standard assets
- In accordance with Para 10 of Prudential Norms, the Company has shown provision for loans under 'Provisions' forming part of 'Current liabilities and provisions'

Provision for non-performing assets is recorded at rates which are equal to or higher than the rates specified by Reserve Bank of India in their guidelines on prudential norms. The rates used by the Company are as follows:

Asset Classification	Period of Arrears (in Months)	Rates as per Company percentage of Portfolio
Standard	0 – 1	0.25
Substandard	1 – 2	10
Substandard	2 – 3	25
Doubtful	3 – 4	50
Loss	Above 4	100

XII. Unless specifically stated to be otherwise, these policies are consistently followed.

DURGESH MERCHANTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2019

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
A. <u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Net Profit before tax and extraordinary items	2,45,037.30	(790,513.05)
Adjustments for :		
Depreciation & Amortisations	8,431.00	14,727.00
Operating profit before working capital changes	2,53,468.30	(775,786.05)
Adjustments for :		
Trade and other receivables	84,99,854.20	(8,230,985.20)
Inventories	0.00	100,000.00
Trade Payables	(88,03,297.74)	8,793,123.41
Cash generated from operations	(49,975.24)	(113,647.84)
Direct taxes paid (net of refunds)	(2,12,137.00)	(84,579.00)
Net cash inflow/(outflow) in course of operating activities	(2,62,112.24)	(198,226.84)
B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
(Purchase)/sale of fixed assets	(23,000.00)	0.00
(Purchase)/sale of investments	0.00	0.00
Net cash inflow/(outflow) in course of investing activities	(23,000.00)	0.00
C. <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from issue of share capital(including share premium & net of share issue expenses)	0.00	0.00
Share application money received	0.00	0.00
Net cash inflow/(outflow) in course of financing activities	0.00	0.00
Net increase in Cash and Cash Equivalents	(2,85,112.24)	(198,226.84)

Add: cash & cash equivalents at the beginning of year	3,55,536.98	553,763.82
Cash & cash equivalents at the close of the year	70,424.74	355,536.98

Notes:

1) Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements".

For KRISHAN RAKESH & CO.

Chartered Accountants
Registration No.: 009088N

For and on behalf of the Board
**DURGESH MERCHANTS
LIMITED**

Sd/-

K.K. GUPTA

PARTNER

Sd/-
Rohit Ahuja
Managing
Director
DIN-
07859817

Sd/-
Kamall
Ahuja
Director
DIN-
00005195

Sd/-

Manish
Saini
CFO

PLACE : DELHI
Date: 10/05/2019

DURGESH MERCHANTS LIMITED

PARTICULARS		AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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NOTE - 2 : SHARE CAPITAL

Authorised

40,00,000 Equity Shares of Par Value
of Rs. 10/- each
(Previous Year 40,00,000 Shares of Par Value of Rs.10/-
each)

40,000,000.00 40,000,000.00

Issued, Subscribed & paid up

26,70,000 Equity Shares of Par Value
of Rs 10/- each
(Previous Year 26,70,000 Shares of Par Value of Rs.10/-
each)

26,700,000.00 26,700,000.00

26,700,000.00	26,700,000.00
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a) The reconciliation of number of shares outstanding and the amount of Share Capital as at the opening and closing dates is set out below:

PARTICULARS	No. of Shares	No. of Shares
No. of Shares outstanding at the beginning of the period	2,670,000.00	2,670,000.00
Addition during the year	0.00	0.00
No. of Shares outstanding at the end of the period	2,670,000.00	2,670,000.00

b)The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

c) Following Shareholders hold equity shares more than 5% of the total equity shares of the company at the end of the period :

Person		% age No. of shares (2018-19)	% age No. of shares (2017-18)

Kamall Ahuja		568100 (21.28%)	568100 (21.28%)
BAZEL INTERNATIONAL LIMITED		290000 (10.86%)	290000 (10.86%)

d) Bonus Shares issued during the last
5 Years:-

The company has not issued any bonus shares during the period of last 5 years

PARTICULARS	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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NOTE - 3 : RESERVES & SURPLUS

Statutory Reserve

As per Last balance Sheet	321,093.30	321,093.30
Transferred During The Year	44,100.00	0.00
	3,65,193.30	321,093.30

Surplus

As per Last balance Sheet	(6,29,133.89)	173,483.16
Add: Net Profit after Tax transferred from Statement of Profit & Loss	2,20,037.30	(802,617.05)
	(4,09,096.59)	(629,133.89)
Less: Transferred to Statutory Reserve	44,100.00	0.00
Balance c/f	(4,53,196.59)	(629,133.89)
	(88,003.29)	(308,040.59)

DURGESH MERCHANTS LIMITED

PARTICULARS	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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NOTE -4 LONG TERM PROVISION**Contingent Provision Against Standard Assets**

At the beginning of the year	71,600.00	51,100.00
Add: during the year	48,400.00	71,600.00
Less Earlier year Transfer (opening)	71,600.00	51,100.00
	48,400.00	71,600.00

NOTE- 5 : SHORT TERM BORROWINGS**Unsecured Loans**

From Limited Companies	0.00	8,674,218.00
	0.00	8,674,218.00

NOTE - 6 : OTHER CURRENT LIABILITIES

Expenses Payable	5,44,186.03	226,488.03
TDS Payable	30,061.00	14,054.00
Book Overdraft - Kotak Mahindra Bank	0.00	462,784.74
	5,74,347.03	703,326.77

NOTE - 07: SHORT TERM PROVISION**For Income tax**

As per last balance sheet	0.00	0.00
Additions during the year	47,200.00	0.00
Adjustment during the year	0.00	0.00
Paid during the year	(47,200.00)	0.00
	0.00	0.00

DURGESH MERCHANTS LIMITED

PARTICULARS	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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NOTE - 09 : NON CURRENT INVESTMENTS

QUOTED

Long Term Investments

Other Than Trade Investments

2,67,000 (2,67,000) Equity Shares of Bazel
International
of Rs. 10/- each fully paid -up

6,350,000.00 6,350,000.00

UNQUOTED

26,950 (26,950) Equity Shares of Jainsons Rugs
International
Private Limited of Rs. 10/- each fully Paid up.

309,925.00 309,925.00

6,659,925.00	6,659,925.00
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Unquoted Investments

Book Value

309,925.00 309,925.00

Quoted Investments

Book / Market Value

6,350,000.00 6,350,000.00

a) Non-Current investments have been valued considering the significant accounting policy no.1 (v) disclosed in Note no. 1 to these financial statement.

b) Figures in bracket represent previous year figures.

DURGESH MERCHANTS LIMITED

PARTICULARS	AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
-------------	----------------------------	----------------------------

NOTE - 10 : CASH & BANK BALANCES**Cash & Cash Equivalents**

Balances With Banks - in current accounts	18,898.26	19,557.50
Cash on hand	51,526.48	335,979.48
	70,424.74	355,536.98

NOTE - 11 : SHORT TERM LOANS AND ADVANCES

(Unsecured Considered good unless otherwise stated)

Balance with Revenue Authorities	29,994.00	29,503.20
Advances	1,93,39,251.00	28,616,792.00
I.Tax Advances	7,82,196.00	0.00
	3,29,428.00	165,491.00
	2,04,75,869.00	28,811,786.20

NOTE - 12 : REVENUE FROM OPERATIONS

Interest Income	21,41,075.00	1,747,016.00
Professional Fees	2,00,000.00	0.00
	23,41,075.00	1,747,016.00

NOTE - 13 : OTHER INCOME

Interest on Income Tax Refund	0.00	3,638.00
	0.00	3,638.00

DURGESH MERCHANTS LIMITED

PARTICULARS		AS AT 31.03.2019 Rs.	AS AT 31.03.2018 Rs.
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NOTE - 14 : CHANGE IN INVENTORIES**Opening Stock**

Shares		0.00	100,000.00
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TOTAL 'A'		0.00	100,000.00
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Closing Stock

Shares		0.00	0.00
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TOTAL 'B'		0.00	0.00
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		0.00	100,000.00
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NOTE - 15 : EMPLOYEE BENEFITS EXPENSE

Directors Sitting Fees		0.00	154,050.00
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Salaries, Wages & Allowances		11,04,259.00	1,058,848.00
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		11,04,259.00	1,212,898.00
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NOTE - 16 : FINANCE COSTS**Interest on:**

Others		5,49,608.00	140,535.00
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		5,49,608.00	140,535.00
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NOTE - 17 : OTHER EXPENSES**Administrative Expenses**

Printing and stationery		23,855.00	14,452.00
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Office rent		1,17,000.00	154,960.00
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Communication Expenses		12,813.00	34,314.00
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Computer Expenses		2,500.00	0.00
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Miscellaneous Expenses		92,583.20	168,850.34
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Payment to Auditors

- Audit Fees		30,000.00	30,000.00
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- Other Matters		15,450.00	15,750.00
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Bank charges		619.50	2,692.15
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Listing Fees		0.00	48,787.50
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Advertisement		22,448.00	0.00
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Business promotion expenses		18,312.00	41,961.06
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Professional Expenses		21,500.00	24,250.00
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Travelling & conveyance		76,659.00	70,115.00
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Penalty (SEBI)		0.00	466,875.00
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		4,33,739.70	1,073,007.05
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DURGESH MERCHANTS LIMITED

OTHER NOTES ON ACCOUNTS

	AS AT 31.03.2019	AS AT 31.03.2018
18. <u>COMMITMENTS</u>		
a) Estimated amount of contracts Remaining to be executed on Capital Account and not provided for :	NIL	NIL
b) Letters of Credit opened in favour of inland/overseas suppliers	NIL	NIL
19. <u>Contingent Liabilities not provided for :-</u> (excluding matters separately dealt with in other notes)		
a) Counter guarantees issued to Bankers in respect of guarantees issued by them	NIL	NIL
b) Guarantees issued on behalf of Ltd. Co's	NIL	NIL
20. Value of Imports on CIF Basis	NIL	NIL
21. Earning in Foreign Currency	NIL	NIL
22. Expenditure in Foreign Currency	NIL	NIL

23. PARTICULARS OF SALES & STOCKS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	<u>Value</u>	<u>Value</u>
<u>OPENING STOCK</u>		
Shares	0	1,00,000
<u>PURCHASE</u>		
Shares	0	0
<u>SALES</u>		
Shares	0	1,00,000
<u>CLOSING STOCK</u>		
Shares	0	0

24. In the opinion of the Board, all Current Assets, Loans & Advances (Except where indicated otherwise) collectively have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
25. Balance confirmation certificates from parties, as appearing in the Balance Sheet under the heads '**Loans & Advances**' on the assets side of the Balance Sheet are subject to confirmations of balances to the extent received have been reconciled/under reconciliation.
26. Provision regarding Provident fund and Gratuity Act, 1972 are not applicable to the company during the year under reference.
27. The company is engaged in the business of non-banking financial activity. Since all the activities relate to main activity, in the opinion of the management, there is only one business segment in terms of AS-17 on segment reporting issued by ICAI.

28. **Related Party Disclosures:**

In accordance with the Accounting Standards (AS-18) on Related Party Disclosure, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below:-

A. Relationships

Key Managerial Personnel

Mr. Rohit Ahuja	-	Managing Director
Mr. Praveen Prabhaker Tiwari	-	Company Secretary
Mr. Manish Saini	-	CFO

The related parties with whom transaction taken place during the year and nature of related party relationship:-

Description	Key Managerial Personnel/ Relatives	
	Y.E. 31.03.2019	Y.E. 31.03.2018
Remuneration		
Sh. Praveen Prabhaker Tiwari	4,54,235	5,26,831
Mr Vivek Sharma	0	68,040
Mr. Manish Saini	2,39,408	0

29. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

	Year Ended 31.03.2019	Year Ended 31.03.2018
Profit attributable to the Equity Shareholders – (A) (Rs)	2,20,037	(8,02,617)
Basic/ Weighted average number of Equity Shares outstanding during the year (B)	26,70,000	26,70,000

Nominal value of Equity Shares (Rs)	10	10
Basic/Diluted Earnings per share (Rs) – (A)/(B)	0.08	(0.30)
Calculation of profit attributable to Shareholders		
Profit Before Tax	2,45,037	(7,90,513)
Less : Provision for Tax/Deferred Tax	47,200.00	0
Less : Income Tax Adjustment	1,000.00	8,396
Less: Contingent Provisions against Standard Assets	(23,200)	20,500
Profit attributable to Shareholders	2,20,037	(8,02,617)

30. Figures for the previous year have been regrouped or recasted wherever necessary.

31. Disclosure of details as required by revised para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier para 9BB of Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

Liabilities Side :

(Rs. In Lacs)

	Particulars	Year ending 31.03.2019		Year ending 31.03.2018	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
	a) Debentures				
	: Secured				
	: Unsecured				
	(other than falling within the meaning of public deposits)	-	-	-	-

(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	0	-	0	-
(d)	Inter-corporate loans and borrowing	0	-	86.74	-
(e)	Commercial Paper	-	-	-	-
(f)	Other Loans (specify nature)	-	-	-	-
	- Loans from Bank	-	-	-	-

Assets Side

		Amount outstanding	Amount outstanding
(2)	Break-up of loans and advances including bills receivables (other than those included in (4) below :-		
	a) Secured	-	-
	b) Unsecured	193.39	286.17
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		

<p>(i Lease assets including lease rentals under sundry debtors :</p> <p>(a) Financial lease</p> <p>(b) Operating lease</p> <p>(ii Stock on hire including hire charges under sundry debtors :</p> <p>(a) Assets on hire</p> <p>(b) Repossessed Assets</p> <p>(ii Other loans counting towards i) AFC activities</p> <p>(a) Loans where assets have been repossessed</p> <p>(b) Loans other than (a) above</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	
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<p>(4 Break-up of Investments) :</p> <p>Current Investments :</p> <p>1. <u>Quoted</u> :</p> <p>(I) Shares : (a) Equity</p>			<p>-</p>
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(b) Preference	-	-
Debentures and		
(ii) Bonds	-	-
Units of mutual		
(iii) funds	-	-
Government		
(iv) Securities	-	-
(v) Others (please specify)	-	-

1. <u>Unquoted:</u>		
(I) Shares : (a) Equity	-	-
(b) Preference	-	-
Debentures and		
(ii) Bonds	-	-
Units of mutual		
(iii) funds	-	-
Government		
(iv) Securities	-	-
(v) Others (please specify)	-	-
Long Term investments :		
Shares		
(I) : (a) Equity	63.50	63.50
(b) Preference	-	-
Debentures and		
(ii) Bonds	-	-
Units of mutual		
(iii) funds	-	-
(iv) Government	-	-

Securities		
(v) Silver	-	-
2. Unquoted :		
Shares (a)		
(i) : Equity	3.10	3.10
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

(5
) Borrower group-wise classification of assets financed as in (2) and (3) above :-

Category	Amount net of provision			Amount net of provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	0	0
2. Other than related	-	193.39	193.3	-	286.17	286.17

	parties			9			
	Total	-	193.39	193.39	-	204.15	204.15

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Current Year		Previous Year	
	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	0	0	0	0
(c) Other related parties	-	-	0	0
2. Other than related parties	0	0	0	0

7 Other Information

Particulars	Current Year	Previous Year
	Amount	Amount

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: L65923DL1984PLC248322

Name of the Company: **Durgesh Merchants Limited**

Venue of the Meeting: **D-251, Ground Floor, Conference Hall, Defence Colony, New Delhi-110024.**

Date and Time: Saturday, the 21st day of September, 2019 at 02:30 P.M.

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

1. Name: _____ Address: _____

E-mail ID: _____ Signature: _____, or failing him/her

2. Name: _____ Address: _____

E-mail ID: _____ Signature: _____, or failing him/her

3. Name: _____ Address: _____

E-mail ID: _____ Signature: _____, or failing him/her

as my/our Proxy to attend vote (for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 21st day of September, 2019 at 02:30 P.M. at **D-251, Ground Floor, Conference Hall, Defence Colony, New Delhi-110024** and at any adjournment thereof) in respect of such resolutions as are indicated below:

S. No.	Resolution	Number of shares held	For	Against
ORDINARY BUSINESS:				
1.	Adoption of Consolidated/ Standalone Audited Financial Statements of the Company for the financial year ended 31 st March, 2019 and the Reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Kamall Ahuja (DIN: 00005195), who retires by rotation and being eligible, offers himself for re-appointment.			

SPECIAL BUSINESS:

3.	To consider and approve the appointment of Ms. Chanchal Rani (DIN: 08225103) as an Independent Director of the company in terms of section 149 of the companies act, 2013.			
4.	To consider and approve the appointment of Ms. Komal Jain (DIN: 08305062) as an Independent Director of the Company in terms of Section 149 of the Companies act, 2013.			
5.	To consider and approve contribution to charitable Institution pursuant to Section 181 of companies act, 2013.			
6.	To consider and approve increase in the Authorised Share Capital of the Company and alteration of capital clause of Memorandum of Association of the Company.			
7.	To consider and approve the acceptance of Convertible Loan upto Rs. 10 Crores.			

Signed this Day of 2019
Signature of shareholder.....
Signature of Proxy holder(s)

Affix One
Rupee
Revenue
Stamp

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.

ATTENDANCE SLIP

Registered Folio / DP ID & Client ID

Name and Address of the Shareholder

1. I hereby record my presence at the 35th Annual General Meeting of the Company being held on Saturday, the 21st day of September, 2019 at 02:30 P.M. at **D-251, Ground Floor, Conference Hall, Defence Colony, New Delhi-110024.**

2. Signature of the Shareholder/Proxy Present

3. Shareholder/Proxy holder desiring to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

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

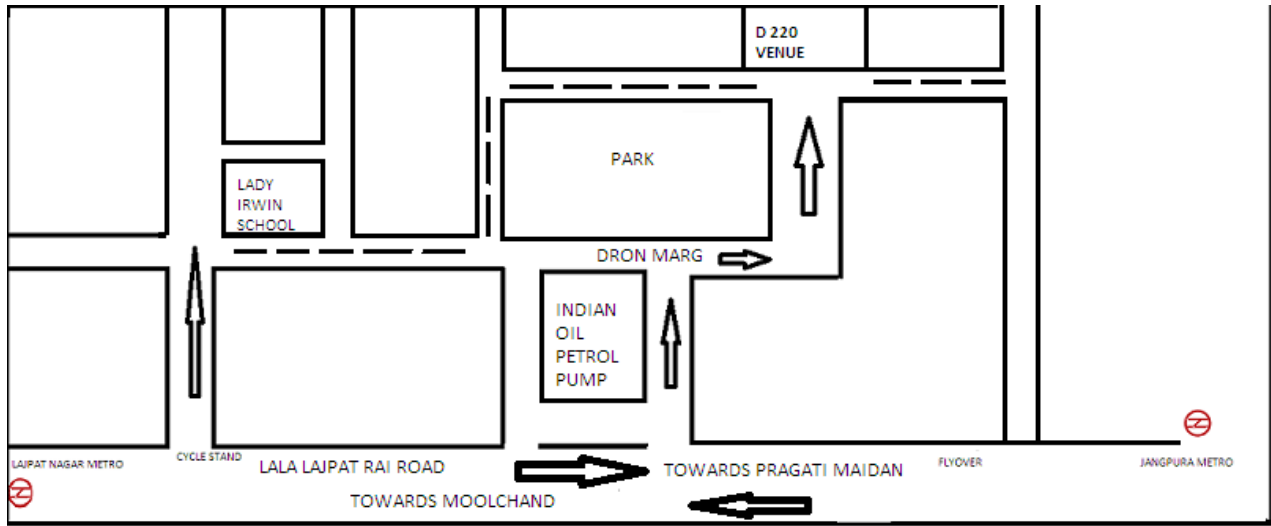
The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 09.00 A.M. on 17th September , 2019
End of e-voting	Upto 05.00 P.M. on 20th September, 2019

Notes:

- (i) The cut-off date for the purpose of e-voting is 09th September, 2019.
- (ii) Please read the instructions printed under the Note to the Notice dated 23rd August, 2019 of the 35th Annual General Meeting of the Company. The E-Voting period starts from 9:00 A.M on Saturday, 17th September, 2019 and ends at 5:00 P.M on Friday, 20th September, 2019. The e-Voting module shall be disabled by NSDL for voting thereafter.

Route Map for AGM of Durgesh Merchants Limited to be held on Saturday, the 21st day of September, 2019 at 02:30 P.M.



If undelivered please return to:

Durgesh Merchants Limited

Regd. Office: D-220, Basement, Defence Colony,
New Delhi-110024

E-mail: durgeshmerchants@gmail.com