

Varun Mercantile Limited

**Annual Report
2014-2015**

VARUN MERCANTILE LIMITED

Corporate Identity Number : L51909DL1985PLC020108

Regd. Office: 506, Chiranjiv Towers, 43, Nehru Place, New Delhi 110 019

Corporate Office: 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400 021. Tel.:22022364/ 65, Fax: 22871046

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF VARUN MERCANTILE LIMITED WILL BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2015 AT 1:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 506, CHIRANJIV TOWERS, 43, NEHRU PLACE, NEW DELHI – 110 019 TO TRANSACT THE FOLLOWING BUSINESSES :

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors attached thereon.
2. To appoint a Director in place of Shri Lalit Shroff (DIN: 00339894), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

Special Business:

4. To appoint Ms. Lopamudra Dixit (DIN: 02299572) as an Independent and Woman Director and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all 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), Ms. Lopamudra Dixit (DIN: 02299572) , who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent and Woman Director of the Company to hold office for 5 (five) consecutive years from 31st March, 2015 to 30th March, 2020."

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5. To appoint Shri Ramchandra Juvekar as Manager and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 196 read with Section 203, Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri Ramchandra Juvekar be and is hereby appointed, as Manager of the Company, within the meaning of Section 2(53) of the Companies Act, 2013, for a period of three (3) years, with effect from 31st March, 2015, on such terms and conditions including remuneration as set out in Item No.6 of the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT Shri Ramchandra Juvekar shall carry out such duties and perform such functions as may be entrusted to him, from time to time, subject to the superintendence, control and direction of the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution".

6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

F.s Shah
Forum Shah
Company Secretary

Place: Mumbai
Dated: 04.09.2015

Registered Office:
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43, Nehru Place,
New Delhi – 110 019

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Notes :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

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

2. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 10. The Company will also send communication relating to remote e-voting which *inter-alia* would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Transfer Books of the Company will be closed from 18th September, 2015 to 23rd September, 2015 (both days inclusive).
9. The route map of the venue of the meeting is annexed hereto. The prominent landmark for the venue near Nehru Place Flyover.
10. Information and other instructions relating to e-voting are as under:

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- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e- voting').
- (ii) The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
- (iii) The members who have cast their vote by remote e- voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- (v) The Board of Directors of the Company has appointed Shri Devesh Vasavada, a Practicing Chartered Accountant, Mumbai as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
- (vi) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23rd September, 2015.
- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Company as on the cut-off date, i.e. 23rd September, 2015 only shall be entitled to avail the facility of remote e-voting / Insta Poll. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd September, 2015, may obtain the User ID and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No., the member may send SMS : **MYEPWD** <space> E-Voting Event Number+Folio No. to 9212993399
Example for Physical :
MYEPWD <SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of [https:// evoting.karvy.com](https://evoting.karvy.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c) Member may call Karvy's toll free number 1-800-3454-001.
 - d) Member may send an e-mail request to evoting.varun@karvy.com.

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- e) If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
- (ix) The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: From 9.00 a.m. (IST) on 26th September, 2015
End of remote e-voting: Up to 5.00 p.m. (IST) on 29th September, 2015
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting and the said facility shall be in operation till all the resolutions are considered and voted upon in the Meeting and may be used for voting only by the members holding shares as on the cut-off date, attending the Meeting and who have not already cast their vote through remote e-voting.
- (x) The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e- voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results shall be displayed on the Notice Board of the Company at its registered office. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Karvy at: <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- (xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September, 2015.
- (xii) **Instructions and other information relating to remote e-voting:**
 - 1.A. **In case a member receives an email from Karvy** [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1800-3454-001 for your existing password.
 - (c) After entering these details appropriately, click on "LOGIN".

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- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (09) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number for Varun Mercantile Limited.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you **confirm, you will not be allowed to modify your vote.** During the voting period, members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: varun.scrutinizer@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO"

1. B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

- (i) User ID and initial password - These will be sent separately.

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- (ii) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
1. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
2. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website [https:// evoting.karvy.com](https://evoting.karvy.com).
In case of any grievances relating to voting by electronic means, the members / beneficial owners may contact at the following address:
Shri S. P. Venugopal
Deputy General Manager
Karvy Computershare Private Limited,
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.
Phone No. 040-67161700 e-mail: evoting.varun@karvy.com.

By Order of the Board of Directors

F.S.Shah
Forum Shah
Company Secretary

Place: Mumbai
Dated: 04.09.2015

Registered Office:
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Statement Pursuant to Section 102(1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Ms. Lopamudra Dixit (DIN: 02299572), 56 years of age, as an Additional Director of the Company w.e.f. 31st March, 2015. She has done her Masters in Finance (MMS in Finance) and is member of ICMA. She has an experience of over 34 years in the field of Banking and Finance.

In terms of the provisions of Section 161(1) of the Act, Ms. Lopamudra Dixit would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Lopamudra Dixit for the office of Director of the Company.

Ms. Lopamudra Dixit is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Lopamudra Dixit that she meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Act. Ms. Lopamudra Dixit possesses appropriate skills, experience and knowledge; inter alia, in the field of finance.

In the opinion of the Board, Ms. Lopamudra Dixit fulfills the conditions for her appointment as an Independent and Woman Director as specified in the Act. Ms. Lopamudra Dixit is independent of the management.

Copy of the draft letter for appointment of Ms. Lopamudra Dixit as an Independent and Woman Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Ms. Lopamudra Dixit and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

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Item No. 5

The Board of Directors of the Company (the Board), at its meeting held on 31st March, 2015 has, subject to the approval of Members, appointed Shri Ramchandra Juvekar as Manager, with remuneration for a period of three years with effect from 31st March, 2015.

It is proposed to seek Members' approval for the appointment of Shri Ramchandra Juvekar as Manager of the Company. Shri Ramchandra Juvekar satisfies all the conditions set out in Schedule V of the Companies Act, 2013 for being eligible for appointment. The above may be treated as an abstract of the terms of appointment of Shri Ramchandra Juvekar under Section 190 of the Act.

Particulars of the terms of appointment and remuneration payable to Shri Ramchandra Juvekar is as under:

a) Remuneration:

Shri Ramchandra Juvekar shall be paid remuneration of Rs. 23,14,106/- p.a. which includes salary, perquisites and allowances. The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

The Board of Directors is authorised to make annual increment including performance linked incentives, if any, within the overall limits under Schedule V of the Companies Act, 2013.

b) Reimbursement of Expenses

Expenses incurred for travelling, boarding and lodging during business trips, any medical assistance provided including for family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

c) General:

- (i) The Manager will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time.
- (ii) The Manager shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in the Act with regard to duties of Manager.

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- (iii) The office of the Manager may be terminated by giving the Company or the Manager by giving 3 (three) months' prior notice in writing.

Save and except Shri Ramchandra Juvekar and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No.5 of the Notice for approval by the shareholders

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

Item No. 6

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the exiting AoA are no longer in conformity with the Companies Act, 2013. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No.6 of the Notice for approval by the shareholders.

The Board commends the Special Resolution set out at Item No.6 of the Notice for approval by the Members.

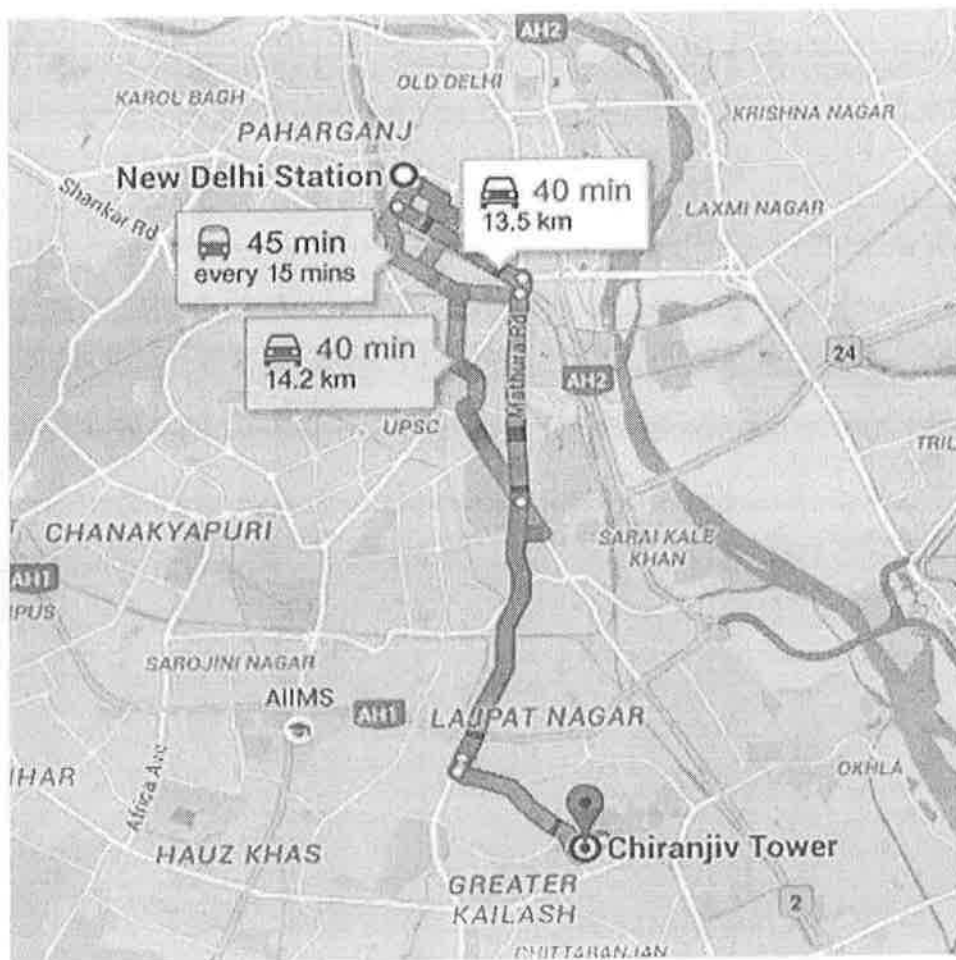
By Order of the Board of Directors

F.S.Shah
Forum Shah
Company Secretary

Place: Mumbai
Dated: 04.09.2015

Registered Office:
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ROUTE MAP OF THE AGM VENUE



ATTENDANCE SLIP

Varun Mercantile Limited

CIN: L51909DL1985PLC020108

Registered Office: 506, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110 019

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of Shares	
NAME AND ADDRESS OF THE SHAREHOLDER			

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company held on Wednesday, September 30, 2015 at 1:30 p.m. at the Registered Office of the Company at 506, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110 019.

Signature of Shareholder / Proxy

*Applicable for investors holding shares in electronic form.

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Varun Mercantile Limited

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Name of the Member(s):		e-mail ID:
Registered address		Folio No./Client ID:
		*DP ID:

I/We, being the member(s) of _____ shares of Varun Mercantile Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
 2) _____ of _____ having e-mail id _____ or failing him
 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 1:30 p.m. at the Registered Office of the Company at 506, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Reappointment of Shri Lalit Shroff, who retires by rotation		
3. Appointment of Auditors and fixing their remuneration		
4. To appoint Ms. Lopamudra Dixit as an Independent and Woman Director		
5. To appoint Shri Ramchandra Juvekar as Manager		
6. To adopt new Articles of Association		

Signed this _____ day of _____ 2015

Signature of shareholder

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Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

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DIRECTORS' REPORT

To the Members,

Your Directors hereby present their Thirtieth Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2015.

Financial summary:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Income	37,94,766	26,31,010
Expenses	3,19,961	1,72,149
Profit / (Loss) before Tax	34,74,805	24,58,861
Tax	10,15,810	4,73,450
Profit / (Loss) After Tax	24,58,995	19,85,411

Working and State of Company's Affairs:

During the year under review, your Company earned net profit of Rs.24,58,995 after incurring necessary expenditure and providing for tax. Your Directors continue their efforts to improve the working of the Company.

There is no change in the nature of business of the company.

Reserves:

In order to conserve the resources, there is no transfer of profits to reserves during the year.

Dividend:

Your Directors have not recommended any dividend on Equity Shares for the year under review.

Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of the report:

There are no material changes and commitments occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

Subsidiaries, Associates and Joint Ventures:

The Company has no subsidiary, associate and joint venture companies.

The Company has no holding company or subsidiary company, hence the provisions of Section 197(14) relating to receipt of remuneration or commission by the Whole time Director from holding company or subsidiary company of the Company are not applicable to the Company.

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As the Company did not have any subsidiary during the year, the reporting requirements under Rules 6, 8(1) and 8(5)(iv) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

Report on the performance and financial position of Subsidiary, associates and Joint Venture companies:

The Company has no subsidiary, associate and joint venture companies and therefore report on the performance and financial position of such companies is not given.

Directors' Responsibility Statement:

Your Directors state that-

- (a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) 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 Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and arrangements with Related Parties

There were no contracts / arrangements / transactions with related parties which are to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

VARUN MERCANTILE LIMITED

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Extract of Annual Return:

Extract of Annual Return is annexed herewith as **Annexure 'A'** to this Report.

Meetings of the Board:

During the year, 13 Board Meetings were held on 30.04.2014, 30.05.2014, 02.06.2014, 30.07.2014, 02.09.2014, 12.09.2014, 30.09.2014, 30.10.2014, 05.11.2014, 01.12.2014, 29.01.2015, 26.03.2015 and 31.03.2015.

Details of attendance of Directors at the meetings of the Board are as below:

Name of Director	Attendance Particulars	
	Number of Board Meetings	
	Held during Tenure	Attended
Shri Lalit Shroff	13	1
Shri Kaushik Ved	3	3
Shri K Varadarajan	3	3
Shri Mukesh Shah	12	12
Ms. Forum Shah	12	12
Ms. Lopamudra Dixit	1	1

The Audit Committee and the Nomination and Remuneration Committee of the Board were constituted on 31st March, 2015 and no meetings of the said committees were held during the year ended 31st March, 2015.

Particulars of Loans, Guarantees or Investments under Section 186:

The Company has not given any loans or made any investments or provided any guarantees or security during the year under review.

Net worth

The net worth of the Company as on 31st March, 2015 was Rs. 4,66,60,823/- (Rs. 4,42,01,828 as on 31st March, 2014).

Directors and Key Managerial Personnel:

In accordance with the provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Shri Lalit Shroff (DIN: 00339894), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

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Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Lopamudra Dixit (DIN: 02299572) was appointed as an Additional Director designated as an Independent and Woman Director with effect from 31st March, 2015 and she holds office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing the candidature of Ms. Lopamudra Dixit for appointment as an Independent and Woman Director, not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under the Act.

The Company has devised a Policy for performance evaluation of Directors, Board, Committees and other individual Directors.

As per the best practices prevalent in the industry and on the basis of the above mentioned Policy for performance evaluation of Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

The following policies of the Company are annexed herewith marked as **Annexure 'B1'** and **Annexure 'B2'**:

- a) Policy for selection of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Mukesh Shah and Ms. Forum Shah were appointed as a Director designated as an Independent with effect from 30th May, 2014

During the year under review Ms. Forum Shah has resigned as an Independent and Woman director of the Company w.e.f. 31st March, 2015 and Shri K Varadarajan and Shri Kaushik Ved, have resigned as director of the Company w.e.f. 2nd June, 2014. The Board places on record its deep appreciation for the valuable contribution made by them during their tenure as Director of the Company.

During the year under review, Ms. Forum Shah was appointed as Company Secretary of the Company w.e.f. 31st March, 2015. Shri Hitesh Vora was appointed as the Chief Financial Officer w.e.f. 31st March, 2015. Shri Ramchandra Juvekar was appointed as Manager of the Company w.e.f. 31st March, 2015.

Auditors and Auditors' Report:

M/s A T Jain & Co., Chartered Accountants, Statutory Auditors of the Company, having Registration No. 103886W hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their

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re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as under:

- i. Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- ii. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned	- Nil
Foreign Exchange Used	- Nil

Risk Management:

During the year, considering the nature of business being carried on by the Company, the Board of Directors identified the elements of risk that may likely to affect the business of the Company and formulated a risk management policy and implemented the same. The Board of Directors itself would periodically evaluate, monitor and review the risk, for an effective control and mitigation of risk.

Secretarial Auditor

The Board has appointed Ms. Rakhi Kabra, Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith marked as **Annexure 'C'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures:

Audit Committee

The Audit Committee comprises Shri Mukesh Shah (Chairman), Ms. Lopamudra Dixit, Independent Directors and Shri Lalit Shroff. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Ms. Lopamudra Dixit (Chairman), Shri Mukesh Shah, Independent Directors and Shri Lalit Shroff. All the recommendations made by the Committee were accepted by the Board.

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Corporate Social Responsibility:

The provisions of Section 135 of the Act are not applicable to Company and hence no committee is constituted and not spend any amount on Corporate Social Responsibility.

Vigil Mechanism

The Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concerns or grievances including unethical behaviour, fraud or violation of the Company's Code of Conduct. The authority for the implementation of the policy rests with the Board of Directors.

Particulars of Employees and related disclosures

The Company has not paid any remuneration attracting the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no information is required to be appended to this report in this regard.

Further the disclosure in the Board Report under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as per Annexure D and forms part of this Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Details of deposits which are not in compliance with the requirements of Chapter V of the Act
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
5. Re-appointment of Independent Director by passing a Special Resolution.
6. To appoint a Cost Auditor.
7. Details of significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, and members during the year under review.

For and on behalf of the Board of Directors

Place: Mumbai
Dated:04.09.2015



Mukesh Shah
Director
DIN:00014741



Lopamudra Dixit
Director
DIN:02299572

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

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

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN:-	L51909DL1985PLC020108
ii)	Registration Date	12/02/1985
iii)	Name of the Company	Varun Mercantile Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	506, Chiranjiv Towers, 43, Nehru Place, New Delhi - 110 019
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil
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:-	As per Attachment 1
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment 2
IV.	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)	
i)	Category-wise Share Holding	As per Attachment 3
ii)	Shareholding of Promoters	As per Attachment 4
iii)	Change in Promoters' Shareholding (please specify, if there is no change)	As per Attachment 5
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment 6
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment 7
V.	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment 8
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:	As per Attachment 9
B.	Remuneration to other directors:	As per Attachment 10
C.	Remuneration to Key Managerial Personnel other than MD/MANAGER/MTD	As per Attachment 11
VII.	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:	As per Attachment 12

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company : -

Sl.No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the company #
NIL			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name of Company	Address of Company	CIN/ICN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held *	Applicable section

* Representing aggregate % shares held by the Company and/or its subsidiaries

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
(1)	Indian									
a)	Individual / HUF	0	0	0	0	0	0	0	0	0.00
b)	Central Govt.	0	0	0	0	0	0	0	0	0.00
c)	State Govt(s)	0	0	0	0	0	0	0	0	0.00
d)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00
e)	Banks / FI	0	0	0	0	0	0	0	0	0.00
f)	Any other...	0	0	0	0	0	0	0	0	0.00
	Sub - Total (A) (1) :-	0	0	0	0	0	0	0	0	0.00
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b)	Other - Individuals	0	0	0	0	0	0	0	0	0.00
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d)	Banks / FI	0	0	0	0	0	0	0	0	0.00
e)	Any other...	0	0	0	0	0	0	0	0	0.00
	Sub - Total (A) (2)	0	0	0	0	0	0	0	0	0.00
	Total Shareholding of Promoter(A) = (A)(1) + (A)(2)	0	0	0	0	0	0	0	0	0.00
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(s)	0	0	0	0	0	0	0	0	0.00
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f)	Insurance Companies	0	0	0	0	0	0	0	0	0.00
g)	FIs	0	0	0	0	0	0	0	0	0.00
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i)	Others (specify)	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 Corp.									
i)	Indian	0	7 56 650	7 56 650	37.98	0	7 56 650	7 56 650	37.98	0.00
ii)	Overseas	0	0	0	0	0	0	0	0	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	16 400	16 400	0.82	0	16 400	16 400	0.82	0.00
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	12 18 950	12 18 950	61.19	0	12 18 950	12 18 950	61.19	0.00
c)	Others (specify)	0	0	0	0	0	0	0	0	0.00
	Sub - Total (B) (2)	0	19 92 000	19 92 000	100.00	0	19 92 000	19 92 000	100.00	0.00
	Total Public Shareholding (B) = (B)(1) + (B)(2)	0	19 92 000	19 92 000	100.00	0	19 92 000	19 92 000	100.00	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
	Grand Total (A+B+C) ¹	0	19 92 000	19 92 000	100.00	0	19 92 000	19 92 000	100.00	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares**	% change in share holding during the year
1	Lalit Shroff	0	0.00	0.00	0	0.00	0.00	0.00
	Total	0	0.00	0.00	0	0.00	0.00	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

B) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding during the year (As on 31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	There is no change in the holding of promoters between 01-04-2014 and 31-03-2015			
	At the End of the year	0	0.00	0	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning(01-04-14)/end of the year(31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Sun Wave Commercials Private Limited	97 950	4.92		0		97 950	4.92
2	Armat Commercials Private Limited	96 600	4.85		0		96 600	4.85
3	Techfo Venture Capital Private Limited	96 100	4.82		0		96 100	4.82
4	Sarisha Commercials Private Limited	94 600	4.75		0		94 600	4.75
5	Rohana Commercials Private Limited	93 600	4.70		0		93 600	4.70
6	Vidhaswar Leasing and Investment Company Private Limited	93 100	4.67		0		93 100	4.67
7	Titan Farms Private Limited	92 600	4.65		0		92 600	4.65
8	Vasudhara Mercantile Private Limited	92 100	4.62		0		92 100	4.62
9	Mr. Kundan Gajanan Mhatre jointly with Mrs. Lata Mhatre	19 000	0.95		0		19 000	0.95
10	Mr. Mahesh S. Bhawanani jointly with Mrs. Bhavna Bhawanani	19 000	0.95		0		19 000	0.95

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

v) Shareholding of Directors and Key Managerial Personnel

Sl.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (31-03-14 to 31-03-15)	
		No. of Shares at the beginning(01-04-14)/end of the year(31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	DIRECTORS:							
1	Mukesh Shah	0	0.00		0		0	0
2	Lalit Shroff	0	0.00		0		0	0
3	Forum Shah (Ceased from 31st March, 2015)	0	0.00		0		0	0
4	Lopamudra Dixit (Appointed as a Director on 31st March, 2015)	0	0.00		0		0	0
B	Key Managerial Personnel(KMP's)							
1	Forum Shah Company Secretary (Appointed from 31st March, 2015)	0	0.00		0		0	0
2	Ramchandra Juvekar Manager (Appointed from 31st March, 2015)	18000	0.90		0		18000	0.90
3	Hitesh Vora Chief Financial Officer (Appointed on 31st March, 2015)	18500	0.93		0		18500	0.93

V. INDEBTEDNESS

Amount (Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-04-2014)				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year (31.03.2015)				
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 Directors and/or Manager:

Sl. no.	Particulars of Remuneration		Total Amount (Rs.)
		Ramchandra Juvekar (Manager)	
1	Gross salary	Nil	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Mukesh Shah	Lalit Shroff	Lopamudra Dixit (Appointed as Director on 31st March, 2015)	Forum Shah (Ceased from 31st March, 2015)	Forum Shah (Appointed as Company Secretary on 31st March, 2015)	Ramchandra Juvekar (Appointed as Manager on 31st March, 2015)	Hitesh Vora (Appointed as Chief Financial Officer on 31st March, 2015)	
	Independent Directors								
	Fee for attending board / committee meetings	0	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	0	0
	Other Non-Executive Directors								
	Fee for attending board / committee meetings	0	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0	0	0
	Total Managerial Remuneration								
	Overall Ceiling as per the Act					N.A.			

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Company Secretary Forum Shah (From 31.03.2015)	CFO Vora Hitesh (From 31.03.2015)	Manager Hamichandra Juvakar (From 31.0.2015)	Total Amount (Rs.)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify - Medical	0	0	0	0
5	Others, please specify - Cars	0	0	0	0
	Interest Concession on loan	0	0	0	0
	Total	0	0	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Policy for Selection of Directors and determining Directors' independence

1. Introduction:

- 1.1 The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term policy approach to improve the quality of governance. Towards this, the Company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. It aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and purpose:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by the Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4 Policy:

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration Committee (NRC) and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

4.1.2 In evaluating the suitability of individual Board members, the NRC may take into account factors, such as:

- General understanding of the Company's business dynamics, business and social perspective;
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as

may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives-
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age,

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships:

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the above limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction:

This Remuneration Policy (Policy) of Varun Mercantile Limited has been formulated for its directors, key managerial personnel and other employees keeping in view the following objectives:

- 1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- 1.4 The Policy is in compliance with Section 178(3) and Section 178(4) of the Companies Act, 2013.

2. Scope of policy:

The Policy applies to all directors, key managerial personnel and other employees.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the Company.
- 3.2 "Key Managerial Personal" means
- (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- 3.3 "Nomination and Remuneration Committee" means the committee constituted by Varun Mercantile Limited Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

Policy:

- 3.4 Remuneration to Director and Key Managerial Personnel
- 3.4.1 The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Directors of the Company within the overall limits permissible under the Companies Act, 2013.
- 3.4.2 The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the other Key Managerial Personnel of the Company.
- 3.4.3 The remuneration structure of the Directors and other Key Managerial Personnel shall include the following components:
- a. Total Fixed Cost: This includes base salary, other allowances, perquisites and retirement benefits.
 - b. Variable Cost: This includes incentives / performance bonus linked to Company and individual performance.

- c. The sum total of the Total Fixed Cost and Variable Cost is called the Cost to Company in the remuneration package.

4. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

- 5. Remuneration is annually reviewed for the Directors, Key Managerial Personnel and other employees who are eligible for compensation review keeping in view the remuneration objectives.

RAKHI KABRA B.com; ACS

COMPANY SECRETARIES

Office:-
294/A, Govindwadi
Room No. 18, Kalbadevi Road
Mumbai- 400002.
Phone: - 022-22077403
7718829692

SECRETARIAL AUDIT REPORTFor the Financial year ended 31st March, 2015

*[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]*

The Members,
Varun Mercantile Limited

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and representations / submissions provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, 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 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 (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Delisting of equity Shares) Regulations, 2009; and
 - iv. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- vi. 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;
- vii. The scripts of the company are traded and settled only in physical mode, thus, it has not dematerialized its shares and accordingly, provisions related to Depositories Act, 1996 and Regulations and Bye-laws framed there under and the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 are not applicable to the Company.
- viii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- ix. Clause 49 of the Listing Agreement as companies paid up capital being less than Rs.3 Crores and net worth being less than Rs.25 Crores.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and Delhi Stock Exchange Limited;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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



Majority decision is carried through which are captured and recorded as part of the minutes.

During our Audit we have found that the company is generally regular in complying with various statutory compliances.

We further report that 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.

Rakhi



Place: Mumbai

Date: 28th May, 2015

Company Secretaries

ACS No.: 28351

CP No.: 13698

Annexure 'D'

Disclosure under Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

Sr.No.	Particulars			
1	Details of remuneration of each Director/Company Secretary in 2014-15	Director / Company Secretary	% increase over previous year	Ratio to median remuneration
		Directors		
		Shri Lalit Shroff	Nil	Nil
		Shri Mukesh Shah	Nil	Nil
		Ms. Lopamudra Dixit (Appointed w.e.f. 31.03.2015)	Nil	Nil
		Ms. Forum Shah (Up to w.e.f. 31.03.2015)	Nil	Nil
		Company Secretary		
		Ms. Forum Shah (Appointed w.e.f. 31.03.2015)	Nil	Nil
2	Employees with remuneration more than Rs. 60 lakhs per annum	The Company has not paid remuneration more than Rs.60 lakhs per annum to any of its Directors or Key Managerial Personnel.		
3	Number of permanent employees on the rolls of the Company:	As on 31.03.2015	As on 31.03.2014	
		Nil	Nil	
4	Percentage increase in the median remuneration of employees in the financial year 2014-15	Nil		
5	Relationship between average increase in remuneration and the Company performance	The Company has not paid remuneration to its Directors or Key Managerial Personnel		
6	Remuneration of Key managerial Personnel	Nil		
7	Market Price and Price Earnings ratio	Market Price – Re.1/-		

		Price Earnings Ratio – Rs.8.13/-
8	Comparison of the Market Price as on 31 ST March, 2015, with the Issue Price at the last Public Offer: Rs.10/-	Issue Price - Rs.10/- Market Price as on 31 ST March, 2015 - Re.1/-
9	Average percentage increase in salaries of Employees other than Executive Directors during 2014-15	Nil
10	Key parameters for any variable component of remuneration availed by the Directors	Nil



A. T. JAIN & Co.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

DATE :

To the Members of Varun Mercantile Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Varun Mercantile Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's





judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2015, and its profits and its cash flows on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government of India in terms of section 143 of the Act (18 of 2013), we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
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 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 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 representation received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 which would impact on its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For A.T.JAIN & CO.
Chartered Accountants
Registration No.: 103886W



S.T.JAIN
Partner
Membership No. : 33809

Place : Mumbai
Dated : 28.05.2015



Annexure to Independent Auditors Report
Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

- i) (a) According to the information and explanations given to us, the Company, during the year has no fixed assets. Therefore the provisions of clause (i)(a) and (i)(b) of the Companies (auditors report) order, 2015 are not applicable..
- ii) (a) According to the information and explanations given to us, the Company, during the year did not hold any inventory due to its nature of business activity. Therefore the provisions of clause (ii)(a), (ii)(b) and (ii)(c) of the Companies (auditors report) order, 2015 are not applicable.
- iii) (a) According to the information and explanations given to us, the Company, during the year has, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchases of fixed assets and for the sale of goods and services. During the course of audit, we have not observed any major weaknesses in internal control system of the company.
- v) The company has not accepted any deposits from the public and consequently the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the directives issued by the Reserve Bank of India are not applicable.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii) In respect of Statutory dues :
 - a. (a) According to the records of the company, the company is regular in depositing income tax and other statutory dues with the appropriate authorities. There are no arrears of outstanding of these dues as at the last day of the financial year for a period of more than six months from the date they became payable. The laws relating to provident fund, investor education protection fund, employee state





insurance, sales tax, wealth tax, custom duty, excise duty and cess do not apply to the company for the year under report.

- b. According to the information and explanations given to us and the records of the Company examined by us as at 31st March, 2015, there are no undisputed dues of income tax, wealth tax, service tax, customs duty or cess that have not been deposited.
- c. According to the information given to us the Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) The Company does not have any accumulated losses more than 50% of its net worth and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) The company has not raised loans from Financial Institutions or Banks or by issue of debentures and hence provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year. Therefore, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Company.
- xi) The Company has not raised any term loan during the year. Therefore, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- xii) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.



Place : Mumbai
Dated : 28.05.2015

For A.T.JAIN & CO.
Chartered Accountants
Registration No.: 103886W

S.T.JAIN
Partner
Membership No. : 33809

Varun Mercantile Limited

Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1 99 20 000	1 99 20 000
Reserves and Surplus	2	2 67 40 823	2 42 81 828
		4 66 60 823	4 42 01 828
Current Liabilities			
Trade Payable	3	15 112	12 612
Other Current Liabilities	4	2 31 934	2 31 934
		2 47 046	2 44 546
TOTAL		4 69 07 869	4 44 46 374
ASSETS			
Non-Current Assets			
Non-Current Investments	5	1 00 00 000	1 00 00 000
Deferred Tax Assets (Net)	6	-	-
Long Term Loans and Advances	7	63 758	87 347
		1 00 63 758	1 00 87 347
Current Assets			
Cash and Bank Balances	8	3 56 77 393	3 32 39 297
Other Current Assets	9	11 66 718	11 19 730
		3 68 44 111	3 43 59 027
TOTAL		4 69 07 869	4 44 46 374

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 18

As per our Report of even date

For and on behalf of the Board

For A.T.Jain & Co.
Chartered Accountants
Registration No.103886W

S.T. Jain

S.T.Jain
Partner
Membership No.33809
Mumbai
Dated : 28.05.2015



Mukesh Shah

Mukesh Shah Director

Lopamudra Dixit

Lopamudra Dixit Director

Hitesh Vora

Hitesh Vora Chief Financial Officer

F.S. Shah

Forum Shah Company Secretary

Varun Mercantile Limited

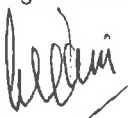
Statement of Profit and Loss for the year ended 31st March, 2015

	Note	2014-2015	Amount in ₹ 2013-2014
INCOME:			
Other Income	10	37 94 766	26 31 010
Total Revenue		<u>37 94 766</u>	<u>26 31 010</u>
EXPENSES:			
Other Expenses	11	3 19 961	1 72 149
Total Expenses		<u>3 19 961</u>	<u>1 72 149</u>
Profit Before Tax		34 74 805	24 58 861
Tax Expenses			
Current Tax		9 98 000	4 69 000
Taxes for Earlier Years		17 810	4 450
Profit for the year		<u>24 58 995</u>	<u>19 85 411</u>
Earnings per equity share			
Face value of ₹10/- each			
Basic and Diluted	12	1.23	1.00
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 18		

As per our Report of even date

For and on behalf of the Board

For A.T.Jain & Co.
Chartered Accountants
Registration No.103886W

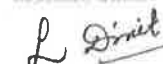


S.T.Jain
Partner
Membership No.33809
Mumbai
Dated : 28.05.2015





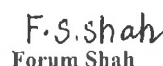
Mukesh Shah Director



Lopamudra Dixit Director



Hitesh Vora Chief Financial Officer


F.S. Shah

Forum Shah Company Secretary

Varun Mercantile Limited

Cash Flow Statement for the year ended 2014-15

	2014-2015	Amount In ₹ 2013-2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Statement of Profit and Loss	34 74 805	24 58 861
Adjusted for		
Interest Income	(37 94 766)	(26 31 010)
Operating profit before working capital changes	(3 19 961)	(1 72 149)
Adjusted for		
Trade & Other Receivable	(46 988)	(3 99 532)
Trade & Other Payable	2 500	(10 112)
Cash Generated From operations	(3 64 449)	(5 81 793)
Taxes paid	(9 92 221)	(4 62 410)
Net Cash (Used In) Operating Activities	(13 56 670)	(10 44 203)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments		(50 00 000)
Redemption of Investments		1 00 00 000
Interest income	37 94 766	26 31 010
Net Cash From Investing Activities	37 94 766	76 31 010
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash generated from Financing Activities		
Net Increase in Cash and Cash Equivalents (A+B+C)	24 38 096	65 86 807
Opening Balance of Cash and Cash Equivalents	3 32 39 297	2 66 52 490
Closing Balance of Cash and Cash Equivalents	3 56 77 393	3 32 39 297

Note:

The previous year's figures have been regrouped and reclassified wherever necessary

As per our Report of even date

For and on behalf of the Board

For A.T.Jain & Co.
Chartered Accountants
Registration No.103886W

S.T. Jain

S.T.Jain
Partner
Membership No.33809
Mumbai
Dated : 28.05.2015



Mukesh Shah

Mukesh Shah Director

Lopamudra Di

Lopamudra Di: Director

Hitesh Vora

Hitesh Vora Chief Financial Officer

F.S. Shah

Forum Shah Company Secretary

Varun Mercantile Limited

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

C. RECOGNITION OF INCOME & EXPENDITURE

The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. Interest income is recognized on the time proportion basis taking into account the amount outstanding and rate applicable.

D. INVESTMENTS

Non Current investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

E. INCOME TAX

Tax Expenses comprises of current tax and defer tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing difference between taxable income and accounting income for the period and reversal of timing difference of the earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except the deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainly that sufficient future taxable income will be available to realised the same.

F. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provision are not discounted to their presents value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in financial Statements.

G. EARNING PER SHARE

Basis and Diluted earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.



Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

1 SHARE CAPITAL

	Amount in ₹
	As at 31st March, 2015
	As at 31st March, 2014
Authorised Share Capital	
30 00 000 Equity Shares of ₹10 each (30 00 000)	3 00 00 000 3 00 00 000
Issued, Subscribed and Paid up:	
19 92 000 Equity Shares of ₹10 each fully paid up (19 92 000)	1 99 20 000 1 99 20 000
TOTAL	1 99 20 000 1 99 20 000

1.1 The reconciliation of the number of shares outstanding as at the beginning and at the end of the reporting period.

	As at 31st March,2015 Number	As at 31st March,2014 Number
Equity		
Shares outstanding at the beginning of the year	19 92 000	19 92 000
Shares Issued during the year	-	-
Shares outstanding at the end of the year	19 92 000	19 92 000

1.2 Rights, Preferences and Restrictions attached to Equity Shares.

The Company's equity shares have a face value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the assets of the Company remaining after distribution of all preferential amounts, in Proportion to their shareholding.

1.3 None of the Share holder holds more than 5% shares as at 31st March,2015 and at 31st March 2014.



Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

2 RESERVES AND SURPLUS	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
General Reserve		
As per last Balance Sheet	10 000	10 000
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	2 42 71 828	2 22 86 417
Profit for the year	<u>24 58 995</u>	<u>19 85 411</u>
	2 67 30 823	2 42 71 828
TOTAL	<u><u>2 67 40 823</u></u>	<u><u>2 42 81 828</u></u>

3 TRADE PAYABLE	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
Micro and Small Enterprises @		
Others	15 112	12 612
TOTAL	<u><u>15 112</u></u>	<u><u>12 612</u></u>

@ Based on the available information with the Company / intimation received from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, amounts unpaid as at year end / interest paid during the year / payable at the year end to such Enterprises under this Act is Nil.

4 OTHER CURRENT LIABILITIES	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
Others	2 31 934	2 31 934
TOTAL	<u><u>2 31 934</u></u>	<u><u>2 31 934</u></u>



Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

5 NON-CURRENT INVESTMENTS

	Amount in ₹
	As at
	31st March, 2015
	As at
	31st March, 2014

Long-term investment (Others)

In Bonds - Unquoted, fully paid up

Non-Convertible Redeemable Taxable Capital Gain Tax
Exemption Bonds Series VIII (2012-13) of ₹10000/-Each

500 Rural Electrification Corporation Ltd. (500)	50 00 000	50 00 000
Non-Convertible Redeemable Taxable Bonds (Series XIV) With benefits under Section 54EC of ₹10000/-Each		
500 National Highways Authority of India (500)	50 00 000	50 00 000

Total Non Current Investment	1 00 00 000	1 00 00 000
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Aggregate amount of Unquoted Investment	1 00 00 000	1 00 00 000
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Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

6 DEFERRED TAX ASSETS (NET)	Amount in ₹
	As at 31st March, 2015
Deferred Tax Liability Related to Fixed Assets	-
Deferred Tax Assets On account of brought forward losses	15 35 273
TOTAL	15 35 273

However, deferred tax assets has not been recognized on ground of prudence.

7 LONG TERM LOANS AND ADVANCES	Amount in ₹
	As at 31st March, 2015
(Unsecured and Considered good)	As at 31st March, 2014
Advance Income Tax (Net of Provision for Taxation)	63 758
TOTAL	63 758

8 CASH AND BANK BALANCES	Amount in ₹
	As at 31st March, 2015
Cash and Cash Equivalents	As at 31st March, 2014
Balances with Bank	
In current account	83 822
In Fixed Deposits with maturity less than 3 months	6 50 663
	7 34 485
Other Bank Balance	7 43 309
Bank Deposit With Maturity more than 3 months but Less than 12 months	3 49 42 908
	3 49 42 908
TOTAL	3 56 77 393

9 OTHER CURRENT ASSETS	Amount in ₹
	As at 31st March, 2015
(Unsecured and Considered good)	As at 31st March, 2014
Interest Accrued but not due	11 66 718
TOTAL	11 66 718



Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

10	OTHER INCOME	Amount in ₹	
		2014-2015	2013-2014
	Interest income		
	From Fixed Deposit With Bank.	31 94 766	20 49 093
	From Capital Gain Bonds.	6 00 000	5 81 917
		37 94 766	26 31 010
	TOTAL	37 94 766	26 31 010
11	OTHER EXPENSES	Amount in ₹	
		2014-2015	2013-2014
	Filing Fees	24 090	3 240
	Legal & Professional Charges	8 350	8 800
	Rates & Taxes	2 500	2 500
	Advertisement Expenses	1 36 472	1 23 985
	Listing Fees	1 29 214	22 472
	Auditors' Remuneration (Refer Note No.13)	10 112	10 112
	General Expenses	9 223	1 040
	TOTAL	3 19 961	1 72 149



Varun Mercantile Limited

Notes on Financial Statement for the year ended 31st March, 2015

12 Earnings per share	2014-2015	2013-2014
Numerator - Profit after tax (₹)	24 58 995	19 85 411
Denominator - Weighted average number of equity shares	19 92 000	19 92 000
Nominal value per equity share (₹)	10	10
Basic and Diluted earnings per equity share (₹)	1.23	1.00

13 Auditors Remuneration Amount in ₹

Particulars	As AT 31.03.2015	As AT 31.03.2014
Statutory Audit Fees	7 865	7 865
Certification	2 247	2 247
Total	10 112	10 112

14 Segment Reporting

Since the company is holding Investments and that other activities are incidental thereto, in the opinion of the management there are no separate reportable segment. Accordingly AS-17 in respect of segment reporting is not applicable to the company.

15 Related Party

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:-

i) List of related parties with whom transactions have taken place and relationship:

Sr. No.	Name of the Related Party	Relationship
1	Shri LalitKumar Shroff	Key Managerial Personnel
2	Shri Mukesh Shah	Key Managerial Personnel w.e.f. 30.05.2014
3	Ms.Forum shah	Key Managerial Personnel w.e.f 31.03.2015
4	Ms.Lopamudra Dixit	Key Managerial Personnel w.e.f 31.03.2015
5	Shri Ramchandra Juvckar	Key Managerial Personnel w.e.f 31.03.2015
6	Shri Hitesh Vora	Key Managerial Personnel w.e.f 31.03.2015

ii) There are no transaction during the year with related parties.

- 16 The Income Tax assessment of the Company are completed up to Assessment year 2012-2013. The total demand raised by the income tax department up to the said assessment year is ₹ Nil
- 17 Details of Investment made u/s 186 (4) of the Companies Act,2013. are given under the respective head.
- 18 The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation

As per our Report of even date

For A.T.Jain & Co.
Chartered Accountants
Registration No.103886W


S.T.Jain

Partner
Membership No.33809
Mumbai
Dated : 28.05.2015



For and on behalf of the Board


Mukesh Shah Director


Lopamudra Dixit Director


Hitesh Vora Chief Financial Officer


F.S. Shah
Forum Shah Company Secretary