



# ARIHANT MULTI COMMERCIAL LIMITED

*(FORMERLY KNOWN AS LIFELINE DRUGS & PHARMA LTD.)*



**33<sup>RD</sup> ANNUAL REPORT**  
**2014-2015**





# ARIHANT MULTI COMMERCIAL LIMITED

(Formerly known as Lifeline Drugs & Pharma Ltd.)

## BOARD OF DIRECTORS

|                   |                      |
|-------------------|----------------------|
| Deepak S. Bansal  | Managing Director    |
| Ranjit Modi       | Independent Director |
| Mahesh H. Parihar | Independent Director |
| Madhuri L. Lulla  | Independent Director |

## COMPLIANCE OFFICER

Ms. Bhakti B. Soni

## AUDITORS

M/s. Maheshwari & Co,  
Chartered Accountants, Mumbai

## BANKERS

ICICI Bank Ltd.

## REGISTERED OFFICE

F/3, C-Wing, 1st Floor, Shah Arcade 1,  
Rani Sati Marg, Malad (E), Mumbai-400 097  
Tele: +91 22 28822184 Fax : +91 22 28822183  
Email : lifelinedrugspharmaLtd@gmail.com  
CIN : L51909MH1982PLC028972

## REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.  
No. 9, Shiv Shakti Ind. Estate  
Gr. Floor, J. R. Boricha Marg  
Lower Parel, Mumbai-400 011

## ANNUAL GENERAL MEETING

Date : 29<sup>th</sup> September, 2015  
Time : 2.00 P.M.  
Venue : Ramee Guest Line Hotel  
462, A. B. Nair Road, Opp. Sun-N-Sand  
Hotel, Juhu, Vile Parle (W), Mumbai-400 049

33<sup>RD</sup>

## ANNUAL REPORT 2014 - 2015

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*Members are requested to bring their copy of Annual Report at the time of Meeting*



## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of **Arihant Multi Commercial Limited** will be held on Tuesday, 29<sup>th</sup> September, 2015 at 2.00 P.M. at Ramee Guest Line Hotel, 1<sup>st</sup> Floor, 462, A. B. Nair Road, Opp. Sun-N-Sand, Hotel, Juhu, Vile Parle (W), Mumbai-400 049 to transact following business as:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2015.
2. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 read with The Companies (Audit and Auditor) Rules, 2014), 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. Maheshwari and Co. Chartered Accountants, Mumbai (FRN - 105834W), who have offered themselves for appointment as Auditors to the Company and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 33<sup>rd</sup> Annual General Meeting up to the conclusion of the 37<sup>th</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS :

3. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“**RESOLVED THAT** Pursuant to the provisions of Section 149 (read with the Rule 3 of the Companies (Appointment & Qualification of Directors) Rules 2014, 152 and all other applicable provisions of the Companies Act, 2013 (the Act) and the Rules framed there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Madhuri L. Lulla (DIN : 07222734), who was appointed as an Additional Director of the Company at the Board meeting held on 20<sup>th</sup> June 2015 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 161 of the Act, and in whose respect the Company has received a notice from a member under Section 160 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Ms. Madhuri L. Lulla for the office of Director of the Company be and is hereby appointed as Non-Executive, Independent Director of the Company for the period of 5 Years commencing from 20<sup>th</sup> June 2015 and is not liable to retire by rotation.”

4. To consider and if thought fit to pass with or without modifications the following resolution as a Special resolution :

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any



statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the memorandum and articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed be and are hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company;

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**NOTES :**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.

3. The Register of Member and the Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2015 to 29<sup>th</sup> September 2015 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [lifelinedrugsparmaltd@gmail.com](mailto:lifelinedrugsparmaltd@gmail.com) for quick and prompt redressal of their grievances.
6. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company a certified copy of relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M. to 1.00 P.M. up to the date of this Annual General Meeting.
8. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
9. The identity/signature of Members holding shares in electronic/demat form is liable for verification



with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the competent authorities to the Annual General Meeting.

10. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
11. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
12. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
13. The Securities and Exchange Board of India (SEBI) vide Circular ref. No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
  15. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you the quarterly reports and other communication via email.
  16. Copies of Annual Report 2015 are being sent by electronic mode only to all the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The Members who have not registered their email address, physical copies of Annual Report 2015 are being sent by the permitted mode.
  17. The Notice for the 33<sup>rd</sup> AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the



same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.

18. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
19. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 22, 2015.
20. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Pratik Pujara, Scrutinizer, C/o Purva Sharegistry (India) Private Limited, Unit: Arihant Multi Commercial Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No : +91 22- 2301 2517, E-mail : [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in) so as to reach him on or before September 28, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
21. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
22. (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/Post.  
(ii) Members can request for a Ballot Form at Purva Sharegistry (India) Private Limited, Unit: Arihant Multi Commercial Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011 or they may also address their request through e-mail to: [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in) Contact no +91 22 2301 8261.  
(iii) In case of voting by physical ballot, the non-individual members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.00 p.m. on Monday, September 28, 2015.  
(iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.



The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

23. The shareholders can also access the Annual Report 2014-2015 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.arihantmulticom.com](http://www.arihantmulticom.com) or on Stock Exchange websites, which is [www.bseindia.com](http://www.bseindia.com).
24. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM, are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
25. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
26. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
27. The Equity shares of the Company are listed on BSE Limited and Listing Fees for the financial year 2015-2016 have been paid to BSE.
28. 29. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide to the members facility of "remote e-voting" (e-voting from place other than venue of the AGM) to exercise their votes at the 33rd AGM by electronic means and the business may be transacted through e-voting as per details below:-
  - a) Date and time of commencement of voting through electronic means: **Friday, September 25, 2015 at 9.30 a. m.**
  - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Monday, September 28, 2015 at 5.00 p. m.**
  - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **September 22, , 2015**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
  - d) Details of Website: [www.evotingindia.com](http://www.evotingindia.com)
  - e) **Details of Scrutinizer:** Mr. Pratik Pujara, Practising Company Secretary (Membership No. 34442), Proprietor, M/s. Pratik Pujara & Associates, Practicing Company Secretary (COP No. 14475), Mumbai. E-mail: [cspratikpujara@gmail.com](mailto:cspratikpujara@gmail.com)
  - f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**

**29. The instructions for Members for e-voting are as under:**

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

- i Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- ii Click on "Shareholders" tab
- iii Now, select the **Lifeline Drugs & Pharma Limited** from the drop down menu and click on





“SUBMIT”

- iv Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v Next enter the Image Verification as displayed and Click on Login.
- vi If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii If you are a first time user follow the steps given below:

| For Members holding Shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details                                      | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in the instructions (iv).</li> </ul>  |

- viii After entering these details appropriately, click on “SUBMIT” tab.
- ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi Click on the EVSN for **Lifeline Drugs & Pharma Limited** on which you choose to vote.



- xii On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
  - Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### Statement pursuant to Section 102(1) of the Companies Act 2013

#### ITEM NO. 3

The Board at its meeting held on 20<sup>th</sup> June 2015, appointed Ms. Madhuri L. Lulla as Additional Director of the Company with effect from 20<sup>th</sup> June 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Ms. Madhuri L. Lulla will hold the office up to the date of ensuring AGM. The Company has received Notice in writing under the Provisions of Section 160 of the Companies Act, 2013 from the Member along with a necessary deposit proposing the candidature of Ms. Madhuri L. Lulla for the office of the Director.



The Company has received from Ms. Madhuri L. Lulla –

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Further, the Board at its meeting held on 20<sup>th</sup> June 2015, also appointed (subject to approval of Members in AGM), Ms. Madhuri L. Lulla as Non-Executive, Independent Director of the Company for a period of 5 Years commencing on following terms & conditions –

1. Remuneration – Company will make payment of Sitting Fees and such amount will be decided mutually, within prescribed limits, subject to maximum of ₹ 5000/- per meeting, apart from expenses to be incurred for attending meetings.
2. Period of Appointment – 5 Years commencing from 20<sup>th</sup> June 2015
3. The Appointment may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Resolution seeks the approval of members in terms of Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the appointment of Ms. Madhuri L. Lulla a Non-Executive, Independent Director of the Company for a period of 5 years commencing from 20<sup>th</sup> June 2015.

No Director, Key Managerial Person or their Relatives, except Ms. Madhuri L. Lulla, to whom resolution relates, is interested or concerned in the resolution.

The Board recommends the Resolution set out forth in Item No. 3 for the approval of Members.

#### **ITEM NO. 4**

The existing Articles of Association (“Articles”) of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (“Act”).

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the September 28, 2015, the last date of casting votes.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.



**Details of Director seeking appointment in the 33<sup>rd</sup> Annual General Meeting on 29<sup>th</sup> September 2015  
(in term of Clause 49 of the Listing Agreement)**

|  |  |
|--|--|
| <b>Name of Director</b>  | <b>Ms. Madhuri L. Lulla</b>                              |
| Directors' Identification No. (DIN)  | 07222734   |
| Date of Birth  | 25 <sup>th</sup> July 1990                               |
| Date of Appointment on Board   | 20 <sup>th</sup> June 2015                               |
| Qualification  | Graduate   |
| Experience   | 3 Years in the field of Accounting and Taxation matters. |
| Terms & Conditions of Appointment / Re-appointment   | 5 Years commencing from 20 <sup>th</sup> June 2015       |
| Remuneration details   | Maximum of ₹ 5000/- per meeting                          |
| Shareholding in Company  | Nil  |
| Relationship with the Company  | Not Any  |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)     | Not Any  |
| Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies | Not Any  |

Mumbai, June 30, 2015

By order of the Board  
For **Arihant Multi Commercial Limited**

**Registered Office :**

F/3, C-Wing, 1<sup>st</sup> Floor, Shah Arcade 1,  
Rani Sati Marg, Malad (E), Mumbai-400 097

**Deepak S. Bansal**  
(DIN : 03578201)  
Managing Director



## Directors' Report

To The Members,

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2015.

(₹ in Lac)

| <b>Financial Results</b>                        | <b>Year Ended<br/>31.03.2015</b> | Year Ended<br>31.03.2014 |
|---|----------------------------------|--------------------------|
| Revenue / Income for the Year                   | <b>4435.02</b>                   | 4084.62                  |
| Profit before Tax & Extraordinary Items         | <b>90.59</b>                     | 97.53                    |
| Less : Provision for Taxation                   | <b>28.22</b>                     | 32.13                    |
| Profit after Tax                                | <b>62.37</b>                     | 65.40                    |
| Add : Profit brought forward from Previous Year | <b>79.48</b>                     | 14.08                    |
| Less : Fund Transferred to General Reserves     | <b>0.00</b>                      | 0.00                     |
| Less : Payment of Interim Dividend in Q-I       | <b>36.24</b>                     | 0.00                     |
| Balance carried forward                         | <b>105.61</b>                    | 79.48                    |

### OVERVIEW OF ECONOMY

Indian economy has weathered many challenges successfully in recent times and is currently placed on a cyclical upturn, on the back of strong policies and a whiff of new optimism. In the recent past, the economy faced testing times with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth is back, with its desirable concomitants of mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling improvements in macro-economic stability. The growth rate of the economy, measured by the growth in GDP at constant (2011-12) market prices, improved from 5.1 per cent in 2012-13 to 6.9 per cent in 2013-14 and is projected to clock 7.4 per cent in 2014-15, according to the Advance Estimates released by the Central Statistics Office. India is one of the very few countries for which IMF and World Bank have raised their growth assessment. The ongoing revival is remarkable against the fact that it happened despite a highly tentative global economic conditions and a below-par domestic agricultural season.

The year 2014-15 has witnessed key policy reforms, aimed at aiding growth revival and surmounting the structural constraints in the economy. The policy action has combined the needs of short term economic management with focus on taming inflation and external sector imbalances with a medium to long-term vision for transformation and development, manifested in significant reforms aimed at rationalizing administered pricing policies in petroleum and natural gas, stirring infrastructure development and de-bottlenecking the economy with initiatives to unshackle land acquisition for development (along with rehabilitation requirements therein) and to ensure adequate availability of key inputs like coal and power. The growth agenda of the Government has been tethered to the revival of manufacturing, unleashed in the "Make in India", initiative, accompanied by liberalization of foreign direct investment, a large array of investment facilitation measures and steps to improve saving.

### OVERALL PERFORMANCE & OUTLOOK

The performance of the Company during the year was almost in line in comparison to previous financial year. Revenue has been grown marginally but Gross Profit has been reduced marginally.



Gross Revenue from Operations remained at ₹ 4435.02 Lac in comparison to last years' figure of ₹ 4048.62 Lac. In term of Net Profit, the same was of ₹ 62.37 Lac in comparison to last years' net Profit of ₹ 65.40 Lac.

In term of segment results, the Company has earned profit of ₹ 169.04 Lac from its treasury operations, but has suffered loss of ₹ 36.81 Lac from textile business, loss of ₹ 4.25 Lac from Share speculative transactions and loss of ₹ 37.39 Lac from other activities.

The outlook for the current year seems to be challenging mainly due to steep competition, increase in price of trading material and sluggish consumer demand due to higher rate of inflation etc. However, your Company believes to overcome these challenges and will register growth.

### **DIVIDEND AND RESERVES**

To conserve resources for future and to meet its business requirements, Directors do not recommends any Dividend for the year under review.

During the year under review, no amount was transferred to General Reserve.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2015 was ₹ 3.624 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, none of the Directors and/or Key Managerial Person of the Company hold instruments convertible in to Equity Shares of the Company. Further, Mr. Deepak S. Bansal, Managing Director of the Company is holding 25000 Equity Shares or 0.07% of Paid-up Capital in his name.

### **FINANCE AND ACCOUNTS**

Your Company prepares its financial statements in compliance with the requirements the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits/(loss) and cash flows for the year ended 31<sup>st</sup> March 2015.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the standalone financial statements by the statutory auditors for the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **SUBSIDIARY COMPANY**

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 thus



disclosure in form AOC-2 is not required. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

### **MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

### **MANAGEMENT**

There was no change in Management of the Company during the year under review.

### **DIRECTORS**

During the year Mr. Alok Kr. Behera, Managing Director has resigned from the Board w.e.f. 10<sup>th</sup> December 2014 due to his personal commitments and in his place Mr. Deepak S. Bansal, Executive Director has been appointed as Managing Director.

Your Directors wish to place on record his appreciation for the guidance and inputs provided by all above Directors during their tenure as Directors of your Company..

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

### **INDEPENDENT DIRECTORS**

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the Independent Directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as Independent Director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

### **DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR**

| <b>Sl. No.</b> | <b>Name</b>            | <b>Designation</b> | <b>Date of Appointment</b>  | <b>Date of Resignation</b>  |
|----------------|------------------------|--------------------|-----------------------------|-----------------------------|
| 1.             | Mr. Alok Kr. Behera    | Managing Director  | -                           | 10 <sup>th</sup> Dec 2014   |
| 2.             | Mr. Vijay Achari       | CFO                | 30 <sup>th</sup> Sept 2014  | 24 <sup>th</sup> March 2015 |
| 3.             | Ms. Priya M. Pareek    | CFO                | 25 <sup>th</sup> March 2015 | -                           |
| 4.             | Mr. Pratik Pujara      | Company Secretary  | -                           | 5 <sup>th</sup> March 2015  |
| 5.             | Mr. Nitin Vinayak Kore | Company Secretary  | 5 <sup>th</sup> March 2015  | -                           |

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, TRIBUNALS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There have been no material changes and commitments affecting the financial position of the Company



between the end of Financial Year and date of the report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, for the year ended 31st March 2015, all the applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 have been followed;
2. The Directors had adopted 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 at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis.
5. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

### **BUSINESS RISK MANAGEMENT**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments viz. Finance and Capital Market activities.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.





The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As required under Rule 7 of The Companies (Meetings of Board and its Powers) Rules 2014, the Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The detail of the FRM Policy is explained in the Corporate Governance Report.

**RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

**AUDITORS****Statutory Auditors**

The Auditors M/s Maheshwari and Co. (FRN 105834W), Chartered Accountants, Mumbai who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 39<sup>th</sup> Annual General Meeting up to the conclusion of the 43<sup>rd</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation from M/s. Maheshwari and Co., Chartered Accountants, Mumbai; that their appointment, if made, would be in conformity with the limits specified in the said Section.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s G. S. Bhide & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed elsewhere in this Annual Report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9, as required under section 92 of the Companies Act, 2013 is annexed elsewhere in this Annual Report.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**PARTICULARS UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013**

Since the Company is into the Business of Financing and Investing activities in Shares and Securities; the



information regarding conservation of energy, Technology Absorption, Adoption and innovation, under section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is reported to be NIL.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 2013 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing

Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

**APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Mumbai, May 28, 2015

By order of the Board  
For **Arihant Multi Commercial Limited**

**Registered Office :**

F/3, C-Wing, 1<sup>st</sup> Floor, Shah Arcade 1,  
Rani Sati Marg, Malad (E), Mumbai-400 097

**Deepak S. Bansal**  
(DIN : 03578201)  
Managing Director



## Management Discussions & Analysis

### MACRO ECONOMIC ENVIRONMENT

The Indian economy is reviving, helped by positive policy actions that have improved confidence and by lower global oil prices, says the IMF in its annual assessment of the Indian economy. To continue on this trend, India needs to revitalize the investment cycle and accelerate structural reforms, says the report.

The Indian economy is the bright spot in the global landscape, becoming one of the fastest-growing big emerging market economies in the world.

“Growth numbers are now much higher and the current account deficit is comfortable, in part due to the fall in gold imports and lower oil prices,” said Paul Cashin, IMF Mission Chief for India. “New investment project announcements have started to pick up, particularly in the power and transport sectors.” He also noted that bolstering financial sector health and further financial inclusion would support growth going forward.

India’s economic profile recently got a lift as the country improved the way it measures economic output. (The IMF staff report, however, was prepared before the release of these new growth numbers.) The revised national accounts series incorporates numerous conceptual and methodological improvements that make them more consistent with international best practices.

Based on revised GDP, the IMF forecasts growth will strengthen to 7.2 percent in 2014/15 and rise to 7.5 percent in 2015/16, driven by stronger investment following improvements to the business climate.

“The revised growth figures support our view that economic recovery in India is under way, albeit pointing to a somewhat faster pace than we, and others, previously believed,” Cashin says. “These GDP revisions portray a more resilient performance of the services and manufacturing sectors of the economy.”

But while public and private consumption look stronger, he added, investment activity continues to be held back by structural and supply-side constraints.

The IMF will continue to examine the improved GDP methodology and its implications for its growth forecasts, and further details on the compilation methodology will enable a deeper understanding of India’s near-term and medium-term growth.

### REVIEW OF OPERATIONS

Gross Revenue from Operations remained at ₹ 4435.02 Lac in comparison to last years’ figure of ₹ 4048.62 Lac. In term of Net Profit, the same was of ₹ 62.37 Lac in comparison to last years’ net Profit of ₹ 65.40 Lac.

In term of segment results, the Company has earned profit of ₹ 169.04 Lac from its treasury operations, but has suffered loss of ₹ 36.81 Lac from textile business, loss of ₹ 4.25 Lac from Share transactions and loss of ₹ 37.39 Lac from other activities.

### BUSINESS SEGMENT

During the year, the Company was operating into following Business Segments -

- Trading of Textile goods
- Trading in Electrical goods
- Finance & Investments

However, the Company has decided to discontinue its trading activities in electrical goods due to high rate of competition and lack of ample demand.



## OPPORTUNITIES

### Textile Industry

The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to GDP, and 14 per cent to overall Index of Industrial Production (IIP).

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 1,522.51 million during April 2000 to December 2014. Indian government has also come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

### Finance & Investments

NBFCs' growth had been constrained due to lack of adequate capital. Going forward, we believe capital infusion and leverage thereupon would catapult NBFCs' growth in size and scale. A number of NBFCs have been issuing non-convertible debentures (NCDs) in order to increase their balance sheet liquidity. Also to address this purpose, especially in the infrastructure financing space, a new category of NBFCs was formed called Infrastructure financing companies (IFCs).

NBFCs are not required to maintain cash reserve ratio (CRR) and statutory liquid ratio (SLR). Priority sector lending norm of 40% (of total advances) is also not applicable for them. While this is to their advantage, they do not have access to low-cost demand deposits. As a result their cost of funds is always high, resulting in thinner interest spread.

On the other front, Indian stock market turned out to be among the world's best performers in 2014 with the Bombay Stock Exchange (BSE) Sensex rising 29% from 21,140 on January 1 to 27,312 on December 19. Most market players believe this stellar run will continue in 2015 on the back of reforms, strong foreign fund inflows, revival of manufacturing, improvement in the macro-economic situation and rise in corporate earnings growth.

Despite the sharp rise, the valuation of the Indian stock market is still attractive. Yogesh Nagaonkar, vice-president, Institutional Equities, Bonanza Portfolio, says Indian stocks are an attractive investment if the person's horizon is three-five years. One reason is that the return on equity of BSE 200 companies is bottoming out. "Revival of growth of Indian companies, which were facing tough times for the past five years, is still at a nascent stage. Nifty 50 companies can see 16-17% earnings growth in the next one year. This may rise to 19-20% two years from now," he says.

## THREATS & CONCERNS

The Textile sector needs a long term road-map for sustainable growth and increasing competitiveness across each node of the textile value chain. National Textiles Policy should provide such a roadmap and stable policy framework for the sector.



India has 22% of world's spindle capacity and is the No. 2 textile maker in the world. Further it has 61% world's loom capacities (including handlooms). The strategy should be to exploit our strengths and increase exports in new markets such as Latin American countries, Eastern European Countries, Middle East. With China's Textile and Garment export growth rate projected to slow down in the next 10 years due to rising cost of production and increasing domestic demand, the export space that would be ceded by China would be open for other Asian countries including India to grab.

It is a necessity to have an integrated policy, since as a country we need to move forward with higher value addition in exports. We are quite a geographically diverse country with different skill sets developed in each cluster. We have about 113 clusters – each one of them brilliant in a few product groups.

The industry could not achieve the envisaged growth rate during the last few years mainly due to various policies relating to cotton, cotton yarn, export incentives etc. There is a need for an integrated textile policy to support the domestic textiles and clothing industry to make it globally competitive by easing the regulatory burden, removing infrastructural bottlenecks, providing adequate raw materials and supporting exports.

Rising NPA are big concerns for financing business in India and that needs to be addressed by the Indian Government. Other challenges are the cha

In regard to the Capital market, in recent past, the Indian stock market, as reflected by the S&P BSE Sensex, has fallen by at least 2,100 points or 7.1% from its highs and is adjusting to the reality of subdued earnings. Company results for the January-March 2015 quarter, so far, have not been encouraging, though analysts expect things to improve by the second half of the current financial year. The street expects earnings to get better with the improvement in business environment and pick-up in economic activity. Put differently, in the medium term, market movement will largely depend on the pace of expansion in the economy, which, to a large extent, will be determined by government action and implementation of ideas such as increasing capital expenditure.

High degree of volatility, lack of participation by retail investors and range bound zone for NIFTY and SENSEX at the most of the times; are additional risk which can be a cause of concerns for the Company.

## **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2014-2015, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

## **CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

## **CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of



applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Mumbai, May 28, 2015

By order of the Board  
For **Arihant Multi Commercial Limited**

### **Registered Office :**

F/3, C-Wing, 1<sup>st</sup> Floor, Shah Arcade 1,  
Rani Sati Marg, Malad (E), Mumbai-400 097

**Deepak S. Bansal**  
(DIN : 03578201)  
Managing Director



**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> 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,

Arihant Multi Commercial Limited

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

Based on my verification of Arihant Multi Commercial Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited.

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

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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 while the dissenting members' views are captured and recorded as part of the minutes.

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.

We further report that during the audit period, there were no instances of:

- a) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- b) Redemption / buy-back of securities.
- c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations.

For **G. S. Bhide & Associates**  
Company Secretaries

Place : Mumbai  
Date : May 28, 2015

**Gayatri S. Bhide**  
Proprietor  
C. P. No. 11816



**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT - 9**

| <b>I. Registration &amp; Other Details</b>                                |   |
|---|---|
| CIN   | L51909MH1982PLC028972   |
| Registration Date   | 24/12/1982  |
| Name of the Company   | Arihant Multi Commercial Limited  |
| Category / Sub-Category of the Company                                    | Category : Company having Share Capital<br>Sub-Category : Indian Non-Government<br>Company  |
| Address of the Registered Office and contact details                      | F/3, C-Wing, 1st Floor, Shah Arcade 1,<br>Rani Sati Marg, Malad (E), Mumbai-400 097<br>Tele: +91 22 28822184 Fax : +91 22 28822183                                    |
| Whether listed company  | Listed Company  |
| Name, address and contact details of Registrar and Transfer Agent, if any | Purva Sharegistry (India) Pvt. Ltd.<br>No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R.<br>Boricha Marg, Lower Parel, Mumbai-400 011<br>Tel : +91 22 2301 8261 / 0771 |

| <b>II. Principal Business Activities of the Company</b>  |                      |                                    |
|--|----------------------|------------------------------------|
| All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated: |                      |                                    |
| Name and Description of main Businesses  | NIC Code of Business | % of Total Turnover of the Company |
| Trading in Textile Products  | 46101                | 95.73                              |
| Trading in Electrical Goods  | 46593                | 0.15                               |
| Financing & Trading / Investment in Shares & Securities  | 66110                | 4.21                               |

| <b>III. Details of Subsidiary / Associate / Holding Companies</b> |                |                                  |                  |                    |
|---|----------------|----------------------------------|------------------|--------------------|
| Name & Address of Company   | CIN / GLN      | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
| Not Any   | Not Applicable | Not Applicable                   | Not Applicable   | Not Applicable     |



| IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity) |   |          |              |                   |   |          |              |                   |                          |
|--|---|----------|--------------|-------------------|---|----------|--------------|-------------------|--------------------------|
| Category wise Shareholding   |   |          |              |                   |   |          |              |                   |                          |
| Category of Shareholders   | No. of Shares held at the beginning of the year |          |              |                   | No. of Shares held at the end of the year |          |              |                   | % Change during the year |
|  | Demat   | Physical | Total        | % of Total Shares | Demat                                     | Physical | Total        | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |          |              |                   |   |          |              |                   |                          |
| <b>(1) Indian</b>  |   |          |              |                   |   |          |              |                   |                          |
| a) Individual / HUF  | 25000   | -        | 25000        | 0.07              | 25000                                     | -        | 25000        | 0.07              |                          |
| b) Central Govt. (s)   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| c) State Govt. (s)   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| d) Bodies Corporate  | -   | -        | -            | -                 | -   | -        | -            | -                 | -                        |
| e) Banks / FIs   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| f) Any Other .....   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| <b>Sub Total A(1)</b>  | <b>25000</b>                                    | <b>-</b> | <b>25000</b> | <b>0.07</b>       | <b>25000</b>                              | <b>-</b> | <b>25000</b> | <b>0.07</b>       | <b>-</b>                 |
| <b>(2) Foreign</b>   |   |          |              |                   |   |          |              |                   |                          |
| a) NRIs - Individuals  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| b) Other – Individuals   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| c) Bodies Corporate  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| d) Banks / FIs   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| e) Any Other .....   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| <b>Sub Total A(2)</b>  |   |          |              |                   |   |          |              |                   |                          |
| <b>Total Shareholding of Promoters (A1) + (A2)</b>                           | <b>25000</b>                                    | <b>-</b> | <b>25000</b> | <b>0.07</b>       | <b>25000</b>                              | <b>-</b> | <b>25000</b> | <b>0.07</b>       | <b>-</b>                 |
| <b>B. Public Shareholding</b>  |   |          |              |                   |   |          |              |                   |                          |
| <b>(1) Institutions</b>  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| a) Mutual Funds / UTI  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| b) Banks / FI  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| c) Central Govt. (s)   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| d) State Govt. (s)   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| e) Venture Capital Funds   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| f) Insurance Companies   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| g) FIIs  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| h) Foreign Venture Capital Funds   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| i) Others (Specify)  | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| <b>Sub Total B(1)</b>  | <b>-</b>  | <b>-</b> | <b>-</b>     | <b>-</b>          | <b>-</b>                                  | <b>-</b> | <b>-</b>     | <b>-</b>          | <b>-</b>                 |
| <b>(2) Non-Institutions</b>  |   |          |              |                   |   |          |              |                   |                          |
| <b>a) Bodies Corporate</b>   |   |          |              |                   |   |          |              |                   |                          |
| i. Indians   | 6962553   | 51000    | 7013553      | 19.35             | 21430161                                  | 199154   | 21629315     | 59.68             | 40.33                    |
| ii. Overseas   | -   | -        | -            | -                 | -   | -        | -            | -                 |                          |
| <b>b) Individuals</b>  |   |          |              |                   |   |          |              |                   |                          |



|   |                 |                |                 |               |                 |               |                 |               |          |
|---|-----------------|----------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------|
| i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh         | 6878761         | 673750         | 7552511         | 20.84         | 5305755         | 125750        | 5431505         | 14.99         | 5.85     |
| ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh | 17553480        | 1180000        | 18733480        | 51.69         | 7659442         | -             | 7659442         | 21.14         | 30.55    |
| <b>c) Others (Specify)</b>  |                 |                |                 |               |                 |               |                 |               |          |
| i. HUF  | 2451074         | -              | 2451074         | 6.76          | 766143          | -             | 766143          | 2.11          | 4.65     |
| ii. Clearing Members  | 264297          | -              | 264297          | 0.73          | 528510          | -             | 528510          | 1.46          | 0.73     |
| iii. NRI  | 200085          | -              | 200085          | 0.55          | 200085          | -             | 200085          | 0.55          | -        |
| <b>Sub Total B(2)</b>   | <b>34310250</b> | <b>1904750</b> | <b>36215000</b> | <b>99.93</b>  | <b>35890096</b> | <b>324904</b> | <b>36215000</b> | <b>99.93</b>  | <b>-</b> |
| <b>Total Public Shareholding B = B(1) + B(2)</b>                                | <b>34310250</b> | <b>1904750</b> | <b>36215000</b> | <b>99.93</b>  | <b>35890096</b> | <b>324904</b> | <b>36215000</b> | <b>99.93</b>  | <b>-</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | -               | -              | -               | -             | -               | -             | -               | -             | -        |
| <b>Grand Total (A+B+C)</b>  | <b>34335250</b> | <b>1904750</b> | <b>36240000</b> | <b>100.00</b> | <b>35915096</b> | <b>324904</b> | <b>36240000</b> | <b>100.00</b> | <b>-</b> |

**ii) Shareholding of Promoters**

| Shareholders Name | Shareholding at the beginning of the year |                                  |  | Shareholding during and at the end of the year |                                  |  | % change in shareholding during the year |
|-------------------|---|----------------------------------|--|--|----------------------------------|--|--|
|                   | No. of Shares                             | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                                  | % of total shares of the Company | % of Shares Pledged / encumbered to total shares |  |
| Deepak S. Bansal  | 25,000                                    | 0.07                             | Nil  | 25,000   | 0.07                             | Nil  | -  |

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

| Particulars                  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  | Date of Changes | Reason for Changes |
|------------------------------|---|----------------------------------|---|----------------------------------|-----------------|--------------------|
|                              | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |                 |                    |
| At the beginning of the year | 25000                                     | 0.07                             | 25000                                   | 0.07                             | Not Applicable  |                    |
| At the end of the Year       | 25000                                     | 0.07                             | 25000                                   | 0.07                             |                 |                    |


**iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)**

| For Each of the Top 10 Shareholders     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during and at the end of the year |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | No. of Shares                             | % of total shares of the Company | No. of Shares   | % of total shares of the Company |
| Linus Holdings Ltd.                     | 871,323                                   | 2.40%                            | 1,801,984   | 4.97%                            |
| Goodpoint Impex Private Limited         | 851,604                                   | 2.35%                            | 1,383,495   | 3.82%                            |
| Ridhi Vincom Private Limited            | 482,265                                   | 1.33%                            | 548,965   | 1.51%                            |
| Dhanraksha Vincom Private Limited       | 448,618                                   | 1.24%                            | 514,818   | 1.42%                            |
| Nipun Ishwardas Thakkar                 | 900,000                                   | 2.48%                            | 900,000   | 2.48%                            |
| Mangilal Sanjay Kr. Chhajer (HUF)       | 400,000                                   | 1.10%                            | 285,500   | 0.78%                            |
| Divya Drishti Merchants Private Limited | 320,524                                   | 0.88%                            | 467,670   | 1.29%                            |
| Kee Cee Bee Fiscal Private Limited      | 308,601                                   | 0.85%                            | 499,211   | 1.38%                            |
| Rachna Basant Agarwal                   | 300,000                                   | 0.82%                            | -   | -                                |
| Veena Nagraj                            | 300,000                                   | 0.82%                            | 300,000   | 0.82%                            |

**v) Shareholding of Directors and Key Managerial Personnel**

| For Each of Directors & KMP  | Shareholding at the beginning of the year                             |                                  | Shareholding during the year and at the end of the year |                                  |
|--|---|----------------------------------|---|----------------------------------|
|  | No. of Shares   | % of total shares of the Company | No. of Shares   | % of total shares of the Company |
| At the beginning of the year / at the end of the year  | 25,000  | 0.069%                           | 25,000  | 0.069%                           |
| Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): | Not Applicable as there is no change in share holding during the year |                                  |   |                                  |

**V. INDEBTEDNESS**

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

|   | Secured Loans<br>Excluding deposits | Unsecured<br>Loans | Deposits | Total Indebtedness<br>₹ Crore |
|---|-------------------------------------|--------------------|----------|-------------------------------|
| Indebtedness at the beginning of the financial year | Nil                                 | Nil                | Nil      | Nil                           |
| Change in Indebtedness during the financial year    | Nil                                 | Nil                | Nil      | Nil                           |
| Indebtedness at the end of the financial year       | Nil                                 | Nil                | Nil      | Nil                           |



| <b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b> |                             |                       |                    |                    |                                      |
|---|-----------------------------|-----------------------|--------------------|--------------------|--------------------------------------|
| Sr. No.   | Particulars of Remuneration | Deepak S. Bansal (ED) | Pratik Pujara (CS) | Vijay Achari (CFO) | Priya Pareek (Snr. Accounts Officer) |
| 1.  | Gross Salary                | ₹ 2,40,000/-          | ₹ 2,60,673/-       | ₹ 1,05,000/-       | ₹ 25,230/-                           |
| 2.  | Value of Perquisites        | Nil                   | Nil                | Nil                | Nil                                  |
| 3.  | Stock Options               | Nil                   | Nil                | Nil                | Nil                                  |
| 4.  | Sweat Equity                | Nil                   | Nil                | Nil                | Nil                                  |
| 5.  | Commission                  | Nil                   | Nil                | Nil                | Nil                                  |
| 6.  | Others (Please specify)     | Nil                   | Nil                | Nil                | Nil                                  |

| <b>VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:</b> |                              |                   |  |                               |                                    |
|---|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| 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) |
| <b>A. Company</b>   |                              |                   |  |                               |                                    |
| Penalty   |                              |                   | No Instance  |                               |                                    |
| Punishment  |                              |                   |  |                               |                                    |
| Compounding   |                              |                   |  |                               |                                    |
| <b>B. Directors</b>   |                              |                   |  |                               |                                    |
| Penalty   |                              |                   | No Instance  |                               |                                    |
| Punishment  |                              |                   |  |                               |                                    |
| Compounding   |                              |                   |  |                               |                                    |
| <b>C. Other Officers in Default</b>                           |                              |                   |  |                               |                                    |
| Penalty   |                              |                   | No Instance  |                               |                                    |
| Punishment  |                              |                   |  |                               |                                    |
| Compounding   |                              |                   |  |                               |                                    |



## Annexure to the Directors' Report

### CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the report containing the details of Corporate Governance systems and processes at the Company for the year ended 31<sup>st</sup> March 2015, is annexed herein below -

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

#### The goal is achieved through -

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### GOVERNANCE STRUCTURE

The Corporate Governance Structure at Arihant Multi Commercial Limited is as under :-

1. **Board of Directors** : The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board** : The Board has constituted the following committees viz. Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. Each of said Committee has been managed to operate within a given framework.

### BOARD OF DIRECTORS

#### Size & Composition of Directors

The Board has four members with an Executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

The composition and category of the Board of Directors as at March 31, 2015, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:



| Name              | Designation          | DIN      | Date of Joining             | Committee Membership in other Listed Cos. | Committee Chairman-ship in other Listed Cos. | No. of Directorship in other Listed Cos. |
|-------------------|----------------------|----------|-----------------------------|---|--|--|
| Deepak S. Bansal  | Managing Director    | 03578201 | 17 <sup>th</sup> Jan 2014   | Nil                                       | Nil  | 1  |
| Ranjit Kr. Modi   | Independent Director | 00636877 | 12 <sup>th</sup> April 2012 | Nil                                       | 1  | 1  |
| Mahesh H. Parihar | Independent Director | 06782814 | 17 <sup>th</sup> Jan 2014   | Nil                                       | Nil  | Nil                                      |
| Bharati Sharma    | Independent Director | 07136897 | 25 <sup>th</sup> March 2015 | Nil                                       | Nil  | Nil                                      |

\*Chairman of the Board

### **Board Independence**

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and to meet with requirements of Clause 49 of Listing Agreement entered into with Stock Exchange. Further, none of the Independent Director is serving more than seven listed companies. The Company has issued a letter of appointment to all the Independent Directors of the Company. -

### **Board Meetings**

Board Meetings are conducted in accordance with the Rules made under Companies Act, 2013 and as per requirements of Listing Agreement. The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre scheduled and a tentative annual calendar of the Board is circulated to the Directors in advance to facilitate the Directors to plan their schedules.

The Notice of each Board Meeting is given in writing and/or by email to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director and in exceptional cases, tabled at the meeting. This ensures timely and informed decisions by the Board. The Minutes of Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meetings. The Board reviews the performance of the Company.

### **Post Meeting Mechanism**

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned department/s and/or division.

### **Familiarization Programme for Directors**

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, Clause 49 of Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its services, business and the on-going events relating to the Company.



Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The format of the letter of appointment is available on Company website.

**Details of Board Meetings**

The Board of Directors met 11 times on 27<sup>th</sup> May, 6<sup>th</sup> June, 14<sup>th</sup> August, 27<sup>th</sup> August, 1<sup>st</sup> September, 29<sup>th</sup> September, 14<sup>th</sup> November and 10<sup>th</sup> December in year 2014 and on 13<sup>th</sup> February 5<sup>th</sup> March, and 25<sup>th</sup> March in the year 2015 during the financial year 2014-2015.

Attendance of Board of Directors at the Board Meeting and at the last Annual General Meeting :

| <b>Name</b>       | <b>Designation</b>           | <b>Attendance at the AGM</b> | <b>Meetings Attended</b> |
|-------------------|------------------------------|------------------------------|--------------------------|
| Deepak S. Bansal* | Chairman & Managing Director | Yes                          | 11                       |
| Ranjit Kr. Modi   | Independent Director         | Yes                          | 11                       |
| Mahesh H. Parihar | Independent Director         | Yes                          | 11                       |
| Bharati Sharma    | Independent Director         | N.A.                         | Nil                      |

\*Chairman of the Board

**AUDIT COMMITTEE**

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company’s established systems and processes for internal financial controls, governance and reviewing the Company’s statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Powers of Audit Committee**

The Audit Committee is having following powers -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Authority and Responsibilities**

Following are the Role of Audit Committee –

1. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:





- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



**Review of Information Audit Committee**

In addition to the above, Audit Committee reviews the following information :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**Meetings of Audit Committee**

The members of Audit Committee met nine times on 27<sup>th</sup> May, 6<sup>th</sup> June, 14<sup>th</sup> August, 27<sup>th</sup> August, 1<sup>st</sup> September, 29<sup>th</sup> September and 14<sup>th</sup> November in year 2014 and on 13<sup>th</sup> February and 25<sup>th</sup> March in the year 2015 during the financial year 2014-2015.

| Name                  | Number of Meetings Held | Meetings Attended |
|-----------------------|-------------------------|-------------------|
| Mr. Deepak S. Bansal  | 9                       | 9                 |
| Mr. Mahesh H. Parihar | 9                       | 9                 |
| Mr. Ranjit Kr. Modi*  | 9                       | 9                 |

\*Chairman of Committee

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consists of two Independent Directors & the Managing Director. All members of the Nomination and Remuneration Committee are financially literate and they have accounting or related financial management expertise.

Nomination and Remuneration Committee was constituted in the meeting of Board of Directors held on 27<sup>th</sup> May 2014.

**Role of Nomination and Remuneration Committee**

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2. Formulation of criteria for evaluation of Independent Directors and the Board;
- 3. Devising a policy on Board diversity;
- 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to Board, their appointment and removal.

**Details of Remuneration paid to Directors**

The payment of salary to Directors during the year was as under –

| Name of Director     | Designation          | Gross Payment |
|----------------------|----------------------|---------------|
| Mr. Deepak S. Bansal | Managing Director    | ₹ 2,40,000/-  |
| Mr. Mahesh Parihar   | Independent Director | ₹ 60,000/-    |
| Ms. Bharati Sharma   | Independent Director | ₹ 10,000/-    |



No Stock option has been allotted to any of the Directors during the financial year 2014-2015.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

### **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

#### **Criteria of selection of Non Executive Directors**

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of accounting, finance, taxation, law etc. However Women Director is exempted from said criteria.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director -
  - a. Qualification, expertise and experience of the Directors in their respective fields;
  - b. Personal, Professional or business standing;
  - c. Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **Remuneration**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **CEO & Managing Director - Criteria for selection / appointment**

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **Remuneration for the CEO & Managing Director**

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.



- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders’ Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**Meetings of Nomination & Remuneration Committee**

The members of Nomination & Remuneration Committee met seven times on 27<sup>th</sup> May, 27<sup>th</sup> August, 1<sup>st</sup> September, 29<sup>th</sup> September and 10<sup>th</sup> December in year 2014 and on 5<sup>th</sup> March and 25<sup>th</sup> March in year 2015 during the financial year ended on 31st March 2015.

| Name                   | Number of Meetings Held | Meetings Attended |
|------------------------|-------------------------|-------------------|
| Mr. Deepak S. Bansal   | 7                       | 7                 |
| Mr. Mahesh H. Parihar* | 7                       | 7                 |
| Mr. Ranjit Kr. Modi    | 7                       | 7                 |

\*Chairman of Committee

**STAKEHOLDERS’ RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing “Shareholders’/Investors’ Grievance Committee” as the “Stakeholders’ Relationship Committee”.

Stakeholders’ Relationship Committee was constituted in the meeting of Board of Directors held on 27th May 2014.

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;



- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Share Registry (India) Private Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Stakeholders' Relationship Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

#### **Compliance Officer**

The Company has appointed Ms. Bhakti B. Soni, Company Secretary as a Compliance Officer within the meaning of Listing Agreement.

#### **Composition of Committee and Meetings attended**

During the year, nine meetings of the Stakeholders' Relationship Committee were held on 27<sup>th</sup> May, 6<sup>th</sup> June, 17<sup>th</sup> July, 1<sup>st</sup> September, 13<sup>th</sup> September and 14<sup>th</sup> November in year 2014 and on 12<sup>th</sup> February, 26<sup>th</sup> February and 25<sup>th</sup> March in year 2015 during the financial year 2014-2015.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

| <b>Name</b>           | <b>Position</b> | <b>Category</b>              | <b>Meetings Attended</b> |
|-----------------------|-----------------|------------------------------|--------------------------|
| Mr. Mahesh H. Parihar | Chairman        | Independent, Non-Executive   | 9                        |
| Mr. Ranjit Kr. Modi   | Member          | Independent, Non-Executive   | 9                        |
| Mr. Deepak S. Bansal  | Member          | Chairman & Managing Director | 9                        |

#### **Details of Shareholders' Complaints**

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

The Company has designated email id under Clause 47(f) of Listing Agreement and the same is



[lifeline drugspharmaltd@gmail.com](mailto:lifeline drugspharmaltd@gmail.com) to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

**Independent Directors’ Meeting**

During the year under review, the Independent Directors met on March 30, 2015, inter alia, to discuss:

- Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of Chairman of the Company; taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**GENERAL BODY MEETINGS**

Location & time for the last three Annual General Meetings :

| Annual General Meeting                  | Date & Time                              | Venue  |
|---|--|--|
| 32 <sup>nd</sup> Annual General Meeting | 26 <sup>th</sup> September 2014, 2.30 PM | Ramee Guest Line Hotel, 1st Floor, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 |
| 31 <sup>st</sup> Annual General Meeting | 27 <sup>th</sup> September 2013, 2.30 PM | 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Road, Mumbai-400 002                                |
| 30 <sup>th</sup> Annual General Meeting | 21 <sup>st</sup> September 2012, 2.30 PM | 17, 3rd Floor, Zaveri Bhavan, 85/87, Old Hanuman Lane, Kalbadevi Road, Mumbai-400 002                                |

**LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :**

Details of Extra-Ordinary General Meetings have been held during last three financial years are as under :-

During current Financial Year 2013-2014, an Extra-Ordinary General Meeting (EOGM) was held on 28<sup>th</sup> October 2013 at 10.30 AM at Registered Office of the Company for sub-division in face value of Equity Shares from ₹ 10/- to ₹ 1/- and to alter Capital Clause of Memorandum of Association of the Company.

During Financial Year 2012-2013, an Extra Ordinary General Meeting (EOGM) was held on 25<sup>th</sup> day of September 2012 at 12.30 PM at Registered Office of the Company for Issue and Allotment up to 11.36 Equity Shares on preferential basis at a price of ₹ 60/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company.

No Extra-Ordinary General Meeting (EOGM) was held by the Company during financial years 2014-2015.

**POSTAL BALLOT**

During Financial Year 2013-2014, on 28<sup>th</sup> August 2013, a Resolution was passed for change in Name of the Company and to change Main Objects to change the line of business of the Company from Pharma Segment and to enter into new business segment of Textile and Metal and to empower Company to do the investment activities in Shares & Securities. Apart from these businesses, the Company has passed a Resolution for Issue and Allotment up to 6.00 Lac Equity Shares on Preferential basis at a price of ₹ 143/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company.

During Financial Year 2013-2014, on 21st January 2014, a Resolution was passed empowering Company to



exceed Investment Limits prescribed under Section 372A of the Companies Act, 1956 and also to increase borrowing powers of the Company u/s 180 (1) (c) Of the Companies Act, 2013.

During the Financial Year 2012-2013, Resolutions have been passed for issue of four Bonus Equity Shares for every one Equity Share held by Members as well as empowered Company to transfer ₹ 96.00 Lac from Reserves & Surplus to Equity Share Capital Account.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

**SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:**

Following Special Resolutions have been passed during last three financial years –

During Financial Year 2013-2014, on 21st January 2014, the Special Resolutions were passed empowering Company to exceed Investment Limits prescribed under Section 372A of the Companies Act, 1956 and to increase borrowing powers of the Company u/s 180 (1) (c) Of the Companies Act, 2013.

During Financial Year 2013-2014, on 28<sup>th</sup> August 2013, Special Resolutions were passed for change in Name of the Company and to change/add its Main Objects to change the line of business of the Company from Pharma Segment and to enter into new business segment of Textile and Metal and to empower Company to do the investment activities in Shares & Securities.

**BOARD DISCLOSURES**

**Compliance with Governance Framework**

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors i.e. in financial year 2014-2015.

**STRICTURES AND PENALTIES**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets activities during the last three years.

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**RISK MANAGEMENT**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.



The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer makes a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

#### **SEBI / STOCK EXCHANGE COMPLIANCE**

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

#### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

#### **DISCLOSURES**

- (a) There were no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) **Reconciliation of Share Capital:** A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to





the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

### **CONFLICT OF INTEREST**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the good governance companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

### **COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.
- The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website: [www.arihantmulticom.com](http://www.arihantmulticom.com) and can be downloaded.
- In compliance with Clause 49 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE are filed electronically on BSE's on-line portal followed by physical submission to BSE. The Company has complied with filing submissions through BSE's BSE Online Portal.
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.



**DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Clause 49 of Listing Agreement with the Stock Exchange :-

- a) The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) There was no case of Non-Compliance during financial year 2014-2015 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- c) The Company has complied with all mandatory provisions of listing agreement.
- d) The financial statements of the Company are unqualified.

**GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

**SHAREHOLDERS’ INFORMATION**

**a. Next Annual General Meeting**

The information regarding 33<sup>rd</sup> Annual General Meeting for the financial year ended on 31st March 2015 is as follows :-

Day & Date : Tuesday, 29<sup>th</sup> September 2015  
 Time : 2.00 P.M.  
 Venue : Ramee Guest Line Hotel, 1<sup>st</sup> Floor, 462, A. B. Nair Road,  
 Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049

**b. Financial Year : 1st April to 31st March.**

**c. Future Calendar for financial year ending 31<sup>st</sup> March 2016 :**

| Subject Matter  | Tentative Dates       |
|---|-----------------------|
| Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2015      | Mid of August, 2015   |
| Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2015 | Mid of November, 2015 |
| Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2015  | Mid of February 2016  |
| Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2016     | During May 2016       |
| Date of Annual General Meeting  | During September 2016 |

**d. Date of Book Closure : September 22 to September 29, 2015. (Both days inclusive)**

**e. Dividend Payment Date : No Dividend has been recommended for the year under review.**



**f. Dividend History for last 10 Years**

| Sr. No. | Year of Declaration of Dividend | Date of Declaration of Dividend | Amount Declared per Share | Face Value of Shares |
|---------|---------------------------------|---------------------------------|---------------------------|----------------------|
| 1.      | 2009-2010                       | May 29, 2010                    | ₹ 1.00                    | ₹ 10.00              |
| 2.      | 2014-2015                       | May 28, 2015                    | ₹ 0.10                    | ₹ 1.00               |

**g. Unclaimed Dividend / Share Certificates**

The unclaimed Dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 205C of the Companies Act, 1956 administered by Central Government which cannot be claimed by the Shareholders / Investors. The details of unclaimed dividend are posted on the website of the Company during current financial year.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2015:

| Sr. No. | Year of Declaration of Dividend | Date of Declaration of Dividend | Unclaimed Amount ₹ | Due Date for transfer to IEPF Account |
|---------|---------------------------------|---------------------------------|--------------------|---------------------------------------|
| 1.      | 2009-2010                       | May 29, 2010                    | Nil                | 29 <sup>th</sup> October 2017         |
| 2.      | 2014-2015                       | May 28, 2015                    | 139757.20          | 27 <sup>th</sup> May 2020             |

Further, as required to be disclosed under Clause 5A of Listing Agreement, Nil Shares are lying at the beginning or at the Close of Financial Year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account.

- h. Listing of Shares** : BSE Limited (BSE)
- i. Listing Fees** : Company has paid Annual listing Fees to BSE for year 2015-2016.
- j. Stock Code & ISIN** : Scrip Code 506113 on BSE,  
ISIN : INE776N01028 on both NSDL & CDSL
- k. Market Price Data** :

| Month          | Price on BSE (₹) & Volume |        |           | BSE Sensitive Index |          |
|----------------|---------------------------|--------|-----------|---------------------|----------|
|                | High                      | Low    | Volume    | High                | Low      |
| April 2014     | 253.00                    | 221.85 | 2,380,249 | 22939.31            | 22197.51 |
| May 2014       | 260.00                    | 225.10 | 2,678,263 | 25375.63            | 22277.04 |
| June 2014      | 255.00                    | 234.65 | 2,524,902 | 25725.12            | 24270.20 |
| July 2014      | 269.95                    | 235.65 | 2,937,094 | 26300.17            | 24892.00 |
| August 2014    | 275.00                    | 201.10 | 2,669,502 | 26674.38            | 25232.82 |
| September 2014 | 299.00                    | 208.05 | 2,348,172 | 27354.99            | 26220.49 |
| October 2014   | 301.05                    | 204.00 | 1,661,790 | 27894.32            | 25910.77 |
| November 2014  | 330.00                    | 245.00 | 2,619,068 | 28822.37            | 27739.56 |
| December 2014  | 304.00                    | 246.10 | 2,317,417 | 28809.64            | 26469.42 |
| January 2015   | 297.80                    | 244.10 | 977,305   | 29844.16            | 26776.12 |
| February 2015  | 297.80                    | 210.00 | 1,088,010 | 29560.32            | 28044.49 |
| March 2015     | 232.50                    | 160.00 | 2,131,250 | 30024.74            | 27248.45 |



**l. Registrar & Share Transfer Agent**

M/s. Purva Shareregistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

**M/s. Purva Shareregistry (India) Pvt. Ltd.**

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011  
Tel : 022-23016761 / 8261, Website : [www.purvashare.com](http://www.purvashare.com), Email : [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in)

**m. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Stakeholders' Relationship Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

**n. Distribution of Shareholding as on 31st March 2015**

| No. of Equity Shares | No. of Share Holders | % of Share Holders | Total No. of Shares Held | % of Share Holding |
|----------------------|----------------------|--------------------|--------------------------|--------------------|
| 1-5000               | 161                  | 30.84              | 266023                   | 0.73               |
| 5001-10000           | 52                   | 9.96               | 422747                   | 1.17               |
| 10001-20000          | 74                   | 14.18              | 1222635                  | 3.37               |
| 20001-30000          | 46                   | 8.81               | 1191878                  | 3.29               |
| 30001-40000          | 17                   | 3.26               | 591400                   | 1.63               |
| 40001-50000          | 30                   | 5.75               | 1368744                  | 3.78               |
| 50001-100000         | 47                   | 9.00               | 3161754                  | 8.72               |
| 100001 and Above     | 95                   | 18.20              | 28014819                 | 77.30              |
| <b>Total....</b>     | <b>522</b>           | <b>100.00</b>      | <b>36240000</b>          | <b>100.00</b>      |

**o. Shareholding Pattern as on 31st March 2015**

| Categories   | No. of Shares   | % of Shareholding |
|--|-----------------|-------------------|
| Promoters, Directors, Relatives & Person acting in concert | 25000           | 0.07              |
| Indian Bank  | 0               | 0.00              |
| Others (NRI)   | 200085          | 0.55              |
| Hindu Undivided Family (HUF)                               | 766143          | 2.12              |
| Private Corporate Bodies                                   | 21629315        | 59.68             |
| Indian Public  | 13090947        | 36.12             |
| Clearing Members   | 528510          | 1.46              |
| <b>Total .....</b>   | <b>36240000</b> | <b>100.00</b>     |

**p. Dematerialization of Equity Shares & Liquidity**

The Company's Equity Shares are in compulsory Rolling (Demat) Segment as the Company has established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon



receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL and/or CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL and/or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 15 days from the date of issue of Shares.

As on 31st March 2015, 99.10% Equity Shares of the Company are in dematerialized form.

**q. Unclaimed Dividend**

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven years from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. At the end of financial year 2014-2015, an amount of ₹ 139757.20 was pending for payments to its investors.

**r. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

**s. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**t. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in).

**u. Requirement of PAN Card for Transfer of Shares in Physical Form**

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.



**v. For the Attention of Shareholders holding shares in electronic form**

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**w. Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding, through the respective Depository Participant (DP) and in respect of physical holding, through the Registrar and Share Transfer Agent (RTA) M/s. Purva Sharegistry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company/RTA/DP, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**x. Details on use of Public Funds Obtained in the last three years :**

| Particulars of Utilization          | Amount (₹ in Lac) |
|-------------------------------------|-------------------|
| Short Term Loan & Advances          | 1716.01           |
| Fixed Deposit with Banks            | 62.00             |
| Used in ordinary course of business | 295.04            |

**y. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**z. Investors’ Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-  
Ms. Bhakti B. Soni - lifelinedrugspharmaltd@gmail.com

**aa. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**bb. Address for Correspondence**

F/3, C-Wing, 1<sup>st</sup> Floor, Shah Arcade 1,  
Rani Sati Marg, Malad (E), Mumbai-400 097  
Tele: +91 22 28822184 Fax : +91 22 28822183  
Email : [lifelinedrugspharmaltd@gmail.com](mailto:lifelinedrugspharmaltd@gmail.com)  
URL : [www.arihantmulticom.com](http://www.arihantmulticom.com)



## Chairman & Managing Director's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To The Members of

### **Arihant Multi Commercial Limited**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

By order of the Board  
For **Arihant Multi Commercial Limited**  
S/d-  
**Deepak S. Bansal**  
(DIN : 03578201)  
**Managing Director**

Mumbai, May 28, 2015

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### ANNUAL CERTIFICATE UNDER CLAUSE 49(II)(E) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Deepak S. Bansal, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2015.

By order of the Board  
For **Arihant Multi Commercial Limited**  
S/d-  
**Deepak S. Bansal**  
(DIN : 03578201)  
**Managing Director**

Mumbai, May 28, 2015



## Auditors' Certificate on Corporate Governance

To the Members of Arihant Multi Commercial Limited

We have examined the compliance of the conditions of Corporate Governance by Arihant Multi Commercial Limited (The Company) for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Ltd.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For **Maheshwari & Co.**  
Chartered Accountants  
FRN: 105834W

Place : Mumbai  
Date : May 28, 2015

**K. K. Maloo**  
Partner  
Membership No. 075872





## Auditors' Report

### To the Members of Arihant Multi Commercial Limited Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Arihant Multi Commercial Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' 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 there under.

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the



financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- b) in the case of the Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

As required by “the Companies (Auditor’s Report) Order, 2015 (“the Order”); issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the “Order”), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.

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 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us.
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its financial statements – i.e. Nil
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts i.e. Nil
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015 – N.A.

For **Maheshwari & Co.**  
Chartered Accountants  
FRN: 105834W

Place : Mumbai  
Date : May 28, 2015

**K. K. Maloo**  
Partner  
Membership No. 075872



## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Arihant Multi Commercial Limited for the year ended 31<sup>st</sup> March 2015. We report that:

**1. In respect of Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

**2. In respect of Inventories:**

- (a) As informed to us, the inventory in the possession of the company has been physically verified at reasonable intervals during the year by the management.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the company is maintaining proper records of its inventories. According to the information given to us, no discrepancies were noticed on physical verification of inventories as compared to book records during the year.

**3. In respect of Loans:**

- (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

**4. In respect of Internal Controls:**

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

5. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in accordance with the provisions of section 73 to 76 of the Act and the rules framed there under.

6. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the service rendered by the Company.

**7. In respect of Statutory dues:**

- a) According to the books and records of the Company, undisputed statutory dues including Provident Fund, Income-Tax, Service Tax and other material statutory dues have been generally regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in



respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six month from the date of becoming payable.

- c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax and cess which have not been deposited on account of any dispute.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the company does not have any loans from financial institution or bank or debenture holders as at the balance sheet date hence this clause is not applicable to the Company.
10. According the information and explanation given to us and records produced before us, the Company has not given any guarantee for loans taken by others from banks or financial institution during the year. Accordingly this clause is not applicable to the Company.
11. In our opinion and according to information and explanation given to us, the Company has not raised any Terms Loans during the year under audit or in previous years hence this clause is not applicable to the Company.
12. According the information and explanation given to us, no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Maheshwari & Co.**  
Chartered Accountants  
FRN: 105834W

Place : Mumbai  
Date : May 28, 2015

**K. K. Maloo**  
Partner  
Membership No. 075872



**Balance Sheet as at March 31st 2015**

| PARTICULARS                                      | Note No. | As At March<br>31, 2015<br>₹ | As at March<br>31, 2014<br>₹ |
|--|----------|------------------------------|------------------------------|
| <b>Shareholders' Funds</b>                       |          |                              |                              |
| Share Capital                                    | 3        | 3,62,40,000                  | 3,62,40,000                  |
| Reserves and Surplus                             | 4        | 179,129,747                  | 176,516,912                  |
|  |          | <b>215,369,747</b>           | <b>212,756,912</b>           |
| <b>Share Application Money Pending Allotment</b> |          | -                            | -                            |
| <b>Non-Current Liabilities</b>                   |          |                              |                              |
| Long Term Borrowings                             |          | -                            | -                            |
| Deferred Tax Liabilities (Net)                   | 5        | 20,412                       | 4,236                        |
| Other Long Term Liabilities                      |          | -                            | -                            |
| Long Term Provisions                             |          | -                            | -                            |
|  |          | <b>20,412</b>                | <b>4,236</b>                 |
| <b>Current Liabilities</b>                       |          |                              |                              |
| Short-Term Borrowings                            | -        | -                            | -                            |
| Trade Payable                                    | 6        | 102,191,534                  | 108,074,164                  |
| Other Current Liabilities                        | 7        | 28,195                       | 3,203,595                    |
| Short-Term Provisions                            | 8        | 2,279,214                    | 3,868,778                    |
|  |          | <b>104,498,944</b>           | <b>115,146,537</b>           |
| <b>TOTAL</b>                                     |          | <b>319,889,103</b>           | <b>327,907,684</b>           |
| <b>ASSETS</b>                                    |          |                              |                              |
| <b>Non-Current Assets</b>                        |          |                              |                              |
| Fixed Assets                                     | 9        | 105,833                      | 69,247                       |
| Deffered Tax Asset (Net)                         |          | -                            | -                            |
| Long Term Loans & Advances                       |          | -                            | -                            |
|  |          | -                            | -                            |
| <b>Current Assets</b>                            |          |                              |                              |
| Trade Receivables                                | 10       | 119,205,952                  | 97,152,219                   |
| Cash and Bank Balances                           | 11       | 21,589,170                   | 2,262,529                    |
| Inventories                                      | 12       | 7,287,421                    | 770,914                      |
| Short Term Loans & Advances                      | 13       | 171,700,727                  | 227,652,775                  |
|  |          | <b>319,783,269</b>           | <b>327,838,437</b>           |
| <b>TOTAL</b>                                     |          | <b>319,889,103</b>           | <b>327,907,684</b>           |

Significant Accounting Policies & Notes on Financial Statements

1 to 22

**As per our report of even date attached.**

**For Maheshwari and Co.**  
Chartered Accountants  
Firm No: 105834W

For and on behalf of the Board of  
**Arihant Multi Commercial Limited**

**K K Maloo**  
(Partner)  
Membership No. : 075872

**Deepak Bansal**  
(Managing Director)  
(DIN: 00272675)

**Mahesh Parihar**  
(Director)  
(DIN: 06782814)

Place: Mumbai  
Dated : May 28, 2015

**Bhakti Soni**  
(Company Secretary)

**Priya Pareek**  
CFO



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

| PARTICULARS  | Note No. | For the Year ended on<br>March 31, 2015<br>₹ | For the Year ended on<br>March 31, 2014<br>₹ |
|--|----------|--|--|
| <b>Income</b>  |          |  |  |
| Operating Income   | 14       | 427,023,200                                  | 400,778,249                                  |
| Other Income   | 15       | 16,479,252                                   | 7,683,276                                    |
| <b>Total (A)</b>   |          | <b>443,502,453</b>                           | <b>408,461,525</b>                           |
| <b>Expenses</b>  |          |  |  |
| Operating Costs  | 16       | 437,221,008                                  | 312,874,965                                  |
| Stock Exchange & Other Regulatory Expenses                 | 17       | 211,497                                      | 235,732                                      |
| Payment & Provision To Employees                           | 18       | 1,560,636                                    | 946,300                                      |
| Depreciation and amortisation expenses                     | 9        | 69,863                                       | 10,085                                       |
| Other Expenses   | 19       | 1,897,181                                    | 1,378,577                                    |
| Change in Inventories                                      |          | (6,516,507)                                  | 83,262,246                                   |
| <b>Total Expenses</b>                                      |          | <b>434,443,678</b>                           | <b>398,707,905</b>                           |
| <b>Profit Before tax</b>                                   |          | <b>9,058,774</b>                             | <b>9,753,620</b>                             |
| Tax Expenses:  |          |  |  |
| Current tax  |          | 2,805,763                                    | 3,250,000                                    |
| Deferred Tax Assets / Liabilities                          |          | 16,176                                       | 4,236  |
| Excess provision of Tax for earlier year                   |          | -  | (40,788)                                     |
| <b>Profit for the year</b>                                 |          | <b>6,236,835</b>                             | <b>6,540,172</b>                             |
| <b>Earning per Equity Share of face value of ₹ 10 each</b> |          |  |  |
| Basic (in ₹)   |          | 0.17   | 0.18   |
| Diluted (in ₹)   |          |  |  |

Significant Accounting Policies & Notes on Financial Statements

1 to 22

**As per our report of even date attached.**

**For Maheshwari and Co.**  
Chartered Accountants  
Firm No: 105834W

For and on behalf of the Board of  
**Arihant Multi Commercial Limited**

**K K Maloo**  
(Partner)  
Membership No. : 075872

**Deepak Bansal**  
(Managing Director)  
(DIN: 00272675)

**Mahesh Parihar**  
(Director)  
(DIN: 06782814)

Place: Mumbai  
Dated : May 28, 2015

**Bhakti Soni**  
(Company Secretary)

**Priya Pareek**  
CFO

**Statement of Cash Flow Annexed to the Balance Sheet  
as at 31st March, 2015**

| <b>PARTICULARS</b>   | <b>For the Year ended on<br/>March 31, 2015<br/>₹</b> | <b>For the Year ended on<br/>March 31, 2014<br/>₹</b> |
|--|---|---|
| <b>Cash Flow from Operating Activities</b>                           |   |   |
| Profit before Tax from Operations                                    | 9,058,774   | 9,753,620   |
| Profit before Tax  | 9,058,774   | 9,753,620   |
| Non-cash Adjustment to reconcile Profit before Tax to Net Cash Flows |   |   |
| -Depreciation and Amortisation Expense                               | 69,863  | 10,085  |
| -Net Gain on sale of Investments                                     | -   | -   |
| -Profit on Sale of Fixed Assets                                      | -   | -   |
| -Interest Expense  | -   | -   |
| -Interest/ Dividend Income   | (16,479,252)  | (7,683,276)   |
| Operating Profit before Working Capital Changes                      | <b>(7,350,614)</b>                                    | <b>2,080,429</b>                                      |
| Movements in Working Capital:  |   |   |
| -Increase / (Decrease) in Short-Term Provisions                      | -   | -   |
| -Increase / (Decrease) in Trade Payables                             | (5,882,630)   | 108,074,164   |
| -Increase / (Decrease) in Other Current Liabilities                  | (4,764,963)   | 4,899,938   |
| -(Increase) / Decrease in Inventories                                | (6,516,507)   | 83,262,246  |
| -(Increase) / Decrease in Trade Receivables                          | (22,053,733)  | (80,195,219)  |
| -(Increase) / Decrease in Short Term Loans and Advances              | 55,952,048  | (199,987,538)   |
| Direct Taxes   | (2,805,763)   | (3,209,212)   |
|  | <b>13,928,452</b>                                     | <b>(87,155,621)</b>                                   |
| <b>Net Cash Flows from/ (used in) Operating Activities (A)</b>       | <b>6,577,838</b>                                      | <b>(85,075,192)</b>                                   |
| <b>Cash Flow from Investing Activities</b>                           |   |   |
| Interest/Dividend Received   | 16,479,252  | 7,683,276   |
| (Purchase) / Sale of fixed Assets                                    | (106,450)   | (79,331)  |
| (Purchase)/ Sale of Current Investments                              | -   | -   |
| <b>Net Cash Flows from/ (used in) Investing Activities (B)</b>       | <b>16,372,802</b>                                     | <b>7,603,945</b>                                      |



| PARTICULARS  | For the Year<br>ended on<br>March 31, 2015<br>₹ | For the Year<br>ended on<br>March 31, 2014<br>₹ |
|--|---|---|
| <b>Cash Flow from Financing Activities</b>                         |   |   |
| Proceeds from Long Term Borrowings                                 |   |   |
| Proceeds from Short Term Borrowings                                | -   | -   |
| Proceeds from Issue of Share Capital (including premium)           | -   | 78,650,000                                      |
| Payment of Dividend  | (3,624,000)                                     | -   |
| Finance Cost   | -   | -   |
| <b>Net Cash Flows from/ (used in) Financing Activities (C)</b>     | <b>(3,624,000)</b>                              | <b>78,650,000</b>                               |
| Net Increase/(Decrease) in cash and Cash Equivalents ( A + B + C ) | <b>19,326,640</b>                               | <b>1,178,753</b>                                |
| Cash & Cash Equivalents at the beginning of the year               | 2,262,529                                       | 1,083,775                                       |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>          | <b>21,589,170</b>                               | <b>2,262,529</b>                                |
| <b>Components of Cash &amp; Cash Equivalents</b>                   |   |   |
| Cash on Hand   | 4,867,066                                       | 877,909   |
| With Banks - On Current Accounts                                   | 10,522,104                                      | 1,384,620                                       |
| With Banks - Fixed Deposits  | 6,200,000                                       | -   |
| <b>Total Cash &amp; Cash Equivalents</b>                           | <b>21,589,170</b>                               | <b>2,262,529</b>                                |

As per our report of even date attached.

**For Maheshwari and Co.**  
Chartered Accountants  
Firm No: 105834W

For and on behalf of the Board of  
**Arihant Multi Commercial Limited**

**K K Maloo**  
(Partner)  
Membership No. : 075872

**Deepak Bansal**  
(Managing Director)  
(DIN: 00272675)

**Mahesh Parihar**  
(Director)  
(DIN: 06782814)

Place: Mumbai  
Dated : May 28, 2015

**Bhakti Soni**  
(Company Secretary)

**Priya Pareek**  
CFO





**1. NOTES AND ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS**

**A. Company Information**

Arihant Multi Commercial limited (referred to as “Company”) has been incorporated on Dec 24, 1982 vide CIN L51909MH1982PLC028972 having registered office at F3/ Shah Arcade, Rani Sati Marg, Malad East, Mumbai 400 097.

The Company has changed its line of business and had discontinued the activity of Pharma Product’s Trading Activities, Instead, the Company has started the business of trading in Textile, Electric Goods, Steel & Steel Goods, Investments Activities in Shares & Securities and engaged in treasury operations by way of providing funding solutions to clients both in the form of Debts & Equity and Investment activities.

**B. Significant Accounting Policies adopted by the Company is as follows:**

**i. Basis of Accounting and preparation of financial statements :**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any other addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956 (the Act) shall continue to apply. Consequently, these financial statements are prepared to comply in all material aspects with the Accounting Standards notified under sub section (3C) of section 211 of the Act {Companies (Accounting Standards) Rules, 2006} and other relevant provisions of the Companies Act 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**ii. Use of Estimates :**

The presentation of financial statements in conformity with the generally accepted accounting principles require 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 revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

**iii. Cash Flow :**

Cash flow statement has been prepared in accordance with the “indirect method” as explained in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

**iv. Fixed Assets :**

Tangible assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation and impairment loss.



Depreciation on tangible assets is calculated on a pro-rata basis on the Written Down Value Method at the rates prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:- assets costing ₹ 5,000/- or less are fully depreciated in the year of purchase.

**v. Revenue Recognition :**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized

- a) Income from advisory services is recognised on accrual basis.
- b) Profit / loss earned on sale of investment is recognised on trade date basis. Profit/Loss on sale of Investment is determined on basis of FIFO cost of the investment sold.

**Other Income Recognition**

Interest on investments and Loans and Advances is booked on a time proportion basis taking into account the amounts invested or loan given and the rate of interest.

Dividend income is recognized when the right to receive payment is established.

**Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses.

**vi. Foreign Currency Transactions :**

Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized as income or expense in the profit and loss account of the same period.

Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

**vii. Borrowing Cost :**

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

**viii. Employees benefits :**

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

**Post Employment Benefits**

1. P.F. and E.S.I.C Scheme is not applicable to the company.
2. Gratuity is accounted when an employee works for more the 6 months.

**ix. Inventories**

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and trading products are determined by using the First-In First-Out Method (FIFO).

**x. Investments**

Long-term Investments are carried individually at cost less provision for diminution, other than temporary, in the value of such Investments.

Current investments are carried individually at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

**xi. Accounting for taxes on Income :**

- a) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.
- b) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

| Particulars                                   | As at<br>1st April 14 | Credit/ (Charge)<br>for the year | As at<br>31st March 15 |
|---|-----------------------|----------------------------------|------------------------|
| Deferred Tax on Account of Depreciation       | 4236                  | 16,176                           | 20,412                 |
| Deferred Tax on Account of Others             | -                     | -                                | -                      |
| <b>Net Deferred Tax (Assets)/ Liabilities</b> | <b>4236</b>           | <b>16,176</b>                    | <b>20,412</b>          |

**xii. Leased Assets :**

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

**xiii. Provisions and Contingent Liabilities :**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**xiv. Impairment of Assets :**

The Company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

**xv. Cash and cash equivalents :**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.



**xvi. Segment Information :**

- a) The Company's business segments are identified around products in which company deals.
- b) The accounting policies used in the preparation of the financial statements of the Company are also applied for segment reporting.
- c) Segment revenues, expenses, assets and liabilities are those, which are directly attributable to the segment or are allocated on an appropriate basis. Corporate and other revenues, expenses, assets and liabilities to the extent not allocable to segments are disclosed in the reconciliation of reportable segments with the financial statements.
- d) Figures in brackets are in respect of the previous year.
- e) Segment Revenues, Results and Other Information:

₹ in Lac

| 1. | Segment Revenue                 | F.Y. 2014-15    | F.Y. 2013-14    |
|----|---------------------------------|-----------------|-----------------|
|    | Finance & Investment Activities | 164.79          | 1,342.42        |
|    | Textile Activities              | 4,245.77        | 2,580.13        |
|    | Other Unallocable Activities    | 24.46           | 162.06          |
|    | <b>Total -</b>                  | <b>4,435.02</b> | <b>4,084.62</b> |
| 2. | Segment Profit                  |                 |                 |
|    | Finance & Investment Activities | 164.79          | 76.83           |
|    | Textile Activities              | (36.81)         | 40.81           |
|    | Other Unallocable Activities    | (37.39)         | (20.10)         |
|    | <b>Total -</b>                  | <b>90.59</b>    | <b>97.54</b>    |

**xvii. Earnings per Share:**

Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The number used in calculating the basic and diluted earnings per share are stated below:

| Particulars  | 31.03.2015   | 31.03.2014   |
|--|--------------|--------------|
| Net profit/(loss) for the year as per profit and loss accounts (₹)   | 62,36,835    | 65,40,172    |
| Weighted Average number of equity shares for calculating Basic EPS   | 3,62,400,000 | 3,62,400,000 |
| Weighted Average number of equity shares for calculating Diluted EPS | 3,62,400,000 | 3,62,400,000 |
| Face value per share (₹)   | 1.00         | 1.00         |
| Basic EPS on face value of ₹ 1/-                                     | 0.17         | 0.18         |
| Diluted EPS on face value of ₹ 1/-                                   | 0.17         | 0.18         |

**xviii. Related party transactions:**

**A. Related parties and their relationship**

**Key Management Personnel:**

- Mr. Deepak Sitaram Bansal - Managing Director\*
- Ms. Priya M Pareek - Chief Financial Officer\*



|                      |                            |
|----------------------|----------------------------|
| Mr. Vijay Achari     | - Chief Financial Officer# |
| Mr. Nitin Kore       | - Company Secretary*       |
| Mr. Pratik Pujara    | - Company Secretary#       |
| Mr. Alok Kumar Behra | - Managing Director#       |

# Mr. Alok Kumar Behra Resigned from Directorship w.e.f. 10.12.2014  
# Mr. Pratik Pujara Resigned from Company Secretary w.e.f. 05.03.2015  
# Mr. Vijay Achari Resigned from Chief Financial Officer w.e.f. 25.03.2015

\* Appointment as Managing Director w.e.f. 01.10.2014  
\* Appointment as Chief Financial Officer w.e.f. 25.03.2015  
\* Appointment as Company Secretary w.e.f. 05.03.2015

**Others: Enterprises over which Key Management Personnel are able to exercise significant influence / controls**

- Mahavir Industries Limited
- Raiment Consultancy Services Private Limited
- Mimo Trading Private Limited
- Vinita Commotrade Private Limited
- Ganwari Silica Private Limited
- Basuki Plaza Private Limited
- GCM Commodity & Derivatives Limited
- Mindscale Projects Private Limited

**B. Details of Remuneration paid to Directors and their relatives**

a. Payment to Directors

|                      |                      |              |
|----------------------|----------------------|--------------|
| Mr. Deepak S. Bansal | Managing Director    | ₹ 2,40,000/- |
| Mr. Mahesh Parihar   | Independent Director | ₹ 60,000/-   |
| Ms. Bharati Sharma   | Independent Director | ₹ 10,000/-   |

b. Payment to Directors' Relatives - Nil

**C. Transactions with related parties during the year ended 31st March, 2015:**

| Nature of Transaction    | Key Management Personnel | Others | Total |
|--------------------------|--------------------------|--------|-------|
| Unsecured Loans Received | Nil                      | Nil    | Nil   |
| Unsecured Loans Given    | Nil                      | Nil    | Nil   |

**D. Disclosure of material transactions with related parties during the year ended 31st March, 2015: Nil**

**2. Other Notes and Additional Information forming part of Financial Statements**

- In the opinion of the management, current assets, loans and advances and other receivables are approximately of the value stated, if realized in the ordinary course of business. The provisions of all known liability are ascertained.
- There is unpaid tax liability of ₹ 13,37,654/- for the A.Y. 2010-11.
- Previous year figures have been restated to conform to the classification of the current year.
- Provision for Gratuity has not been created since none of the employee had worked for more than six months during the year



- v. Balances of Sundry Debtors, Unsecured Loans, and Sundry Creditors are Loans & Advances are subject to reconciliation, since conformations have not been received from them. Necessary entries will be passed on receipt of the same if required.
- vi. The company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS-15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Statement of Profit & Loss.

**For Maheshwari & Co.**  
Chartered Accountants  
FRN: 105834W

**For and on Behalf of Board of Directors of  
Arihant Multi Commercial Limited**

**K. K. Maloo**  
Partner  
M. No. 075872

**Deepak S. Bansal**  
(DIN : 03578201)  
Director

**Mahesh Parihar**  
(DIN : 06782814)  
Director

Date: May 28, 2015  
Place: Mumbai

**Bhakti Soni**  
Company Secretary

**Priya Pareek**  
CFO



**Notes forming part of the Financial Statements for the year ended  
March 31, 2015**

(Amount in ₹)

| Sr. No.  | Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|----------|--|-------------------------|-------------------------|
| <b>3</b> | <b>SHARE CAPITAL</b>   |                         |                         |
|          | <b>Authorised Share Capital</b>  |                         |                         |
|          | 5,00,00,000 ( 50,00,000) Equity Shares of Rs 1 (10) each               | 50,000,000              | 50,000,000              |
|          |  | <b>50,000,000</b>       | <b>50,000,000</b>       |
|          | <b>Issued, Subscribed and Paid-up</b>                                  |                         |                         |
|          | 3,62,40,000 (3,62,40,000) Equity shares of ₹1 (10) each fully paid- up | 3,62,40,000             | 3,62,40,000             |
|          | <b>Total</b>   | <b>3,62,40,000</b>      | <b>3,62,40,000</b>      |

*a. Reconciliation of the share outstanding at the beginning and at the end of the reporting period*

|  | In Numbers        | In Numbers        |
|--|-------------------|-------------------|
| Equity Shares of ₹10/- each                |                   |                   |
| Outstanding at the beginning of the Period | 36,240,000        | 30,740,000        |
| Issued during the Year                     | -                 | 5,500,000         |
| Outstanding at the end of the Period       | <b>36,240,000</b> | <b>36,240,000</b> |

*b. Terms and Rights attached to Equity Shares*

The company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity shares is entitled to one vote per share.

**c. Equity shareholder holding more than 5% of equity shares alongwith the number of equity shares held is as given below**

| Name of Party | No. of Shares | No. of Shares |
|---------------|---------------|---------------|
| N.A.          | -             | -             |

**d. The Company has only one class of shares referred to as equity shares having par value of ₹ 1/- each.**

**4 RESERVES AND SURPLUS**

| Particulars                       | As at<br>31.03.2015 | As at<br>31.03.2014 |
|-----------------------------------|---------------------|---------------------|
|                                   | ₹                   | ₹                   |
| <b>Securities Premium Reserve</b> |                     |                     |
| Opening Balance                   | 166,850,000         | 93,700,000          |
| Add : Issued During The Year      | -                   | 73,150,000          |
|                                   | <b>166,850,000</b>  | <b>166,850,000</b>  |



| Particulars   | As at              | As at              |
|---|--------------------|--------------------|
|   | 31.03.2015         | 31.03.2014         |
|   | ₹                  | ₹                  |
| Opening Balance   | 1,718,540          | 1,718,540          |
| Add : Amount transferred from Startement of Profit & Loss | -                  | -                  |
| Closing Balance   | <b>1,718,540</b>   | <b>1,718,540</b>   |
| <b>Profit &amp; Loss Account</b>                          |                    |                    |
| Opening balance   | 7,948,372          | 1,408,200          |
| Less: Payment of Interim Dividend                         | (3,624,000)        | -                  |
| Add: Profit for the year                                  | 6,236,835          | 6,540,172          |
| Amount available for Appropriations                       | 10,561,207         | 7,948,372          |
|   | <b>10,561,207</b>  | <b>7,948,372</b>   |
|   |                    |                    |
| <b>Total Reserves &amp; Surplus</b>                       | <b>179,129,747</b> | <b>176,516,912</b> |
| <b>5 DEFERRED TAX LIABILITY (NET)</b>                     |                    |                    |
| Deffered Tax Liability (Net)                              | 16,176             | 4,236              |
| <b>Total</b>  | <b>16,176</b>      | <b>4,236</b>       |
| <b>6 TRADE PAYABLE</b>                                    |                    |                    |
| (Unsecured, Considered Good)                              |                    |                    |
| Trade Payables for Goods                                  | 102,135,127        | 108,074,164        |
| Other Payables for Expenses                               | 56,407.00          | -                  |
| <b>Total</b>  | <b>102,191,534</b> | <b>108,074,164</b> |
| <b>7 OTHER CURRENT LIABILITIES</b>                        |                    |                    |
| Duties & Taxes payable                                    | 28,195             | 3,595              |
| Advance Received from Customers                           | -                  | 3,200,000          |
| <b>Total</b>  | <b>28,195</b>      | <b>3,203,595</b>   |
| <b>8 SHORT TERM PROVISION</b>                             |                    |                    |
| Provision For Taxation (Earlier Year)                     | 981,006            | 2,027,745          |
| Provision For Taxation Current Year                       | 2,805,763          | 3,250,000          |
|   | <b>3,786,769</b>   | <b>5,277,745</b>   |
| Less : Self Assesment Tax                                 | -                  | 794,800            |
| Less : Tds for earlier Year                               | -                  | 4,438              |
| Less: Tds of Current Year                                 | 1,669,283          | 724,231            |
|   | <b>1,669,283</b>   | <b>1,523,469</b>   |
| Provision For Taxation (Net of Tax Paid)                  | 2,117,486          | 3,754,276          |
| Provison for Expenses                                     | 71,253             | 54,500             |
| <b>Total</b>  | <b>2,279,214</b>   | <b>3,868,776</b>   |





**9 FIXED ASSETS:**

Depreciation provided on WDV basis as per Schedule II of the Companies Act, 2013 for the Period from April 01, 2014 to March 31, 2015

| DESCRIPTION            | GROSS BLOCK  |                      |  |                      | DEPRECIATION         |                        |                |                 | NET BLOCK        |                  |
|------------------------|--------------|----------------------|--|----------------------|----------------------|------------------------|----------------|-----------------|------------------|------------------|
|                        | Rate of Dep. | As on April 01, 2014 | Additions / De-<br>ductions<br>During the Year | As on March 31, 2015 | As on April 01, 2014 | Sale / Adjust-<br>ment | For the Year   | Upto 31-03-2015 | As at 31-03-2015 | As at 31-03-2014 |
| <b>TANGIBLE ASSETS</b> |              |                      |  |                      |                      |                        |                |                 |                  |                  |
| Computer Hardware      |              | 79,331               | 46,450   | - 125,781            | 10,085               | -                      | 61,905         | 71,990          | 53,791           | 69,246           |
| Furniture & Fixture    |              | -                    | 16,800   | - 16,800             | -                    | -                      | 83             | 83              | 16,717           | -                |
| Air Condition          |              | -                    | 43,200   | - 43,200             | -                    | -                      | 7,875          | 7,875           | 35,325           | -                |
|                        |              | -                    |  |                      |                      |                        |                |                 |                  | -                |
| <b>Total</b>           |              | <b>79,331</b>        | <b>106,450</b>                                 | <b>- 1,85,781</b>    | <b>10,085</b>        |                        | <b>,69,863</b> | <b>,79,948</b>  | <b>1,05,833</b>  | <b>,69,246</b>   |

**10 TRADE RECEIVABLES**

| Particulars  | As at 31.03.2015   | As at 31.03.2014  |
|--|--------------------|-------------------|
|  | ₹                  | ₹                 |
| <b>(Unsecured, Considered Good and Realisable at Book value)</b> |                    |                   |
| Sundry Debtors Due more than Six months                          | 119,205,952        | 96,188,190        |
| Other Debts  | -                  | 964,029           |
| <b>Total</b>   | <b>119,205,952</b> | <b>97,152,219</b> |

**11 CASH & CASH EQUIVALENTS**

|                            |                   |                  |
|----------------------------|-------------------|------------------|
| Cash-in-Hand               | 4,867,066         | 877,909          |
| <b>Balances with Banks</b> |                   |                  |
| - With Scheduled Bank      | 10,522,104        | 1,384,620        |
| Fixed Deposit with Banks   | 6,200,000         | -                |
| <b>Total</b>               | <b>21,589,170</b> | <b>2,262,529</b> |



**12 INVENTORIES**

| Sl. No.   | Particulars                             | As at 31st March 2015 |           |                  | As at 31st March 2014 |                |
|-----------|---|-----------------------|-----------|------------------|-----------------------|----------------|
|           |   | Quantity              | Rate      | Value            | Quantity              | Value          |
|           |   | Nos.                  | Per Share | ₹                | Nos.                  | ₹              |
| <b>A.</b> | <b>QUOTED SHARES</b>                    |                       |           |                  |                       |                |
| 1         | Essar India Ltd                         | 290,817               | 1.88      | 546,736          | -                     | -              |
| 2         | Vandana Knitwear Ltd                    | 115,000               | 6.93      | 796,950          | -                     | -              |
| 3         | JRI Industries Ltd                      | 93,900                | 42.75     | 4,014,225        | -                     | -              |
| 4         | Mirza International Ltd                 | 15,000                | 86.80     | 1,302,000        | -                     | -              |
| 5         | Gujarat Pipavav Port Ltd                | 2,600                 | 241.35    | 627,510          | -                     | -              |
| 6         |   | -                     |           | -                | -                     | -              |
|           | <b>TOTAL(B)</b>                         | <b>517,317</b>        |           | <b>7,287,421</b> | -                     | -              |
| <b>B.</b> |   |                       |           |                  |                       |                |
| 1         | 2 KVA UPS 100 AH Batteries 3 with Stand | -                     |           | -                | 27                    | 770,914        |
|           | <b>TOTAL(B)</b>                         | <b>534,917</b>        |           | -                | <b>27</b>             | <b>770,914</b> |
|           | <b>GRAND TOTAL(A+B+C)</b>               | <b>1,052,234</b>      |           | <b>7,287,421</b> | <b>27</b>             | <b>770,914</b> |

**13 SHORT TERM LOANS AND ADVANCES**

| Particulars  | As at              | As at             |
|--|--------------------|-------------------|
|  | 31.03.2015         | 31.03.2014        |
|  | ₹                  | ₹                 |
| <b>(Unsecured, Considered Good and Recoverable in Normal Course of Business)</b> |                    |                   |
| Advances   | 100,623,809        | 27,665,238        |
| Loans to Corporates  | 52,060,000         | -                 |
| Loans to Non Corporates  | 18,916,918         | -                 |
| VAT - Refundable   | -                  | 10,585            |
| Deposits- Rental Property  | 100,000            | 100,000           |
| <b>Total</b>   | <b>171,700,727</b> | <b>27,775,823</b> |

**14 REVENUE FROM OPERATION**

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| Sales of Textiles Goods  | 424,577,292        | 258,013,483        |
| Sale of Electronic Goods | 666,630            | 16,205,806         |
| Sale of Shares           | 1,779,278          | 126,558,960        |
| <b>Total</b>             | <b>427,023,200</b> | <b>400,778,249</b> |

**15 OTHER INCOME**

|   |                   |                  |
|---|-------------------|------------------|
| Gain/Loss on Speculative transaction      | (424,684)         | -                |
| Interest Income from Intercorporate Loans | 16,903,886        | -                |
| Fees for Statutory Register               | 50                | -                |
| Other                                     | -                 | 7,683,276        |
| <b>Total</b>                              | <b>16,479,252</b> | <b>7,683,276</b> |

**16 OPERATING COST**

| Particulars               | As at              | As at              |
|---------------------------|--------------------|--------------------|
|                           | 31.03.2015         | 31.03.2014         |
|                           | ₹                  | ₹                  |
| Purchase of Textile Goods | 421,646,370        | 253,931,655        |
| Purchase of Shares        | 15,574,638         | 42,525,800         |
| Purchase of Electronics   | -                  | 16,417,510         |
| <b>Total</b>              | <b>437,221,008</b> | <b>312,874,965</b> |

**17 STOCK EXCHANGE & OTHER REGULATORY EXPENSES**

|                             |                |                |
|-----------------------------|----------------|----------------|
| Registrar Fees              | 52,493         | 28,592         |
| NSDL Fees                   | 6,711          | -              |
| CDSL Fees                   | 12,359         | -              |
| BSE Fees                    | 112,360        | -              |
| Registrar of Companies Fees | 27,574         | 21,445         |
| Others                      | -              | 185,695        |
| <b>Total</b>                | <b>211,497</b> | <b>235,732</b> |

**18 EMPLOYEE COST**

|                                     |                  |                |
|-------------------------------------|------------------|----------------|
| Salary Bonus & Allowances           | 1,118,244        | 823,700        |
| Staff Welfare                       | 107,052          | 122,600        |
| Directors Remuneration              | 155,000          | -              |
| Directors Sitting Fees              | 110,000          | -              |
| Out of Pocket Expenses to Directors | 70,340           | -              |
| <b>Total</b>                        | <b>1,560,636</b> | <b>946,300</b> |

**19 OTHER EXPENSES**

|                                  |         |         |
|----------------------------------|---------|---------|
| Advertisement                    | 51,817  | 88,154  |
| Misc. Expenses                   | 43,928  | 82,549  |
| Interest Paid                    | -       | 107,307 |
| Postage & Courier                | 23,623  | 70,592  |
| Printing & Stationery            | 69,627  | 98,412  |
| Professional Fees                | 268,151 | 168,024 |
| Electricity Expenses             | 44,990  | 27,003  |
| Office Rent                      | 144,000 | 174,000 |
| R&M-Computers & Software         | 29,450  | 27,935  |
| R&M - Others                     | -       | 87,230  |
| Travelling & Conveyance Expenses | 60,045  | 167,674 |
| Telephone & Mobile Expenses      | 35,180  | 98,191  |
| Commission & Brokrag             | 54,488  | -       |
| Demat Charges                    | 140     | -       |
| Exchange Charges                 | 3,053   | -       |



| Particulars                       | As at            | As at            |
|-----------------------------------|------------------|------------------|
|                                   | 31.03.2015       | 31.03.2014       |
|                                   | ₹                | ₹                |
| Security Transaction Tax          | 15,574           | -                |
| Professional Tax                  | 46,500           | -                |
| Stamp Duty                        | 1,557            | -                |
| Tax on Interim Divident           | 615,899          | -                |
| Processing Charges                | 8,421            | -                |
| Transportation charges            | 43,902           | -                |
| Donation Given to Shyam Ek mandal | 221,000          | -                |
| MVAT Paid                         | 12,750           | 70,000           |
| <b>Total</b>                      | <b>1,811,681</b> | <b>1,318,577</b> |

**19.1 PAYMENT TO STATUTORY AUDITORS**

|               |               |               |
|---------------|---------------|---------------|
| Audit Fees    | 85,500        | 35,000        |
| Other Matters | -             | 25,000        |
| <b>Total</b>  | <b>85,500</b> | <b>60,000</b> |

20 Balances shown under Long Term Liabilities, Other Current Liabilities and Long Term Loans and Advances and Short Term Loans & Advances are subject to Confirmation, reconciliation and consequential adjustments, if any.

*Events Occurring after Balance Sheet Date*

21 No significant events which could effect the financial possition as on March 31, 2015, to a material extent have been reported by the management, after the balance sheet date till the signing of the report.

*Contingent Liabilities*

22 The Company does not have any pending litigations / disputed matters as at March 31, 2015 including Income Tax, Sales Tax and Other Taxes which will impact the financial possition in its financial statements as on March 31, 2015.

**For Maheshwari & Co.**  
Chartered Accountants  
FRN: 105834W

**For and on Behalf of Board of Directors of  
Arihant Multi Commercial Limited**

**K. K. Maloo**  
Partner  
M. No. 075872

**Deepak S. Bansal**  
(DIN : 03578201)  
Director

**Mahesh Parihar**  
(DIN : 06782814)  
Director

Date: May 28, 2015  
Place: Mumbai

# ARIHANT MULTI COMMERCIAL LIMITED

CIN : L51909MH1982PLC028972

Regd. Office : F/3, C-Wing, 1st Floor, Shah Arcade 1, Rani Sati Marg, Malad (E), Mumbai-400 097  
Tele: +91 22 28822184; Email : lifelinedrugspharma ltd@gmail.com; Website : www.arihantmulticom.com

## Form No. MGT – 11, PROXY FORM / BALLOT FORM

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

Name of the Member \_\_\_\_\_

Registered Address \_\_\_\_\_

Folio No. / DP/Client ID \_\_\_\_\_ Email ID \_\_\_\_\_

I/We being the members of \_\_\_\_\_ Shares of Arihant Multi Commercial Ltd., hereby appoint -

1. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
2. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
3. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Tuesday, 29th September 2015 at 2.00 PM at Ramee Guest Line Hotel, 1st Floor, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 and at any adjournment thereof in respect of such resolution(s) as are indicated below :

| Ordinary Business : |  | For | Against |
|---------------------|--|-----|---------|
| 1.                  | Adoption of Financial Statements for the year ended March 31, 2015   |     |         |
| 2.                  | Re-appointment of M/s. Maheshwari and Co., Chartered Accountants, as Auditors and to fix their remuneration.             |     |         |
| Special Business :  |  |     |         |
| 3.                  | Appointment of Ms. Madhuri L. Lulla as Independent Director of the Company for the period of 5 Years                     |     |         |
| 4.                  | Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Sign. of Shareholder \_\_\_\_\_ Sign. of Proxy \_\_\_\_\_

Affix  
Revenue  
Stamp  
₹ 1/-

# ARIHANT MULTI COMMERCIAL LIMITED

CIN : L51909MH1982PLC028972

Regd. Office : F/3, C-Wing, 1st Floor, Shah Arcade 1, Rani Sati Marg, Malad (E), Mumbai-400 097  
Tele: +91 22 28822184; Email : lifelinedrugspharma ltd@gmail.com; Website : www.arihantmulticom.com

## ATTENDANCE SLIP

Registered Folio No. /DP ID/Client Id \_\_\_\_\_

Name & Address of Share Holder \_\_\_\_\_

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company at 2.00 PM at Ramee Guest Line Hotel, 1st Floor, 462, A. B. Nair Road, Opp. Sun-N-Sand Hotel, Juhu, Vile Parle (W), Mumbai-400 049 on Tuesday, 29th September 2015.

Members' Folio/DPID/Client ID \_\_\_\_\_

Member/Proxy's Name in Block Letters \_\_\_\_\_

Member/Proxy's Signature \_\_\_\_\_

Please complete the Folio/DP ID/Client ID and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.





## **BOOK-POST**

*If undelivered, please return to:*

**ARIHANT MULTI COMMERCIAL LIMITED**

F/3, C-Wing, 1st Floor, Shah Arcade 1, Rani Sati Marg, Malad (E), Mumbai 400 097