

Nivedita

Mercantile & Financing Limited

**NIVEDITA MERCANTILE
AND
FINANCING LIMITED**

31ST ANNUAL REPORT

2015-2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Devendra Khandelwal

Mr. Hiten Shah

Mr. Asim Kumar Santara

Mr. Sudarshan Somani

Ms. Mayuri Jain

COMPANY SECRETARY

Ms. Mayuri Jain

AUDITORS

Bagaria & Co., LLP

Chartered Accountants, Mumbai

BANKERS

Kotak Mahindra Bank Ltd.

REGISTERED OFFICE

5th Floor, Sunteck Centre, 37-40,

Subhash Road, Vile Parle (East), Mumbai-400057

CIN: L51900MH1985PLC037039

Tel: 91 22 4287 7800 Fax: 91 22 4287 7890

E-mail: cosec@niveditaindia.com

Website: www.niveditaindia.com

REGISTRAR & TRANSFER AGENTS

Adroit Corporate Services Private Limited

1st Floor, 19/20, Jaferbhoy Industrial Estate,

Makwana Road, Marol, Andheri (E), Mumbai - 400059.

Tel. No. 022-4227 0400 Fax No. 022-2850 3748

E-mail: support@adroitcorporate.com

Website : www.adroitcorporate.com

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DIRECTORS' REPORT

To
The Members,
Nivedita Mercantile & Financing Limited

Your Directors have the pleasure in presenting the 31st Annual Report of the Company on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2016

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2016 is summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended on 31.03.2016	For the year ended on 31.03.2015	For the year ended on 31.03.2016	For the year ended on 31.03.2015
Revenue from operations	2146.93	1493.00	2146.83	1493.00
Other Income	40.47	372.79	40.69	372.79
Total Revenue	2187.39	1865.79	2187.52	1865.79
Total Expenditure	1541.97	879.07	1543.56	879.12
Profit before tax (PBT)	645.43	986.72	643.96	986.67
Less: Income Tax Provision				
Current Tax	70.36	235.58	70.35	235.58
Excess/(Short)provision for tax	2.63	-	2.64	-
Deferred Tax	-	-	(0.44)	-
Profit before minority interest	572.44	751.14	571.41	751.09
Less: Minority interest	-	-	(0.17)	-
Profit After Tax	572.44	751.14	571.58	751.09
Balance brought forward from previous year	1060.32	480.34	1060.26	480.34
Surplus available for Appropriation	1632.76	1231.48	1631.84	1231.42
Less: Appropriations				
Proposed equity dividend	49.55	17.39	49.55	17.39
Tax on proposed equity dividend	10.09	3.54	10.09	3.54
Statutory Reserve Fund	114.49	150.23	114.49	150.23
Transfer to Capital Reserve	-	-	(0.18)	-
Surplus carried to Balance Sheet	1458.63	1060.32	1457.89	1060.26

PERFORMANCE

On consolidated basis, revenue from operations for F.Y. 2015-16 at Rs.2146.84 lakhs was higher by 43.80% over last year (1493.00 Lakhs in F.Y. 2014-15). The profit after tax stands at Rs. 571.58 lakhs as compared to Rs. 751.09 lakhs during the previous year.

On standalone basis, revenue from operations for F.Y. 2015-16 at Rs. 2146.92 lakhs was higher by 43.80% over last year (Rs. 1493.00 lakhs in F.Y.2014-15). The profit after tax stands at Rs. 572.44 lakhs as compared to Rs. 751.14 lakhs during the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 5 per cent i.e. Rs. 0.50/- per Equity share on 99,10,330 equity shares of Face value Rs. 10/-each out of the profits of the Company for the financial year 2015-2016 subject to approval of shareholders at the ensuing Annual General Meeting amounting to Rs.49,55,165/- (Rupees Forty Nine Lacs Fifty Five Thousand One Hundred and Sixty Five Only). The total cash outflow on account of dividend payment including dividend distribution tax thereon was Rs. 59.64 lakhs (F.Y.2014-15 Rs. 20.93 lakhs).

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves out of the profits earned during financial year 2015-16.

SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company has been increased to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 150,00,000 (One Crore Fifty Lacs only) Equity shares of Rs. 10/- (Ten only) each.

The Company has not allotted any Equity Shares, thus the paid up Equity Share Capital of the Company remains the same. Also, the Company has not issued shares with differential voting rights and sweat equity shares.

DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

During the FY 2015-16, Chitta Finlease Private Limited has become subsidiary of the Company. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of this Annual Report. In terms of section 136 of the Companies Act, 2013, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company if so desired and said annual accounts will also be kept open for inspection at the Registered Office of the Company.

A statement containing the salient features of the financial statement of the subsidiaries in prescribed form AOC-1 as '**Annexure A**' is attached to the Financial Statements.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on Company's website.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, details of Loans to subsidiaries are given at note no. 20 (3) in the Financial Statements. No Loans /guarantees have been provided to Related Parties other than subsidiaries, Joint Ventures, LLPs or associate Companies referred to in note no. 20 (3). Loans to other body corporate given by the Company are in the ordinary course of Business and on arms length basis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In Compliance with provisions of section 152 of the Companies Act, 2013, Mr. Devendra Khandelwal (DIN: 07460858), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Rajesh Kumar Mundra (DIN: 01797146), resigned as Director of the Company with effect from February 12, 2016, in view of his other professional commitments. The Company places on record its appreciation and gratitude for the valuable contributions made by Mr. Mundra during his tenure as a member of the Board of Directors.

Ms. Hemlata Thanvi (DIN: 07196414), was appointed as Additional Director of the Company on May 27, 2015. Further, resignation letter received from Hemlata Thanvi was noted in the meeting of Board of Directors held on February 12, 2016, effective from February 5, 2016.

Mr. Devendra Khandelwal (DIN: 07460858) and Ms. Mayuri Jain (DIN: 07434615) were appointed as Additional Directors of the Company on February 12, 2016 and hold the said office till the date of the ensuing Annual General Meeting. The Company has received notices under section 160 from members, along with the requisite deposit, signifying their intention to propose re-appointment. Accordingly, necessary resolutions are being placed for approval of the members at the forthcoming Annual General Meeting of the Company.

Ms. Hemlata Thanvi resigned as Company Secretary on November 30, 2015.

Pursuant to the recommendation of Board and Nomination and Remuneration Committee, Ms. Mayuri Jain was appointed as Company Secretary on February 12, 2016.

The brief resume of the Directors seeking appointment and re-appointment has been detailed in the Notice and Corporate Governance Report.

DECLARATIONS BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Number of Meetings of the Board of Directors

During the year, four (4) Board meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Additionally, during the financial year ended March 31, 2016, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013, Clause 49(II)(B)(6) of Listing Agreement and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"). For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2016, the Board of Directors hereby confirms that:

1. in the preparation of the annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2016 and of the profits of the Company for the year ended on that date;
3. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual Accounts of the Company have been prepared on a going concern basis;
5. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

An Audit Committee is in existence in accordance with the provisions of section 177 of the Companies Act, 2013 and the Listing Regulations. Further details on the Audit Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee is in existence in accordance with the provisions of subsection (3) of section 178 and the Listing Regulations. Further details on the Nomination and Remuneration Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

OTHER BOARD COMMITTEES

For details of other Board committee's viz. Stakeholders Relationship Committee and others, kindly refer to the section on Corporate Governance.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board is required to monitor and review the Board evaluation framework. The Evaluation process provides the manner in which the performance of Directors, as a collective body in the form of Board Committees and the Board functions and performs. The overall performance of the Board was satisfactory.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism, which includes Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower policy are posted on the website of the Company and the weblink to the same is <http://www.niveditaindia.com>.

CORPORATE SOCIAL RESPONSIBILITY

The Company has been in endure to comply with the provisions of Section 135 of the Companies Act, 2013 , as a corporate citizen is looks forward to create value and growth in the society and in the community in which it operates, through its services, conduct and programs. The Company in view of its philosophy is in process of partnering with agencies to carry out its CSR activities. However, the Company did not find enough projects to spend the amount prescribed for CSR.

RISK MANAGEMENT

The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the system that governs how the Group conducts the business of the Company and manages associated risks.

The approach is based on a clear understanding of the variety of risks that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and consequently no particulars in form AOC-2 have been furnished.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://www.niveditaindia.com>.

Disclosure on related party transactions is provided in notes to financial statements as note no. 20(3).

PARTICULARS OF EMPLOYEES

The information as required under the provisions of section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in MGT 9 attached hereto, which forms part of this report.

During the F.Y.15-16, there were no persons employed, for a part of the financial year who were in receipt of remuneration of not less than Rs. 5 lakhs p.m.

However, in accordance with the provisions contained in the proviso to section 136(1) of the Companies Act, 2013, the particulars relating to other employees of the Company are not being sent as a part of this Annual Report. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the registered office of the Company.

DISCLOSURES UNDER SECTION 134(3) (L) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

AUDITORS

a) STATUTORY AUDIT

In compliance with provisions of section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration No. 113447W/W-100019) were appointed as statutory auditors of the Company from the conclusion of twenty ninth annual general meeting (AGM) held on September 22, 2014 till the conclusion of the thirty fourth AGM to be held in the year 2019, subject to ratification by the members at each annual general meeting. The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

b) SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has re-appointed, Veeraraghavan N., (Membership No. A 6911) Company Secretary in Practice to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year 2015-16 issued by him in the prescribed form MR-3 is annexed as 'Annexure B' to this Report. In respect of the observation made by the auditor in the report, Directors would like to state that the Company is in process of appointing CFO and Whole Time Director of the Company.

OTHER DISCLOSURES

Other disclosures as per provisions of section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as 'Annexure C'.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities the Company is engaged into the Company is not required to furnish information as required under the provisions of section 134(3) (m) of the Companies Act, 2013 read with the rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption. Foreign Exchange Earnings and Outgo are as follows:

- | | |
|-------------------------------|---------|
| i) Foreign Exchange Earned: | Rs. NIL |
| ii) Foreign Exchange Outflow: | Rs. NIL |

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and confidentiality of information.

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

All documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

CORPORATE GOVERNANCE

Pursuant to SEBI Listing Regulations, 2015 a separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been separately furnished in the Annual Report and forms a part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by the employees.

For and on Behalf of the Board of Directors

Devendra Khandelwal
(DIN: 07460858)
Director

Mayuri Jain
(DIN: 07434615)
Director

Mumbai: 30th May, 2016

**ANNEXURE C TO THE DIRECTORS REPORT
FORM MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L51900MH1985PLC037039
Registration Date	05.08.1985
Name of the Company	Nivedita Mercantile & Financing Limited
Category/ Sub-Category of the Company	Company having Share Capital/Indian Non-Government Company
Address of the Registered Office and contact details	5th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (E) Mumbai -400057 Tel. No.: 22 4287 7800 Fax No.: 22 4287 890 Email Add: cosec@niveditaindia.com Website : www.niveditaindia.com
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited 1st Floor, 19 Jafferboy Ind. Estates, Makwana Road, Marol Naka, Mumbai- 400059 Tel. No.:022- 42270400 Fax No.:022- 28503748 Website: www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr.No.	Name and Description of Main Products/Services	NIC code of the Product/ Service	% to total turnover of the Company
1.	This class includes financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation (such as venture capital companies, industrial banks, investment clubs), where the granting of credit can take a variety of forms, such as loans.	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	V Can Exports Private Limited	U51909MH2003PTC139722	Subsidiary Company	100.00	2(87)
2.	Chitta Finlease Private Limited	U65900MH1995PTC090846	Subsidiary Company	75.20	2(87)

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

i) Category-wise Shareholding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2122000	-	2122000	21.41	2122000	-	2122000	21.41	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2440700	-	2440700	24.63	2440700	-	2440700	24.63	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other		-				-			-
(f-i) Trusts	1868332	-	1868332	18.85	1868332	-	1868332	18.85	
Sub- Total(A) (1):	6431032	-	6431032	64.89	6431032	-	6431032	64.89	-
(2) Foreign									-
a) NRI's- Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other									
Sub- Total(A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)= (A) (1)+(A)(2)	6431032	-	6431032	64.89	6431032	-	6431032	64.89	-
B. Public Share holding									
(1) Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI									
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-Total(B) (1):	-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions										
a) Bodies Corporate										
i) Indian	1028498	930	1029428	10.39	1003469	930	1004399	10.13	(0.26)	
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	51830	35670	87500	0.88	51859	35670	87529	0.88		-
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2362370	-	2362370	23.84	2387370	-	2387370	24.10	0.26	
c) Others (specify)										
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	-	-	-	-	-	-	-	-	-	-
v) Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-	-

ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2):	3442698	36600	3479298	35.11	3442698	36600	3479298	35.11	0.00
Total Public Share holding (B)=(B) (1)+(B)(2)	3442698	36600	3479298	35.11	3442698	36600	3479298	35.11	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9873730	36600	9910330	100	9873730	36600	9910330	100	0.00

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
Akrur Khetan	545400	5.50	-	545400	5.50	-	-
Anupma Khetan	545400	5.50	-	545400	5.50	-	-
Astha Trust	491666	4.96	-	491666	4.96	-	-
Buteo Investment Pvt. Ltd.	300000	3.03	-	-	-	-	(3.03)
Eskay Infrastructure Development Pvt. Ltd.	340700	3.44	-	1240700	12.52	-	9.09
Germane Holdings Pvt. Ltd.	900000	9.08	-	-	-	-	(9.09)
Glint Infraprojects Pvt. Ltd.	900000	9.08	-	1200000	12.11	-	3.03
Krupa Family Private Trust	360000	3.63	-	360000	3.63	-	-
Kamal Khetan	325400	3.28	-	325400	3.28	-	-
Kamal Khetan HUF	325400	3.28	-	325400	3.28	-	-
Paripurna Trust	267000	2.69	-	267000	2.69	-	-
Shradhha Trust	258000	2.60	-	258000	2.60	-	-
Manisha Khetan	380400	3.84	-	380400	3.84	-	-
Matrabhav Trust	491666	4.96	-	491666	4.96	-	-
Total	6431032	64.89	0.00	6431032	64.89	0.00	-

(iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	No change during the year			
At the end of the year	No change during the year			

(iv). Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADR)

For Each of the Top 10 shareholders		Shareholding at the beginning of the year (01.04.2015)		Shareholding at the end of the year (31.03.2016)	
Sr. No.	Name of the Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mount Overseas Private Limited	291667	2.94	291667	2.94
2.	Dipti Shailesh Parekh	250000	2.52	250000	2.52
3.	Lalita Kamal Kishore Vyas	250000	2.52	250000	2.52
4.	Shailesh Popatlal Parekh	250000	2.52	250000	2.52
5.	Industele Services Private Limited	225000	2.27	225000	2.27
6.	Renu Rajesh Agarwal	208333	2.10	208333	2.10
7.	Matadi Advisory Services Private Limited	100000	1.01	100000	1.01
8.	Vanna Trading Company Private Limited	90000	0.91	90000	0.91
9.	Ritu Arvind Agarwal	83334	0.84	83334	0.84
10.	Ravi Shailesh Parekh	83333	0.84	83333	0.84
11.	Rushikesh Shailesh Parekh	83333	0.84	83333	0.84

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	None of the Directors hold shares in the Company			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the end of the year				

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4465.00	1587.80	-	6052.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.05	-	-	2.05
Total (i+ii+iii)	4467.05	1587.80	-	6054.85
Change in Indebtedness during the financial year				
Additions	3454.53	10179.14	-	13633.67
Reduction	-	-	-	-
Net Change	3454.53	10179.14	-	13633.67
Indebtedness at the end of the financial year				
i) Principal Amount	7869.00	11766.94	-	19635.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	52.58	-	-	52.58
Total (i+ii+iii)	7921.58	11766.94	-	19688.52

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole- time Directors and /or Manager: Not Applicable

B. Remuneration to other Directors:

1. Independent Directors

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Asim Santara	Mr. Hiten Shah	Mr. Sudarshan Somani	Total Amount
1.	- Fee for attending Board/ Committee Meetings	0.20	0.15	0.15	0.50
2.	- Commission	-	-	-	-
3.	- Others	-	-	-	-
	Total (B)(1)	0.20	0.15	0.15	0.50

2. Other Non Executive Directors :Not Applicable

Sr. No.	Particulars of Remuneration	Name of the Directors	Total Amount
1.	- Fee for attending Board/Committee Meetings	-	-
2.	- Commission	-	-
3.	- Others	-	-
	Total (B)(2)	-	-
	Total (B)= (B)(1)+ (B)(2)		0.50

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**(Rs. in Lakhs)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Mayuri Jain Company Secretary
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	0.60
	(b) Value of perquisites under Section 17(2), Income Tax Act, 1961	-
	(c) Profits in Lieu of salary under Section 17 (3), Income Tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	-
	as % of Profit	-
	others	-
5.	Others	
	-	
	Total (c)	0.60

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors**Mumbai, 30th May 2016**

Devendra Khandelwal
(DIN: 07460858)
Director

Mayuri Jain
(DIN: 07434615)
Director

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), the report containing the details of the Governance systems and process at Sunteck Realty Limited is as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and system that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. This is vital to gain and retain investor trust.

Corporate Governance norms and processes ensure effective engagement with the changing business environment and always seek to ensure that its performance goals are met with integrity. Your Company considers it inherent responsibility to disclose timely and accurate information regarding financials and performance of the Company.

The Company is in compliance with the applicable requirement specified in Clause 49 of Listing Agreement and Regulation 17 to Regulation 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

2. BOARD OF DIRECTORS

2.1. Composition of the Board:

The Company's policy is to maintain the optimum combination of Executive and Non Executive Directors with one woman Director to take care of the Business needs, stakeholder's interest and to ensure effective governance. As at 31st March, 2016, the Board consists of Five (5) Directors, out of which Three (3) are Non Executive Independent Directors who provide valuable guidance to the Management of the Company on various aspects of the Company's business operations. The composition of the Board is in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, as amended from time to time.

2.2 Number of Board meetings held, dates on which held:

During the Financial year ended on 31st March 2016, the Board of Directors of the Company had met four times and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board meets are 26th May, 2015, 13th August 2015, 9th November 2015 and 12th February 2016. The requisite quorum was present for all the meetings of the Board held during the financial year 2015-16.

2.3 The names and categories of the Directors on the Board, their attendance at Board Meetings and at the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies are given below:

Name of the Director	Category	No. of Board Meetings attended	Attendance at the last AGM
Asim Kumar Santara	Independent Non- Executive	4	No
Hiten Shah	Independent Non Executive	3	No
Sudarshan Somani	Independent Non- Executive	3	No
Rajesh Kumar Mundra*	Non Independent, Non- Executive	3	Yes
Devendra Khandelwal\$	Non Independent, Non- Executive	N.A.	N.A.
Lalitha Cheripalli#	Non Independent, Non- Executive	1	N.A.
Hemlata Thanvi@	Non Independent, Non- Executive	1	Yes
Mayuri Jain &	Non Independent, Non- Executive	N.A.	N.A.

* Mr. Rajesh Kumar Mundra resigned as Director on the Board of the Directors of the Company on 12th February, 2016.

\$ Mr. Devendra K was appointed as an additional Director w.e.f. 12th February, 2016.

Ms. Lalitha Cheripalli resigned as an additional Director on the Board of the Directors of the Company on 27th May, 2015.

@ Ms. Hemlata Thanvi appointed as an additional director on 27th May, 2015 and resigned as Director on the Board of the Directors of the Company on 5th February, 2016.

& Ms. Mayuri Jain appointed as an additional Director w.e.f. 12th February, 2016.

2.4 Number of Directorships and Committee Chairmanships/ Memberships held by them in other companies:

Name of Director	Number of Directorship in other Indian Public Limited companies as on 31st March, 2016*	No. of Committee positions held in other Indian Public Limited companies as on 31st March, 2016\$	
		Membership	Chairmanship
Asim Kumar Santara	Nil	1	1
Hiten Shah	1	1	Nil
Sudarshan Somani	Nil	Nil	Nil
Devendra Khandelwal	Nil	Nil	Nil
Mayuri Jain	Nil	Nil	Nil

* The Number of Directorships in other public limited companies includes Private Limited Companies which are Subsidiaries of the Public Limited Company.

\$ Includes only Audit Committee and Stakeholders' Relationship Committee of Public limited companies (whether listed or not).

2.5 Code of Conduct and Business Ethics:

The Company has adopted a code of conduct and Business ethics for Directors and Senior Management Personnel of the Company. As per Clause 49 of the Listing Agreement and the corresponding Listing Regulations, 2015 the same have been posted on the Company's website. The Company has received confirmations from the Directors and Senior Management personnel regarding compliance with the Code for the year ended 31st March, 2016.

2.6 There are no inter-se relationships between the Board members.

2.7 Non-Executive Directors do not hold any shares of the Company.

2.8 Weblink of familiarisation programme for Independent Directors is disclosed on the Company's website www.niveditandia.com.

COMMITTEES OF THE BOARD OF DIRECTORS

3. AUDIT COMMITTEE

I. Composition, Name of Members, Chairperson and attendance during the year:

The composition of Committee meets with requirements of section 177 of the Companies Act, 2013 and Regulation 18(1) of Listing Regulations. The Audit Committee comprises of three Non-Executive (Independent) Directors having requisite accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee

The composition and attendance of the members of the Audit Committee as on 31st March, 2016 is as follows:

Name of Member	Category	No. of Meetings	
		Held	Attended
Asim Kumar Santara- Chairman	Independent, Non Executive	4	4
Hiten Shah	Independent, Non Executive	4	4
Rajesh Kumar Mundra	Non Independent, Non Executive	3	3

II. Details of Audit Committee Meetings held during the year under review:

During the Financial Year under review, four meetings of the Audit Committee were held i.e. on 26th May 2015, 13th August 2015, 7th November 2015 and 12th February, 2016.

III. Terms of Reference:

The composition, powers, role and terms of reference of the Committee are wide enough covering the matters specified for Audit Committee under clause 49 of the Listing Agreement /Regulation 18 read with Part C of schedule II to the Listing Regulations and section 177 of the Companies Act, 2013.

4. NOMINATION AND REMUNERATION COMMITTEE:

i. Composition, Name of Members and Chairperson:

The composition of the members of the Nomination and Remuneration Committee as on 31st March 2016 is as follows:

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Sudarshan Somani-Chairman	Non-Executive, Independent	3	2
Mr. Hiten Shah	Non-Executive, Independent	3	3
Mr. Rajesh Kumar Mundra	Non Independent, Non Executive	3	2

ii. Details of Nomination and Remuneration Committee Meetings held during the year under review:

During the Financial Year under review, three meetings of the Nomination and Remuneration Committee were held i.e. on 26th May 2015, 13th August 2015 and 12th February, 2016.

iii. Terms of Reference:

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing agreement /Regulation 19 read with Part D of schedule II to the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee inter-alia includes, identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, determining the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board appointment and removal of Directors & Key Managerial Personnels, carry out evaluation of every Director's performance and recommend to the Board a policy, relating to the remuneration of directors, key managerial personnels and other employees.

iv. Performance evaluation criteria for Independent Directors:

In accordance with Schedule IV to the Companies Act, 2013 and the Listing Regulations, performance evaluation of Independent Directors is done by the entire Board excluding the Director being evaluated.

5. Brief about Remuneration Policy:

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy are as follows:

A. Remuneration structure of Executive and Independent Directors:

- i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) and commission as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders (wherever required) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- ii. The total commission payable to the Independent Directors shall not exceed 1% of the net profit of the Company.
- iii. The remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/ Executive Director etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder:

- i. The compensation of KMP and Senior Management personnel shall be approved by the Nomination and Remuneration Committee.
- ii. The Compensation of a KMP and Senior Management personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- iii. The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.

Details of Remuneration/Commission and fees paid to Executive and Non-Executive Directors for the FY 2015-16:

The Company has paid Rs. 50,000/- as sitting fees to Non -Executive Directors during the Financial Year 2015-16 for attending each meeting of the Board of Directors.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.

This Committee is specifically responsible for the redressal of security holders grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company relating to investors services and recommend measures for improvement.

Details pertaining to the number of complaints received and responded and status thereof during the financial year 2015-16 are given below:

Particulars	Details in Numbers
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending at the end of the year	Nil

- i. Composition, Name of Members and attendance during the year:

The Committee is headed by Mr. Hiten Shah, Independent Director and consists of the members as stated below:

Name of Member	Category	No. of Meetings	
		Held	Attended
Hiten Shah-Chairman	Independent, Non Executive	4	3
Asim Kumar Santara	Independent, Non Executive	4	4
Rajeshkumar Mundra	Non Independent, Non Executive	4	3

During the Financial Year under review, four meetings of the Stakeholders' Relationship Committee were held i.e. on 26th May 2015, 13th August 2015, 9th November 2015 and 12th February, 2016.

- ii. Ms. Mayuri Jain, Company Secretary is the Compliance Officer of the Company.

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Independent Directors are required to hold at least one meeting in a year, without the attendance of non-independent Directors and the members of the management as per Schedule IV of the Companies Act, 2013 and the rules made under it. It is recommended that all the independent directors of the Company be present at such meetings.

During the year under review, Independent Directors met on February 12, 2016, 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 the 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 their duties.

All Independent Directors were present at the Meeting.

8. GENERAL BODY MEETINGS

- i. Annual General Meetings (AGM):

Date	Venue	Time	No. of Special Resolution Passed
29th September, 2015	Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057	10.00 a.m.	None
22nd September, 2014	Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057	10.00 a.m.	None
27th September, 2013	M.I.G. Club, M.I.G. Colony, Bandra (East), Mumbai 400051	5.00 p.m.	None

- ii. Extra-Ordinary General Meetings and Postal Ballot:

During the year, no EGM was convened nor any approval of the shareholders obtained through Postal Ballot.

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in Asian Age and Aapla Mahanagar and are also displayed on its website at the following web link <http://www.niveditaindia.com/>.

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website. All periodical information including the statutory filings and discussion are filed with BSE Limited.

10. GENERAL SHAREHOLDER INFORMATION

CIN No.	L51900MH1985PLC037039
Registered Office Address	Nivedita Mercantile and Financing Limited 5th Floor, Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057 Tel No.: 022- 4287 7800
AGM: Date, Time and Venue	29th September, 2016 , 10.00 a.m. at Sunteck Centre, 37-40, Subhash Road, Vile Parle (E), Mumbai 400057

Financial Year	The Financial Year under review covers the period 1 st April, 2015 to 31 st March, 2016	
	Accounting year	April to March
	Financial reporting for the quarter ending June 30, 2016	On or before 14th August, 2016
	Financial reporting for the half year ending September 30, 2016	On or before 14th November, 2016
	Financial reporting for the quarter ending December 31, 2016	On or before 14th February, 2017
	Financial reporting for the year ending March 31, 2017	On or before 30th May, 2017
Date of Book Closure	26th September, 2016 to 29th September , 2016	
Dividend Payment date	The Board has recommended dividend @ 5% i.e. (Rs.0.50 per Share). If declared by the Shareholders in the Annual General Meeting, the same will be paid within 30 days of declaration of Dividend.	
Listing on Stock Exchanges	BSE Limited, Mumbai The Company confirms that it has paid annual listing fees due to the Stock exchanges for the FY 2016-2017.	
Stock Code	BSE : 512381 ISIN: INE992I01013	
Registrar and Transfer Agent	Adroit Corporate Services Private Limited	
Share Transfer System	The share transfers which are received in physical form are processed by Registrar and Share Transfer Agent viz. Adroit Corporate Services Pvt. Ltd. and share certificates are dispatched within the time limit prescribed under the Listing Agreement.	
Dematerialisation of shares and liquidity	As of 31st March 2016, 98,73,730 Equity Shares of the Company (99.63%) are held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited.	
Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants during the year under review.	
Commodity Price risk/Foreign Exchange Risk and Hedging	Not Applicable	
Plant Locations	The Company does not have any plant.	

Address for correspondence

Shareholders should address correspondence to

**a. Registrar and Share Transfer agents:
Adroit Corporate Services Private Limited**

1st Floor, 19 Jafferboy Ind. Estates,
Makwana Road, Marol Naka,
Mumbai- 400059
Tel No.: 022- 42270400
Email: pratapp@adroitcorporate.com
Website: www.adroitcorporate.com

b. Others:

Nivedita Mercantile and Financing Limited

5th Floor, Sunteck Centre, 37-40,
Subhash Road, Vile Parle (E),
Mumbai 400057 Tel No.: 022- 4287 7800
Website: www.niveditaindia.com
Email ID: cosec@niveditaindia.com

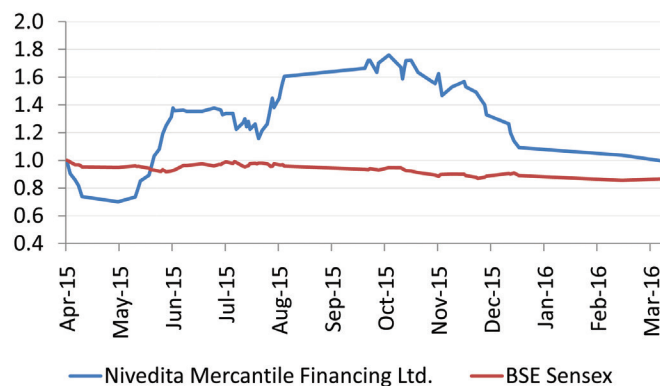
STOCK MARKET DATA:

Monthly high and low of the equity shares of the Company are as follows from April 2015 to March 2016:

S. No.	Month	BSE			S&P BSE Sensex Index		
		High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)
1	April 2015	52.30	38.60	38.60	29094.61	26897.54	27011.31
2	May 2015	44.50	36.70	44.50	28071.16	26423.99	27828.44
3	June 2015	72.05	46.70	70.80	27968.75	26307.07	27780.83
4	July 2015	72.00	64.00	64.00	28578.33	27416.39	28114.56
5	August 2015	84.00	60.50	84.00	28417.59	25298.42	26283.09
6	September 2015	-	-	-	26471.82	24833.54	26154.83
7	October 2015	92.00	83.05	89.95	27618.14	26168.71	26656.83
8	November 2015	90.00	76.75	80.00	26824.30	25451.42	26145.67
9	December 2015	82.00	62.75	62.75	26256.42	24867.73	26117.54
10	January 2016	59.65	57.10	57.10	26197.27	23839.76	24870.69
11	February 2016	-	-	-	25002.32	22494.61	23002.00
12	March 2016	54.25	52.00	52.00	25479.62	23133.18	25341.86

STOCK PERFORMANCE VS BSE SENSEX

Performance of the Company's Equity Shares on BSE Limited relative to the BSE Sensitive Index (S&P BSE Sensex) is graphically represented in the chart below:



Distribution of Shareholding as on 31st March, 2016

SHARE HOLDING OF NOMINAL VALUE (Rs.)	SHARE HOLDERS		NO.OF SHARES	
	Number	% of Total	Number	% of Total
1 - 5000	214	77.82	60970	0.62
5001 - 10,000	6	2.18	47062	0.47
10,001 -20,000	4	1.45	72475	0.73
20,001- 30,000	6	2.18	164500	1.66
30,001- 40,000	-	-	35000	0.35
40,001- 50,000	15	5.45	716496	7.23
50,001-100,000	11	4.00	907795	9.16
100,001 and above	19	6.92	7906032	79.78
TOTAL	275	100	9910330	100

Shareholding pattern as on 31st March, 2016:

CATEGORY OF SHAREHOLDERS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARE HELD
Promoter & Promoter group	12	6431032	64.89
Financial Institutions & Banks	-	-	-
Mutual Funds & UTI	-	-	-
Foreign Institutional Investors / Foreign Portfolio Investors	-	-	-
NRIs/OCBs	-	-	-
Bodies Corporate	26	1004399	10.13
Individual Shareholders holding nominal value upto Rs.2 lakhs)	207	127504	1.29
Individual Shareholders holding nominal value greater than Rs.2 lakhs)	30	2347395	23.69
Clearing Members	-	-	-
Trusts	-	-	-
TOTAL	275	9910330	100

SUBSIDIARY COMPANIES

The Company does not have any material unlisted Indian subsidiary whose income or net worth exceeds twenty percent of the consolidated income or net worth of the listed holding company and its subsidiaries in the immediately preceding accounting year as defined under the Listing Regulations.

The Company monitors the performance of its subsidiaries, interalia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The Investments made by the Subsidiary Companies are reviewed by the Audit Committee from time to time.
- Details of significant transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

The Company has a policy for determining material subsidiaries which is disclosed on its website at the following web link <http://www.niveditaindia.com/>.

12. OTHER DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended 31st March, 2016.

ii. Non Compliances/Strictures/Penalties Imposed

During the last three years, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

iii. Disclosure about Whistle Blower Policy

The Board of Directors of the Company had adopted Whistle Blower Policy wherein employees can report genuine concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against victimization of employees who avail of the whistle blower mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism.

iv. Mandatory requirements

The Company has complied with all mandatory requirements of clause 49 of the listing agreement and the corresponding Listing Regulations, 2015.

v. Non-Mandatory requirements

The Company has reviewed the non mandatory requirements under clause 49 of the listing agreement/ corresponding Listing Regulations 2015 and there shall be adopted /complied by the Company on need based.

vi. Pursuant to requirements of Listing Regulations, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.niveditaindia.com.

vii. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

viii. Management Discussion and Analysis

The statement on Management Discussion and Analysis forms part of the Annual Report to the shareholders of the Company.

viii. Code of Conduct for Prevention of Insider Trading

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a code of conduct for prevention of Insider Trading. The code of conduct is applicable to all directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

For and on behalf of the Board of Directors

Mumbai, 30th May 2016

Devendra Khandelwal
(DIN: 07460858)
Director

Mayuri Jain
(DIN: 07434615)
Director

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

I hereby confirm that the Company has received from all the Board of Directors and Senior Management Personnel, an affirmation(s) that they have complied with the Code of Conduct as applicable to them in respect of the financial year ended 31st March, 2016.

For and on behalf of the Board of Directors

Devendra Khandelwal
(DIN: 07460858)
Director

Mumbai, 30th May 2016

AUDITORS CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,
**The Members of
Nivedita Mercantile and Financing Limited**

We have examined the compliance of the conditions of Corporate Governance by **Nivedita Mercantile and Financing Limited** ("the Company") for the year ended 31st March, 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance of conditions of Corporate Governance is the responsibility of the 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 opinion on the financial statements of the Company.

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

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

**For Bagaria & Co., LLP
Chartered Accountants
(Firm Registration No.113447W/W-100019)**

**Vinay Somani
Partner
Membership No. : 143503
Mumbai
30th May, 2016**

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016

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

To
The Members,
Nivedita Mercantile and Financing Limited.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nivedita Mercantile and Financing Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 , according to the provisions of :

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder
- (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder
- (iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations , 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (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
- (vi). Non Banking Financial Companies Regulations of Reserve Bank of India

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

1. The Company has not appointed CFO.

I 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 (if any) are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : 30th May, 2016

Veeraraghavan N.
ACS No.: 6911
CP No.: 4334

Management Discussion and Analysis

GLOBAL ECONOMY

Global growth remains moderate, with uneven prospects across the main countries and regions. As of April 2016, the World Economic Outlook (WEO) Update projected it to be 3.2 percent in 2016, a 0.2 percentage point downward revision versus the forecast in the January 2016. Last few months have seen a combination of global asset market volatility, some loss of growth momentum in the advanced economies, and continuing headwinds for emerging market economies and lower-income countries. In addition, other stresses of noneconomic and geo-political nature could also threaten economic activity.

Notwithstanding this cloudy picture, financial markets in advanced economies have seen an uptick in 2016 first half. There have been some improved data releases, a firming of oil prices, lower capital outflows from China all contributing to this improving sentiment. The World Economic Forum (April 2016) expects global growth to pick-up to 3.5% in 2017. This is based on assumption that: 1) There would be a gradual normalization of conditions in several economies currently under stress, 2) Trend growth rates in China remaining high (albeit lower than last two decades), 3) Pickup in commodity exports (at rates more modest vs. history), 4) Resilient growth in other emerging market and developing economies

INDIAN ECONOMY

India is emerging as one of the fastest growing major economies in the world, as per the International Monetary Fund (IMF). The contribution of global factors to India's economic upswing can't be denied. India is one of the biggest importers of crude oil in the world and lower global crude oil prices has reduced India's current account deficit, and brought down the cost of India's fuel subsidies.

However, India's economic fundamentals have also improved during the last year as some of the government reforms started taking effect and RBI remained focused on inflation control. The reforms and initiatives by the Indian government are multi-pronged and across sectors, with the aim of accelerating overall economic growth.

Some of the major initiatives include:

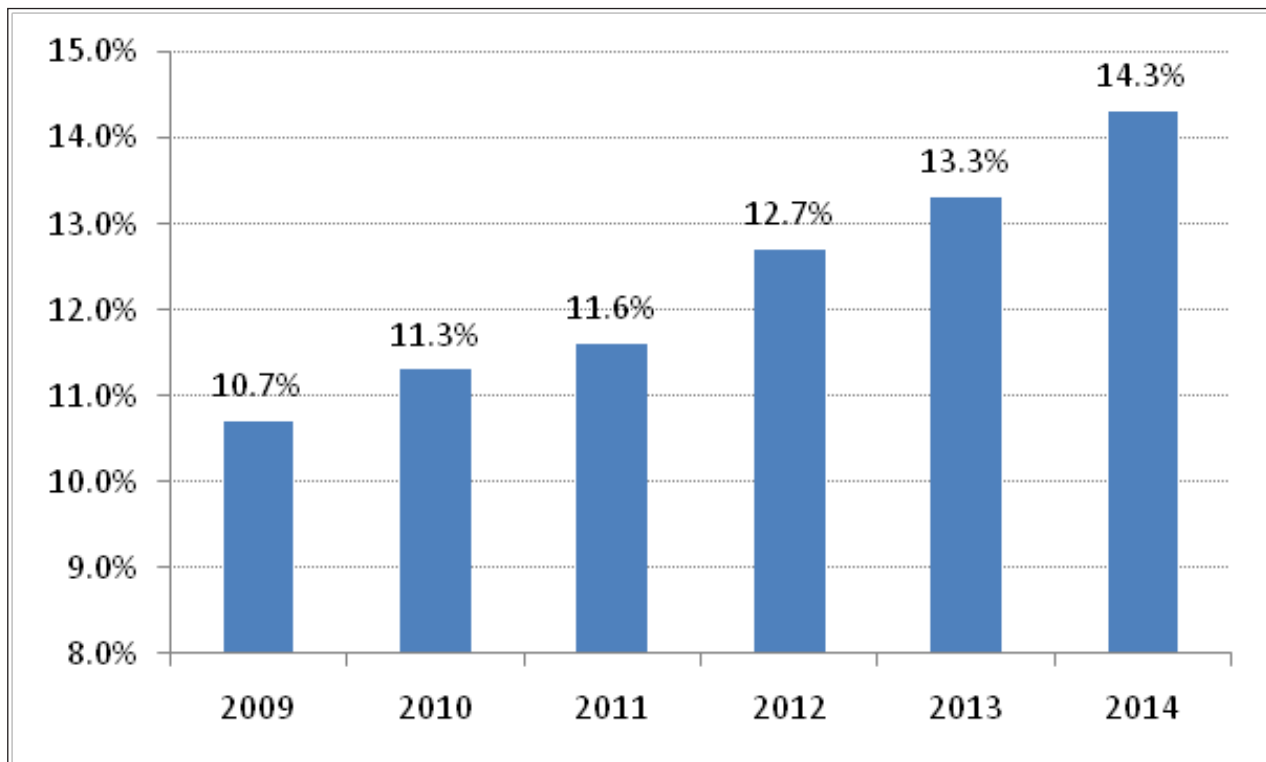
1. Increased infrastructure investments across railways, roads, ports, housing etc.
2. The "Make in India" campaign launched with the aim of boosting industrial growth and encouraging manufacturing. This has helped India achieve FDI of US\$40bn in FY16 (29% growth).
3. The "Smart Cities" initiative to improve efficiency of cities and act as a catalyst for local area development.
4. Revival of the power sector through Ujwal DISCOM Assurance Yojana (UDAY) scheme and providing 24X7 reliable power supply to all Indian citizens.
5. The "JAM Trinity" or the Jan Dhan Yojana - Aadhar - Mobile Number Trinity, to help reduce subsidy leakages while expanding financial inclusion.
6. Revival of the banking system by dealing with the rising Non-performing assets (NPA).
7. "Start-up India" to optimize the environment for encouraging entrepreneurship.
8. Improving India's "Ease of Doing Business" ranking.

In addition, India is expected to benefit from a strengthening domestic business cycle, a supportive policy environment, and an improving consumer sentiment. Demographics in India remain favorable to a structural economic growth story.

INDUSTRY OVERVIEW

The NBFC sector has been gaining systemic importance in the recent years and the share of NBFC has steadily grown from 10.7% of banking assets in 2009 to 14.3% of banking assets in 2014. Looking at narrow product segments, the gain in market share is even more pronounced. Housing finance companies' share in home loans has gone up from 26% in FY09 to 38% in FY15. Also in CV financing NBFCs' share has increased from 42% in FY13 to 46% in FY15. In smaller ticket segments like micro-finance, consumer durables, two wheeler etc., NBFCs dominate. This is because NBFCs typically have several advantages over banks due to their focus on niche segment, low cost, expertise in the specific asset classes, deeper penetration in the rural and unbanked markets, strong risk management capabilities to check and control bad debts etc. Additionally, improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends support allow strong credit growth for NBFCs.

PROPORTION OF NBFC ASSETS TO BANK ASSETS



SOURCE: CARE, PWC

The growing asset size of the NBFC sector has increased the need for risk management in the sector due to growing interconnectedness of NBFCs with other financial sector intermediaries. The Reserve Bank of India (RBI) has been in the recent past trying to strengthen the risk management framework in the sector, simplify the regulations and plug regulatory gaps so as to prevent regulatory arbitrage between banks and NBFCs.

Due to subdued economic growth, last two years, have been challenging period for the NBFCs with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of NBFCs in spite of impact on profitability.

FINANCIAL PERFORMANCE

The Company's Gross Loan Assets under Management increase from Rs. 68,97,26,046/- in FY 2014-15 to Rs. 203,79,72,444/- in FY 2015-16. During the year under consideration your Company's total income including other income is Rs. 21,87,52,355/- as compared to Rs. 18,65,79,075/- in the previous year. The Net Profit after tax is Rs. 5,71,58,096/- against the profit of Rs. 7,51,08,500/- in the previous year.

RISK MANAGEMENT

The objective of risk management systems is to measure and monitor the various risks the Company is subject to and to implement policies and procedures to address these. The Company continues to improve its operating processes and risk management systems that will further enhance its ability to manage these risks.

Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. It includes employee negligence, fraud, petty theft, burglary and embezzlement. Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews.

Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with the Company. Your Company aims to reduce credit risk through a rigorous loan approval and appraisal process, as well as a strong NPA monitoring and collection strategy.

Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in the Company's business. The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce its exposure to the volatility inherent in financial instruments. The majority of the Company's borrowings, and all the loans and advances it makes, are at fixed rates of interest. This minimizes the Company's interest rate risk.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements. The Company tracks the potential impact of prepayment of loans at a realistic estimate of its near to medium-term liquidity position.

Business cycle risk

Business cycle risk is the risk associated with the seasonal or cyclical nature of a business. As customers include both individuals and business loan products are used by customers in various industries, trade cycles have limited impact on Company's business.

INTERNAL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, estimates, expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied due to several factors which are beyond the control of the management. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

Independent Auditor's Report

To
The Members of
Nivedita Mercantile & Financing Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Nivedita Mercantile & Financing Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:
- a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no 20(2) to the financial statement;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bagaria & Co. LLP

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 30th, 2016

"Annexure A" to the Independent Auditor's Report - 31.03.2016

(Referred to in our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. There are no fixed assets and therefore clause 3(i) of the order is not applicable.
- ii. There is no inventory and therefore, clause 3(ii) of the order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Consequently, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities undertaken by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess to the extent applicable and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute except for the following:

Name of the Statute	Nature of Dues	Amount under dispute (Rs.)	Period to which amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Assessment Dues	13,00,680	FY 2012-13	CIT (A)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions. The Company has not taken any loan either from Bank or from the government and has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer. Based on our audit procedures and the information & explanations given by the management, we report that the Company has applied the moneys raised from term loans for the purpose for which they were raised.
- x. Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. The Company has not paid any managerial remuneration during the year except for sitting fees of directors. Hence provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. Based on the audit procedures performed and the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Bagaria & Co. LLP**
Chartered Accountants
Firm Registration No - 113447W/W-100019

Vinay Somani
Partner
M.No.143503
Mumbai, May 30th, 2016

"Annexure B" to the Independent Auditor's Report - 31.03.2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Nivedita Mercantile & Financing Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bagaria & Co. LLP**

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

M.No.143503

Mumbai, May 30th, 2016

BALANCE SHEET			
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
		Rs	Rs
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUND			
Share capital	2	99,103,300	99,103,300
Reserves and surplus	3	987,625,989	936,345,495
<u>NON-CURRENT LIABILITIES</u>			
Long-term borrowings	4	331,951,728	-
<u>CURRENT LIABILITIES</u>			
Short-term borrowings	5	1,631,642,810	605,280,252
Trade payable	6	5,025,240	694,746
Other current liabilities	7	11,513,299	2,439,863
Short-term provisions	8	20,272,402	32,706,736
TOTAL		3,087,134,768	1,676,570,392
<u>ASSETS</u>			
NON - CURRENT ASSETS			
Non-current investments	9	622,853,000	192,630,629
Long-term loans and advances	10	-	14,646,303
<u>CURRENT ASSETS</u>			
Current investment	11	377,274,397	757,732,602
Cash and bank balance	12	23,418,191	4,629,260
Short-term loans and advances	13	2,051,031,690	690,587,358
Other current assets	14	12,557,490	16,344,240
TOTAL		3,087,134,768	1,676,570,392
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2016

**For and on behalf of the Board of Directors of
Nivedita Mercantile and Financing Limited**

Devendra Khandelwal

Director
(DIN: 07460858)

Hiten Shah

Director
(DIN: 02185059)

Asim Santara

Director
(DIN: 01659370)

Mayuri Jain

Company Secretary

Sudarshan Somani

Director
(DIN: 00137568)

STATEMENT OF PROFIT AND LOSS			
Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
		Rs.	Rs.
INCOME			
Revenue from operations	15	214,692,478	149,300,015
Other income	16	4,046,968	37,279,060
Total revenue (I)		218,739,446	186,579,075
EXPENSES			
Operating expenses	17	120,036,986	70,732,548
Employee benefits expenses	18	1,915,293	1,517,488
Other expenses	19	32,244,380	15,656,677
Total expenses (II)		154,196,659	87,906,713
Profit for the year before tax (I - II)		64,542,786	98,672,362
Tax expense:			
(Less):Current tax		7,035,558	23,558,198
(Less):Excess/(Short) provision for tax		262,814	46
Profit for the year		57,244,414	75,114,118
Earning per equity share of face value Rs. 10 each:			
Basic		5.78	7.58
Diluted		5.78	7.58
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2016

**For and on behalf of the Board of Directors of
Nivedita Mercantile and Financing Limited**

Devendra Khandelwal

Director
(DIN: 07460858)

Hiten Shah

Director
(DIN: 02185059)

Asim Santara

Director
(DIN: 01659370)

Mayuri Jain

Company Secretary

Sudarshan Somani

Director
(DIN: 00137568)

Cash Flow Statement For The Year Ended 31st March 2016				
	Year Ended 31st March 2016		Year Ended 31st March 2015	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Profit Before Tax and Extraordinary items		64,542,786		98,672,362
Adjustment For				
Provision for Standard & Sub-Standard Asset	18,896,545		13,649,315	
Dividend Income	(1,808,025)		(2,157,924)	
Interest Income	(1,664,549)		(1,270,550)	
Loss/ (Profit) on Sale of Mutual Funds	(574,394)	14,849,577	(33,850,587)	(23,629,746)
Operating Profit before Working Capital Changes		79,392,364		75,042,616
Adjustment for:				
(Increase)/Decrease in Long Term Loans & Advances, Short Term Loans & Advances and in other current Assets	(1,346,398,501)		629,375,710	
Increase/(Decrease) in Short term Borrowings & Long Term Borrowing	1,358,314,286		(183,003,208)	
Increase/(Decrease) in Trade Payable, Short Term provisions and other current liabilities	(16,116,729)	(4,200,944)	(978,759)	445,393,743
Cash Generated From Operations		75,191,421		520,436,359
Income Tax Paid/(Refund)		4,958,327		11,702,079
Net Cash inflow /(used) from Operating Activities (A)		70,233,094		508,734,280
Cash Flow from Investing Activities				
Purchase of Investment	(441,241,372)		(601,718,661)	
Sale of Investment	388,763,191		88,746,559	
Pre- acquisition Interest	3,288,407		-	
Interest Received	1,664,549		1,270,550	
Dividend Income	1,808,025	(45,717,200)	2,157,924	(509,543,628)
Net Cash inflow / (used) in Investing Activities (B)		(45,717,200)		(509,543,628)
Cash Flow from Financing Activities				
Proposed equity dividend & Interim dividend	(4,955,179)		(1,739,649)	
Dividend distribution tax on proposed & interim dividend	(1,008,903)		(354,152)	
Net Cash inflow / (used) in Financing Activities (C)		(5,964,082)		(2,093,801)

Net Increase in Cash and Cash Equivalents (A+B+C)		18,551,812		(2,903,149)
Cash and Cash Equivalents - Opening Balance		3,593,273		6,496,422
Cash and Cash Equivalents - Closing Balance		22,145,085		3,593,273

1. The above Cash Flow Statement has been prepared under the " Indirect method" set out in Accounting Standard (AS) -3 on Cash Flow Statement

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2016

**For and on behalf of the Board of Directors of
Nivedita Mercantile and Financing Limited**

Devendra Khandelwal

Director

(DIN: 07460858)

Hiten Shah

Director

(DIN: 02185059)

Asim Santara

Director

(DIN: 01659370)

Mayuri Jain

Company Secretary

Sudarshan Somani

Director

(DIN: 00137568)

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2016

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles of a going concern. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

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

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

1.3 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Interest, processing charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except in the case of non-performing assets where income is recognised only when realised. Income from bonds and debentures of corporate bodies and from government securities/bonds are accounted on accrual basis
- b) Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- c) Dividend is accounted when the right to receipt is established.
- d) Profit/Loss in dealing with securities are recongnized on the day of the settlement of the transaction

1.4 Fixed Assets & Depreciation

The Company does not have any Fixed Asset as on 31st March 2016.

1.5 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and market value whichever is less.

All other investments are classified as non current Investments. Non Current Investments are carried at cost, less provision for diminution in value other than temporary.

1.6 Taxation

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961.

1.7 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

1.8 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.9 Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

1.10 Advances

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

Provision on restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

1.11 Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise of unencumbered cash and bank balances.

1.12 Share Issue Expenses

Share issue expense is charged to the statement of Profit & Loss in the year in which it is incurred.

NOTES TO FINANCIAL STATEMENT					
		As at 31st March, 2016	As at 31st March, 2015		
		Rs.	Rs.		
2	Share capital				
	Share Capital				
	Authorised				
	150,000,000 (previous year 120,000,000) equity shares of Rs. 10 each	1,500,000,000	1,200,000,000		
	Total authorised share capital	1,500,000,000	1,200,000,000		
	Issued, Subscribed and Paid up				
	99,10,330 (previous year 99,10,330) equity shares of Rs. 10 each fully paid up	99,103,300	99,103,300		
	Total issued, subscribed and fully paid up share capital	99,103,300	99,103,300		
	a. Reconciliation of shares outstanding at the beginning and at the end of the year				
	Equity shares of Rs. 10/- each	Number of Shares	Number of Shares		
	Outstanding at the beginning of the year	9,910,330	9,910,330		
	Add: Fresh Issue	-	-		
	Outstanding at the end of the year	9,910,330	9,910,330		
	b. Terms/rights attached to equity shares				
	"The Company has only one class of Equity Share having value of Rs. 10 Each with an entitlement of one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. "				
	c. Details of shareholders holding more than 5% shares in the company				
	Equity shares of Rs. 10/- each fully paid	% of holding shares	Number of shares	% of holding shares	Number of shares
	Glint Infraprojects Pvt Ltd	12.11	1,200,000	9.08	900,000
	Germane Holdings Pvt Ltd	-	-	9.08	900,000
	Eskay Infrastrcutre Development Pvt Ltd	12.52	1,240,700	-	-
	Akrur Khetan	5.50	545,400	5.50	545,400
	Anupma Khetan	5.50	545,400	5.50	545,400
3	Reserves and Surplus				
	Securities premium account				
	Balance as per last financial statements	804,866,300	804,866,300		
	Add: Received during the year	-	-		
	Closing balance	804,866,300	804,866,300		
	Statutory Reserve Fund				
	Balance as per last financial statements	25,447,388	10,424,564		
	Add: Transferred during the year	11,448,883	15,022,824		

	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Closing balance	36,896,271	25,447,388
Surplus in the statement of profit and loss		
Balance as per last financial statements	106,031,807	48,034,314
Profit for the year	57,244,414	75,114,118
Balance available for appropriation	163,276,221	123,148,432
Less: Appropriations		
Statutory Reserve Fund	11,448,883	15,022,824
Proposed equity dividend (Dividend per share Rs. 0.5; Previous year Rs. 0.50)	4,955,165	1,739,649
Tax on proposed equity dividend	1,008,755	354,152
Closing balance	145,863,418	106,031,807
Total reserves and surplus	987,625,989	936,345,495
4 Long Term Borrowings		
Secured Loans		
a) Term Loan		
Financial Institutions	331,951,728	-
Total long term borrowings	331,951,728	-

**Terms and Conditions for Secured Loan taken from Financial Institutions
Indiabulls Housing Finance Ltd**

- The term loan is secured by way of mortgage of property situated at worli which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri- partite agreement.
- Rate of interest 12.25% p.a.

	Repayment schedule of secured term loan (refer note below).		
	>0 to 1 year *	8,448,272	-
	>1 year to 5 years	61,796,308	-
	>more than 5 years	270,155,420	-
	Total	340,400,000	-

* Amounts reflected in current maturities of short term borrowings

5 Short Term Borrowings		
Secured Loans		
a) Term Loan		
Financial Institutions	454,948,272	446,500,000
Unsecured Loans		
a) Loans repayable on demand		
Body corporates	1,176,694,538	158,780,252
Total short term borrowings	1,631,642,810	605,280,252

**Terms and Conditions for Secured Loan taken from Financial Institutions
Barclays Investments & Loans (India) Limited**

- 5.1 The term loan of Rs 44,65,00,000/- is secured by way of pledge of tax free bonds and other securities.
- 5.2 The interest rate on term loans of Rs. 44,65,00,000/- (Previous Year Rs. 44,65,00,000/-) @ 9% p.a. - 12%p.a. (9% p.a. - 12%p.a.)
- 5.3 Repayment schedule of secured term loan (refer note below).

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
	Repayment Schedule		
	>0 to 1 year	446,500,000	446,500,000
6	Trade Payables		
	Trade payables (refer note no.20.10 for details of dues to micro, small and medium enterprises)	5,025,240	694,746
	Total trade payables	5,025,240	694,746
7	Other Current Liabilities		
	Interest accrued but not due on borrowings	5,258,217	205,272
	Others		
	Statutory dues	4,981,984	1,198,611
	Unclaimed Dividend	1,273,098	1,035,980
	Total other current liabilities	11,513,299	2,439,863
8	Short Term Provisions		
	(a) Contingent Provisions against Standard Assets	10,807,715	4,801,948
	(b) Contingent Provisions against Sub-Standard Assets	3,500,000	24,000,000
	(c) Provision for taxation(net of Advance Tax Rs. 2,38,73,337/- Previous Year Rs 2,35,58,198/-)	767	1,810,987
	(d) Provision - Others:		
	Proposed equity dividend	4,955,165	1,739,649
	Dividend distribution tax on proposed dividend	1,008,755	354,152
	Total short term provisions	20,272,402	32,706,736
9	Non - Current Investments		
	Quoted equity instruments		
	Bata India Ltd	-	5,950,147
	Nil (previous year 5,000) equity shares of Rs. 10 each fully paid up		
	BHEL	3,372,500	-
	20,000 (previous year Nil) equity shares of Rs. 10 each fully paid up		
	Sundaram Multi Pap Ltd	9,959,509	9,959,509
	641,283 (previous year 641,283) equity shares of Rs. 1 each fully paid up		
	Dwarikesh Sugar Industries Ltd	-	693,613
	Nil (previous year 25,200) equity shares of Rs. 10 each fully paid up		
	Gujarat Industries Power Co Ltd	4,485,598	4,485,598
	50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up		
	Hindalco Industries Ltd	4,495,980	4,495,980
	25,000 (previous year 25,000) equity shares of Rs. 1 each fully paid up		
	IFCI Ltd	4,995,989	4,995,989

	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
2,00,000 (previous year 2,00,000) equity shares of Rs. 10 each fully paid up		
ITC Ltd	2,903,592	2,903,592
9,000 (previous year 9,000) equity shares of Rs. 1 each fully paid up		
Larsen and Toubro Ltd	34,740,567	29,696,895
24,250 (previous year 20,500) equity shares of Rs. 2 each fully paid up		
Marico Ltd	863,357	863,357
8,000 (previous year 4,000) equity shares of Rs. 1 each fully paid up		
Monsanto India Ltd	5,316,291	5,316,291
3,650 (previous year 3,650) equity shares of Rs. 10 each fully paid up		
Multi Commodity Exchange of India Ltd	-	4,375,242
Nil (previous year 5,000) equity shares of Rs. 10 each fully paid up		
NHPC Ltd	2,290,868	2,290,868
1,00,000 (previous year 1,00,000) equity shares of Rs. 10 each fully paid up		
NTPC Ltd	22,118,309	22,118,309
1,50,000 (previous year 1,50,000) equity shares of Rs. 10 each fully paid up		
Tata Consultancy Services Ltd	4,282,646	4,282,646
1,900 (previous year 1,900) equity shares of Rs. 1 each fully paid up		
Ultratech Cement Ltd	4,223,291	4,223,291
2,500 (previous year 2,500) equity shares of Rs. 10 each fully paid up		
Unity Infraprojects Ltd	169,483	169,483
8,000 (previous year 8,000) equity shares of Rs. 2 each fully paid up		
Unquoted equity instruments		
Eskay Infrastructure Development Pvt Ltd	787,320	787,320
78,732 (previous year 78,732) equity shares of Rs. 10 each fully paid up		
Samhrutha Habitat Infrastructure Pvt Ltd	84,922,500	84,922,500
25,35,000 (previous year 25,35,000) equity shares of Rs. 10 each fully paid up		
V Can Exports Pvt Ltd	100,000	100,000
10,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up		
Chitta Finlease Pvt Ltd	75,200	-
752 (previous year Nil) equity shares of Rs. 100 each fully paid up		
Quoted debenture instruments		
NTPC Ltd 8.49% 25th March 2025	-	-

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
	150,000 (previous year 1,50,000) debenture of Rs. 12.50 each fully paid up		
	Unquoted debenture instruments		
	0.01% Naksh Corporate Solutions Pvt Ltd	275,600,000	-
	2,756 (previous year Nil) non-convertible debenture of Rs. 1,00,000 each fully paid up		
	0.01% Chitta Finlease Pvt Ltd	157,150,000	-
	157,150 (previous year Nil) optionally convertible debenture of Rs. 1,000 each fully paid up		
	Total non current investments	622,853,000	192,630,629
	Notes		
	Aggregate market value of quoted investments	91,893,087	115,402,507
	Aggregate amount of quoted investments (at cost)	104,217,980	106,820,809
	Aggregate amount of unquoted investments	518,635,020	85,809,820
	- 20,500 equity shares of Larsen and Toubro Ltd and 150,000 equity shares of NTPC are pledge to Barclays Investments and Loans (India) Ltd		
10	Long Term Loans and Advances		
	Advance Tax (Net off Provision for Tax Rs. Nil; Previous Year Rs. 27,007,759/-)	-	14,646,303
	Total long term loans and advances	-	14,646,303
11	Current Investments		
	Unquoted taxable bonds		
	Power Finance Corporation Ltd 8.90%, 18th March 2028	-	103,784,900
	Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		
	Power Finance Corporation Ltd 9.39%, 27th August 2029	-	110,627,985
	Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		
	Power Grid Corporation of India Ltd ,8.93%, 20th October 2029	-	52,886,992
	Nil (previous year 50) bonds of Rs. 10,00,000 each fully paid up		
	Power Grid Corporation of India Ltd, 9.30%, 04th September 2029	-	109,869,920
	Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		
	Quoted tax free bonds		
	Housing & Urban Development Corporation, 8.14%, 25th October 2023	25,092,561	25,254,246
	25,000 (previous year 25,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation, 8.39%, 25th October 2023	4,970,450	4,970,450
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Housing & Urban Development Corporation, 8.58%, 13th January 2029	22,149,602	22,450,490

	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
21,000 (previous year 21,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd,8.38%,12th November 2028	30,153,357	30,299,146
30,000 (previous year 30,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd,8.48% 22nd January 2029	21,169,538	21,425,100
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd 8.55% 27th March 2029	22,816,080	22,816,080
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
India Renewable Energy Development Agency Ltd,8.55%,13th March 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.00% 23rd February 2022	24,768,818	25,570,581
23,449 (previous year 23,449) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.40%,18th February 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.63%,26th March 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
National Highway Authority of India 8.20% 25th January 2022	7,865,432	8,157,032
7,417 (previous year 7,417) bonds of Rs. 1,000 each		
National Highway Authority of India 8.50%,05th February 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
National Housing Bank 8.63% 13th January 2029	7,220,000	7,220,000
1,444 (previous year 1,444) bonds of Rs. 5,000 each		
NHPC Ltd 8.54%,02nd November 2028	16,105,000	16,105,000
16,105 (previous year 16,105) bonds of Rs. 1,000 each		
NHPC Ltd 8.79%,02nd November 2028	5,268,321	5,268,321
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Power Finance Corporation 8.20% 01st February 2022	20,744,013	21,446,060
19,758 (previous year 19,758) bonds of Rs. 1,000 each		
Power Finance Corporation 8.54%,16th November 2028	29,150,000	29,150,000
29,150 (previous year 29,150) bonds of Rs. 1,000 each		
Power Finance Corporation 8.79%16th November 2028	4,405,009	4,405,009
4,310 (previous year 4,310) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 8.26% 24th September 2023	4,996,850	4,996,850
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 8.63% 24th March 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Rural Electrification Corporation Ltd 7.22%,19th December 2022	30,399,366	31,028,439
30,002 (previous year 30,002) bonds of Rs. 1,000 each		
Total current investment	377,274,398	757,732,602

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
	Notes		
	Aggregate market value of quoted investments	403,313,077	386,403,207
	Aggregate amount of quoted investments (at cost)	377,274,398	380,562,804
	Aggregate amount of unquoted investments	-	377,169,797
	- The taxable bonds of Nil/- (Previous Year Rs 35,00,00,000) and tax free bonds book value of Rs. 22,48,05,257/- (Previous Year Rs 17,51,50,000/-) are pledge to Barclays Investments and Loans (India) Ltd		
12	Cash and Bank Balances		
	i) Cash and cash equivalents		
	Balances with bank	21,680,847	2,898,553
	Cash in hand	464,238	694,720
		22,145,085	3,593,273
	ii) Other bank balances		
	Earmarked bank balances		
	Unpaid dividend bank account	1,273,106	1,035,988
	Total cash and bank balances	23,418,191	4,629,260
13	Short Term Loans and Advances		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received	2,036,897,444	689,526,046
	Loans and advances to subsidiaries	25,000	200,000
	Others		
	Advances to employee	-	8,000
	Duties and taxes recoverable	2,473,536	853,312
	Advance Tax (Net off Provision for Tax Rs.70,35,558/- ; Previous Year Rs. Nil)	10,496,200	-
	Prepaid expenses	1,139,510	-
	Total short term loans and advances	2,051,031,690	690,587,358
14	Other Current Assets		
	Interest accrued and due	12,557,490	16,344,240
	Total other current assets	12,557,490	16,344,240
15	Revenue From Operations		
	Finance activity		
	Operating income	176,329,460	121,425,200
	Processing fees	-	350,000
		176,329,460	121,775,200
	Other Operating revenue		
	Interest income	38,363,018	27,524,815
	Total revenue from operations	214,692,478	149,300,015

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
16	Other Income		
	Dividend Income:		
	Mutual fund	-	343,961
	Shares	1,808,025	1,813,963
	Interest on income tax refund	1,664,549	1,270,550
	Profit on sales of Investment	574,394	33,850,587
	Total other income	4,046,968	37,279,060
17	Operating Expenses		
	Interest expense	115,030,258	67,892,586
	Processing Fees paid	3,806,728	-
	Legal and professional fees	1,200,000	2,839,962
	Total operating expenses	120,036,986	70,732,548
18	Employee Benefits Expenses		
	Salaries and wages	1,614,315	1,171,524
	Staff welfare expenses	300,978	345,964
	Total employee benefit expenses	1,915,293	1,517,488
19	Other Expenses		
	Annual, listing fees and other fees	554,513	212,713
	Brokerage expense	1,839,203	-
	Business promotion	66,333	68,569
	Demat charges	139,011	38,228
	Director sitting fees	50,000	45,000
	Legal and professional	8,164,935	610,178
	Miscellaneous expenses	249,865	264,977
	Payments to auditors	47,500	47,500
	Printing and stationery	131,301	77,705
	Provision for standard & sub- standard assets	18,896,545	13,649,315
	Rent, rates and taxes	932,947	2,500
	Stamp duty & postage	750,000	238,751
	Travelling and conveyance	422,227	401,241
	Total other expenses	32,244,380	15,656,677

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2016

20. Other Required Disclosures;

1. Earning Per Share

(Rs.)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net profit for the year attributable to equity shareholders (Rs.)	57,244,414	75,114,118
Weighted Average No. of Equity shares outstanding for Basic Earnings per share	9,910,330	9,910,330
Weighted Average No. of Equity shares outstanding for Diluted Earnings per share	9,910,330	9,910,330
Basic Earnings per share (face valued of Rs 10/-each)	5.78	7.58
Diluted Earnings per share (face valued of Rs 10/-each)	5.78	7.58

2. Contingent liabilities and commitments

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Contingent Liabilities (to the extent not provided for)	1,300,680	-
b) The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities, wherever applicable in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.		

3. Related Party Disclosures

Name of the Related Parties :

Related parties where control exists, irrespective of whether transaction has occurred or not:

Subsidiary Companies:

V Can Exports Pvt Ltd
Chitta Finlease Pvt Ltd

Related Party Transactions

Particulars	Subsidiary	
	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
(i) Transaction during the year		
(a) Interest income		
Chitta Finlease Pvt Ltd	8,736	-
(b) Loans and advances given / (received)		
V Can Exports Pvt Ltd	(175,000)	-
(c) Non - current investments in subsidiary - Optionally convertible debentures		
Chitta Finlease Pvt Ltd	157,150,000	-
(d) Non- current investments - Share Capital		
Chitta Finlease Pvt Ltd	75,200	-
(ii) Outstanding balances as at the year end		

(a) Loans and advances given		
V Can Exports Pvt Ltd	25,000	200,000
(b) Non - current investment in shares - subsidiary		
V Can Exports Pvt Ltd	100,000	100,000
Chitta Finlease Pvt Ltd	75,200	-
(c) Non-current investments in subsidiary - optionally convertible debentures		
Chitta Finlease Pvt Ltd	157,150,000	-

4. In the opinion of the Management, Long Term Loans & Advances, Short Term Loans & Advances & Short Term Borrowing would be realizable/payable at least of an amount equal to the amount at which they are stated in the Balance sheet. Further provisions have been made for all known & accrued liabilities.
5. The Following additional information is disclosed in terms of RBI Circulars: (From Note No 4 to 7 below)

(Rs. in Lacs)

Particulars	Amount outstanding	Amount overdue
Liabilities side :		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits		
(c) Term Loans	7,869.00	-
(d) Inter-corporate loans and borrowing	11,766.95	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
Total	19,635.95	-

(Rs. in Lacs)

Assets side :	Amount outstanding	Amount overdue
(2) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below) :		
(a) Secured	-	-
(b) Unsecured	20,369.22	-
Total	20,369.22	-
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Leased assets including lease rentals under Sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
Total	-	-

(Rs. in Lacs)

Assets side :	Amount outstanding	Amount overdue
(4) Break-up of Investments :		
Current Investments:		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	3,772.74	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	1,042.18	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2. Unquoted		
(i) Shares : (a) Equity	858.85	-
(b) Preference	-	-
(ii) Debentures and Bonds	4,327.50	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
Total	10,001.27	-

Category	Secured / Unsecured	Total
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :		
1. Related parties		
(a) Subsidiaries	0.25	0.25
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	20,368.97	20,368.97
Total	20,369.22	20,369.22

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
1. Related parties		
(a) Subsidiaries	1.75	1.75
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	9,999.52	9,999.52
Total	10,001.27	10,001.27

(7) Other information		
Particulars	Amount Rs	Amount Rs
(i) Gross Non-performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-
Total	-	-

6. Exposure to real estate sector is 1,85,57,44,277/- Includes Kanaka & Associates, Piramal Sunteck Realty Pvt Ltd, Sunteck Realty Ltd, Starlight Systems (I) LLP, Sahrish Constructions Pvt Ltd, Prime Home Constructions and Developers Pvt Ltd, Satguru Corporate Services Pvt Ltd & Starteck Infraprojects Pvt Ltd
7. The Company has maintained 25.66% as Capital Adequacy Ratio as on 31.03.2016
8. Pursuant to "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015", a Systemically Important NBFC is required to disclose the Maturity Pattern in the Balance Sheet. Pursuant to the said provisions the borrowings by the Company from other body Corporates are payable as and when the demand been made by the Body Corporates and the Loans and advances granted during the year are perpetual and are renewed on the timely basis. Hence it is difficult to arrive at the Maturity Pattern by the Company as per the NBFC Directions.
9. Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.
10. **Micro, Small and Medium Enterprises**

The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro Small and Medium enterprises, as defined under Micro Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2016 is made in the financial statements based on information received and available with the company.

Independent Auditor's Report

**To,
The Members of
Nivedita Mercantile & Financing Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Nivedita Mercantile & Financing Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company & its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated 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:

- i. in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2016;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.17,67,15,374 as at March 31st, 2016, and total loss of Rs. 1,03,029 for the year ended March 31st, 2016 as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, 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 and aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company, none of the directors of any such company are disqualified as on March 31, 2016, from being appointed as a Director of the company in terms of sub-section (2) of section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiaries - Refer note no 20(2) to the consolidated financial statements;
- (ii) The Holding Company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bagaria & Co. LLP

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

Membership No.: 143503

Mumbai, May 30th, 2016

"Annexure A" to the Independent Auditor's Report - 31.03.2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **Nivedita Mercantile & Financing Limited** ("the Holding Company") as of and for the year ended March 31, 2016 we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bagaria & Co. LLP

Chartered Accountants

Firm's Registration No - 113447W/W-100019

Vinay Somani

Partner

M.No.143503

Mumbai, May 30th, 2016

CONSOLIDATED BALANCE SHEET			
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
		Rs	Rs
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUND			
Share capital	2	99,103,300	99,103,300
Reserves and Surplus	3	988,582,916	937,338,066
MINORITY INTEREST			
		24,800	-
NON CURRENT LIABILITIES			
Long-term borrowings	4	331,951,728	-
CURRENT LIABILITIES			
Short-term borrowings	5	1,649,894,622	606,302,064
Deferred Tax Liabilities	20.5	-	44,240
Trade payable	6	3,890,965	745,481
Other current liabilities	7	11,639,210	2,439,863
Short-term provisions	8	20,272,402	32,706,736
TOTAL			
		3,105,359,943	1,678,679,750
<u>ASSETS</u>			
NON - CURRENT ASSETS			
Non-current investments	9	639,891,755	193,580,629
Long-term loans and advances	10	65,853	14,713,156
CURRENT ASSETS			
Current Investment	11	377,274,398	757,732,601
Cash and Bank balance	12	23,488,758	4,796,765
Short-term loans and advances	13	2,052,081,690	691,512,358
Other Current Assets	14	12,557,490	16,344,240
TOTAL			
		3,105,359,943	1,678,679,750
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No : 113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2016

**For and on behalf of the Board of Directors of
Nivedita Mercantile and Financing Limited**

Devendra Khandelwal

Director
(DIN: 07460858)

Hiten Shah

Director
(DIN: 02185059)

Asim Santara

Director
(DIN: 01659370)

Mayuri Jain

Company Secretary

Sudarshan Somani

Director
(DIN: 00137568)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
Particulars	Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
		Rs.	Rs.
INCOME			
Revenue from operations	15	214,683,742	149,300,015
Other income	16	4,068,613	37,279,060
Total revenue (I)		218,752,355	186,579,075
EXPENSES			
Operating expenses	17	120,036,986	70,732,548
Employee benefits expenses	18	1,915,293	1,517,488
Other expenses	19	32,403,658	15,662,295
Total expenses (II)		154,355,937	87,912,331
Profit for the year before tax (I - II)		64,396,418	98,666,744
Tax expense:			
Current tax		7,035,558	23,558,198
Short/(Excess) provision for taxation		263,715	46
Deferred tax		(44,240)	-
Profit before Minority Interest		57,141,384	75,108,500
Less: Minority interest		(16,711)	-
Profit after Minority Interest		57,158,096	75,108,500
Earning per equity share of face value Rs. 10 each:			
Basic		5.77	7.58
Diluted		5.77	7.58
Significant Accounting Policies and the accompanying notes form an integral part of financial statements	1		

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No : 113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

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(DIN: 00137568)

CONSOLIDATED CASH FLOW STATEMENT				
Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Profit before tax as per Statement of Profit and Loss		64,396,418		98,666,744
Adjusted for:				
Provision for Standard & Sub- Standard Assets	18,896,545		13,649,315	
Interest Income	(1,664,549)		(1,270,550)	
Dividend Income	(1,808,025)		(2,157,924)	
(Profit) / Loss on Sale of Investments	(574,394)	14,849,577	(33,850,587)	(23,629,745)
Operating Profit before Working Capital Changes		79,245,995		75,036,999
Adjusted for:				
(Increase)/Decrease in Long Term Loans & Advances, Short Term Loans & Advances and in other current Assets	(1,346,522,501)		628,449,710	
Increase/(Decrease) in Short term Borrowings	1,375,544,286		(181,981,396)	
Increase/(Decrease) in Trade Payable, Short Term provisions and other current liabilities	(17,175,828)		(928,024)	
		11,845,958		445,540,290
Cash Generated from / (used in) Operations		91,091,952		520,577,289
Less: Income Tax Paid		4,958,327		11,767,932
Net Cash from / (used in) Operating Activities (A)		86,133,625		508,809,357
Cash Flow from Investing Activities				
Sale of Investments	389,813,193		88,746,559	
Purchase of Investments	(458,380,127)		(602,668,661)	
Pre- acquisition Interest	3,288,407		-	
Interest Income	1,664,549		1,270,550	
Dividend Income	1,808,025		2,157,924	
Business (Acquisition) / Dilution	91,284		1,042,429	
Net Cash from / (used in) Investing Activities (B)		(61,714,669)		(509,451,199)
Cash Flow from Financing Activities				
Proposed equity dividend & Interim dividend	(4,955,179)		(1,739,649)	
Dividend distribution tax on proposed & interim dividend	(1,008,903)		(354,152)	

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.
Net Cash from / (used in) Financing Activities (C)		(5,964,082)		(2,093,801)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		18,454,874		(2,735,643)
Cash and Cash Equivalents - Opening Balance		3,760,778		6,496,421
Cash and Cash Equivalents - Closing Balance		22,215,652		3,760,778

Note:

1) The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standards- 3 on "Cash Flow Statements"

In terms of our report attached.

For Bagaria & Co., LLP

Chartered Accountants

Firm's Registration No :113447W/W-100019

Vinay Somani

Partner

Membership No. 143503

Place: Mumbai

Date: 30th May, 2016

**For and on behalf of the Board of Directors of
Nivedita Mercantile and Financing Limited**

Devendra Khandelwal

Director

(DIN: 07460858)

Hiten Shah

Director

(DIN: 02185059)

Asim Santara

Director

(DIN: 01659370)

Mayuri Jain

Company Secretary

Sudarshan Somani

Director

(DIN: 00137568)

Significant Accounting Policies and Notes on consolidated accounts for the year ended 31st March 2016

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles of a going concern. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

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

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

1.3 Principle of Consolidation

Nivedita Mercantile & Financing Limited ('The Parent Company') and its subsidiary companies collectively referred to as "Group

The consolidated financial statements relate to the group. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- ii. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- iv. Minority's share of net assets of consolidated subsidiaries is identified and presented as minority interest in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements
- vi. The list of Subsidiary Companies, which are included in the consolidation and the Group's holdings therein are as under:

Subsidiary Companies	Proportion of ownership interest
V Can Exports Pvt Ltd	100%
Chitta Finlease Pvt Ltd	75.20%

1.4 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Interest, processing charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except in the case of non-performing assets where income is recognised only when realised. Income from

bonds and debentures of corporate bodies and from government securities/bonds are accounted on accrual basis

- b) Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- c) Dividend is accounted when the right to receipt is established.
- d) Profit/Loss in dealing with securities are recognized on the day of the settlement of the transaction

1.5 Fixed Assets & Depreciation

The Company does not have any Fixed Asset as on 31st March 2016

1.6 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and market value whichever is less.

All other investments are classified as non current Investments. Non Current Investments are carried at cost, less provision for diminution in value other than temporary.

1.7 Taxation

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961.

1.8 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

1.9 Provision

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.10 Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes on Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

1.11 Advances

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

Provision on restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

1.12 Cash and Cash Equivalents

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise of unencumbered cash and bank balances

1.13 Share Issue Expenses

Share issue expense is charged to the statement of Profit & Loss in the year in which it is incurred.

CONSOLIDATED NOTES TO FINANCIAL STATEMENT

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
2	Share capital		
	<u>Share Capital</u>		
	<u>Authorised</u>		
	150,000,000 (previous year 120,000,000) Equity Shares of Rs.10 each	1,500,000,000	1,200,000,000
	Total authorised share capital	1,500,000,000	1,200,000,000
	<u>Issued, Subscribed and Paid up</u>		
	99,10,330 (previous year 99,10,330) equity shares of Rs. 10 each fully paid up	99,103,300	99,103,300
	Total issued, subscribed and fully paid up share capital	99,103,300	99,103,300
	a. Reconciliation of shares outstanding at the beginning and at the end of the year		
		As at 31st March, 2016	As at 31st March, 2015
	Equity shares of Rs. 10 each	Number of Shares	Number of Shares
	Outstanding at the beginning of the year	9,910,330	9,910,330
	Add: Fresh Issue	-	-
	Outstanding at the end of the year	9,910,330	9,910,330
	b. Terms/rights attached to equity shares		

The Company has only one class of Equity Share having value of Rs. 10 Each with an entitlement of one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31st March, 2016		As at 31st March, 2015	
c. Details of shareholders holding more than 5% shares in the company				
Equity shares of Rs. 10 each fully paid	% of holding Share	Number of shares	% of holding Share	Number of shares
Glint Infraprojects Pvt Ltd	12.11	1,200,000	9.08	900,000
Germane Holdings Pvt Ltd	-	-	9.08	900,000
Eskay Infrastructure Development Pvt Ltd	12.52	1,240,700	-	-
Akrur Khetan	5.50	545,400	5.50	545,400
Anupma Khetan	5.50	545,400	5.50	545,400

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
3	Reserves and Surplus		
	Capital reserves		
	Balance as per last financial statements	998,189	-
	Add : Opening Capital reserve on consolidation	50,674	998,189
	Less : During the year Capital reserve on consolidation	(17,757)	-
	Closing balance	1,031,105	998,189
	Securities premium account		
	Balance as per last financial statements	804,866,300	804,866,300
	Add: Received during the year	-	-
	Closing balance	804,866,300	804,866,300
	Statutory Reserve Fund		
	Balance as per last financial statements	25,447,388	10,424,564
	Add: transfers during the year	11,448,883	15,022,824
	Closing balance	36,896,271	25,447,388
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	106,026,189	48,034,314
	Profit for the year	57,158,096	75,108,500
	Balance available for appropriation	163,184,285	123,142,814
	Less: Appropriations		
	Transfer to Capital Reserve	(17,757)	-
	Statutory Reserve Fund	11,448,883	15,022,824
	Proposed equity dividend (Dividend per share Rs. 0.50; P Y Rs. 0.50)	4,955,165	1,739,649
	Tax on proposed equity dividend	1,008,755	354,152
	Closing balance	145,789,239	106,026,189
	Total reserves and surplus	988,582,916	937,338,066
4	Long Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	331,951,728	-
	Total long term borrowings	331,951,728	-
Terms and Conditions for Secured Loan taken from Financial Institutions			
Indiabulls Housing Finance Ltd			
- The term loan is secured by way of mortgage of property situated at Worli which belongs to Naksh Corporate Solutions Pvt Ltd and Brown Trading Pvt Ltd through tri-partite agreement.			
- Rate of interest 12.25% p.a.			
Repayment schedule of secured term loan (refer note below).			
		As at 31st March, 2016	As at 31st March, 2015
	>0 to 1 year *	8,448,272	-
	>1 year to 5 years	61,796,308	-
	>more than 5 years	270,155,420	-
	Total	340,400,000	-
* Amounts reflected in current maturities of short term borrowings			

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
5	Short Term Borrowings		
	Secured Loans		
	a) Term Loan		
	Financial Institutions	454,948,272	446,500,000
	Unsecured Loans		
	a) Loans repayable on demand		
	Body corporates	1,176,694,538	159,780,252
	Others	18,251,812	21,812
	Total short term borrowings	1,649,894,622	606,302,064
	Terms and Conditions for Secured Loan taken from Financial Institutions		
	Barclays Investments & Loans (India) Limited		
	5.1 The term loan of Rs 44,65,00,000/- is secured by way of pledge of tax free bonds and other securities.		
	5.2 The interest rate on term loans of Rs. 44,65,00,000/- (Previous Year Rs. 44,65,00,000/-) @ 9% p.a. - 12%p.a. (9% p.a. - 12%p.a.)		
	5.3 Repayment schedule of secured term loan (refer note below).		
	Repayment Schedule		
		As at 31st March, 2016	As at 31st March, 2015
	>0 to 1 year	446,500,000	446,500,000
6	Trade Payables		
	Trade payables (refer note no.20.7 for details of dues to micro, small and medium enterprises)	3,890,965	745,481
	Total trade payables	3,890,965	745,481
7	Other Current Liabilities		
	Interest accrued but not due on borrowings	5,266,073	205,272
	Others		
	Statutory dues	4,982,864	1,198,611
	Unclaimed Dividend	1,273,098	1,035,980
	Others	117,175	-
	Total other current liabilities	11,639,210	2,439,863
8	Short Term Provisions		
	(a) Contingent Provisions against Standard Assets	10,807,715	4,801,948
	(b) Contingent Provisions against Sub-Standard Assets	3,500,000	24,000,000
	(c) Provision for Tax(Net of Advance Tax Rs. 2,38,73,337/- P.Y. Rs 2,35,58,198/-)	767	1,810,987
	(d) Provision - Others:		
	Proposed equity dividend	4,955,165	1,739,649
	Dividend distribution tax on proposed dividend	1,008,755	354,152
	Total short term provisions	20,272,402	32,706,736

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
9	Non - Current Investments		
	Investment in property	174,363,955	-
	Quoted equity instruments		
	Bata India Ltd	-	5,950,147
	Nil (previous year 5,000) equity shares of Rs. 10 each fully paid up		
	BHEL	3,372,500	-
	20,000 (previous year Nil) equity shares of Rs. 10 each fully paid up		
	Sundaram Multi Pap Ltd	9,959,509	9,959,509
	6,41,283 (previous year 6,41,283) equity shares of Rs. 1 each fully paid up		
	Dwarikesh Sugar Industries Ltd	-	693,613
	Nil (previous year 25,200) equity shares of Rs. 10 each fully paid up		
	Gujarat Industries Power Co Ltd	4,485,598	4,485,598
	50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up		
	Hindalco Industries Ltd	4,495,980	4,495,980
	25,000 (previous year 25,000) equity shares of Rs. 1 each fully paid up		
	IFCI Ltd	4,995,989	4,995,989
	2,00,000 (previous year 2,00,000) equity shares of Rs. 10 each fully paid up		
	ITC Ltd	2,903,592	2,903,592
	9,000 (previous year 9,000) equity shares of Rs. 1 each fully paid up		
	Larsen Toubro Ltd	34,740,567	29,696,895
	24,250 (previous year 20,500) equity shares of Rs. 2 each fully paid up		
	Marico Ltd	863,357	863,357
	8,000 (previous year 4,000) equity shares of Rs. 1 each fully paid up		
	Monsanto India Ltd	5,316,291	5,316,291
	3,650 (previous year 3,650) equity shares of Rs. 10 each fully paid up		
	Multi Commodity Exchange of India Ltd	-	4,375,242
	Nil (previous year 5,000) equity shares of Rs. 10 each fully paid up		
	NHPC Ltd	2,290,868	2,290,868
	1,00,000 (previous year 1,00,000) equity shares of Rs. 10 each fully paid up		
	NTPC Ltd	22,118,309	22,118,309
	1,50,000 (previous year 1,50,000) equity shares of Rs. 10 each fully paid up		
	Tata Consultancy Services Ltd	4,282,646	4,282,646

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
	1,900 (previous year 1,900) equity shares of Rs. 1 each fully paid up		
	Ultratech Cement Ltd	4,223,291	4,223,291
	2,500 (previous year 2,500) equity shares of Rs. 10 each fully paid up		
	Unity Infraprojects Ltd	169,483	169,483
	8,000 (previous year 8,000) equity shares of Rs. 2 each fully paid up		
	Unquoted equity instruments		
	Eskay Infrastructure Development Pvt Ltd	787,320	787,320
	78,732 (previous year 78,732) equity shares of Rs. 10 each fully paid up		
	Samhrutha Habitat Infrastructure Pvt Ltd	84,922,500	84,922,500
	25,35,000 (previous year 25,35,000) equity shares of Rs. 10 each fully paid up		
	Quoted debenture instruments		
	NTPC Ltd 8.49% 25th March 2025	-	-
	150,000 (previous year 1,50,000) debenture of Rs. 12.50 each fully paid up		
	Unquoted debenture instruments		
	0.01% Naksh Corporate Solutions Pvt Ltd	275,600,000	-
	2,756 (previous year Nil) Non Convertible debenture of Rs. 1,00,000 each fully paid up		
	Germane Holding Pvt Ltd	-	1,050,000
	Nil (Previous Year 21,000) debenture of Rs 1,000/- each fully paid up		
	Total non current investments	639,891,755	193,580,629
	Notes		
	Aggregate market value of quoted investments	91,893,087	115,402,507
	Aggregate amount of quoted investments (at cost)	104,217,980	106,820,809
	Aggregate amount of unquoted investments	361,309,820	85,809,820
	- 20,500 equity shares of Larsen and Toubro Ltd and 150,000 equity shares of NTPC are pledged to Barclays Investments and Loans (India) Ltd		
10	Long Term Loans and Advances		
	Advance Tax (Net off Provision for Tax Rs. Nil; Previous Year Rs. 27,007,759/-)	65,853	14,712,156
	Telephone Deposit	-	1,000
	Total long term loans and advances	65,853	14,713,156
11	Current Investments		
	Unquoted taxable bonds		
	Power Finance Corporation Ltd 8.90%, 18th March 2028	-	103,784,900
	Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		
	Power Finance Corporation Ltd 9.39%, 27th August 2029	-	110,627,985
	Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		

	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Power Grid Corporation of India Ltd ,8.93%,20th October 2029	-	52,886,992
Nil (previous year 50) bonds of Rs. 10,00,000 each fully paid up		
Power Grid Corporation of India Ltd,9.30%,04th September 2029	-	109,869,920
Nil (previous year 100) bonds of Rs. 10,00,000 each fully paid up		
Quoted tax free bonds		
Housing & Urban Development Corporation ,8.14%,25th October 2023	25,092,561	25,254,246
25,000 (previous year 25,000) bonds of Rs. 1,000 each		
Housing & Urban Development Corporation,8.39%,25th October 2023	4,970,450	4,970,450
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Housing & Urban Development Corporation,8.58%,13th January 2029	22,149,602	22,450,490
21,000 (previous year 21,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd,8.38%,12th November 2028	30,153,357	30,299,146
30,000 (previous year 30,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd,8.48% 22nd January 2029	21,169,538	21,425,100
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
India Infrastructure Finance Company Ltd 8.55% 27th March 2029	22,816,080	22,816,080
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
India Renewable Energy Development Agency Ltd,8.55%,13th March 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.00% 23rd February 2022	24,768,818	25,570,581
23,449 (previous year 23,449) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.40%,18th February 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
Indian Railway Finance Corporation 8.63%,26th March 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
National Highway Authority of India 8.20% 25th January 2022	7,865,432	8,157,032
7,417 (previous year 7,417) bonds of Rs. 1,000 each		
National Highway Authority of India 8.50%,05th February 2029	20,000,000	20,000,000
20,000 (previous year 20,000) bonds of Rs. 1,000 each		
National Housing Bank 8.63% 13th January 2029	7,220,000	7,220,000
1,444 (previous year 1,444) bonds of Rs. 5,000 each		
NHPC Ltd 8.54%,02nd November 2028	16,105,000	16,105,000
16,105 (previous year 16,105) bonds of Rs. 1,000 each		
NHPC Ltd 8.79%,02nd November 2028	5,268,321	5,268,321
5,000 (previous year 5,000) bonds of Rs. 1,000 each		
Power Finance Corporation 8.20% 01st February 2022	20,744,013	21,446,060
19,758 (previous year 19,758) bonds of Rs. 1,000 each		
Power Finance Corporation 8.54%,16th November 2028	29,150,000	29,150,000
29,150 (previous year 29,150) bonds of Rs. 1,000 each		

		As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
	Power Finance Corporation 8.79% 16th November 2028	4,405,009	4,405,009
	4,310 (previous year 4,310) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 8.26% 24th September 2023	4,996,850	4,996,850
	5,000 (previous year 5,000) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 8.63% 24th March 2029	20,000,000	20,000,000
	20,000 (previous year 20,000) bonds of Rs. 1,000 each		
	Rural Electrification Corporation Ltd 7.22%, 19th December 2022	30,399,366	31,028,439
	30,002 (previous year 30,002) bonds of Rs. 1,000 each		
	Total Current Investment	377,274,398	757,732,601
	Notes		
	Aggregate market value of quoted investments	403,313,077	386,403,207
	Aggregate amount of quoted investments (at cost)	377,274,398	380,562,804
	Aggregate amount of unquoted investments	-	377,169,797
	- The taxable bonds of Nil/- (Previous Year Rs 35,00,00,000) and tax free bonds book value of Rs 22,48,05,257/- (Previous Year Rs 17,51,50,000/-) are pledge to Barclays Investments and Loans (India) Ltd		
12	Cash and Bank Balances		
	i) Cash and cash equivalents		
	Balances with bank	21,731,867	3,047,507
	Cash in hand	483,785	713,271
		22,215,652	3,760,778
	ii) Other bank balances		
	Earmarked bank balances		
	Unpaid dividend bank account	1,273,106	1,035,988
	Total cash and bank balances	23,488,758	4,796,765
13	Short Term Loans and Advances		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received	2,037,972,444	690,651,046
	Others		
	Advances to Employee	-	8,000
	Duties and taxes recoverable	2,473,536	853,312
	Advance Tax (Net off Provision for Tax Rs.70,35,558/-, P Y Rs. Nil)	10,496,200	-
	Prepaid expenses	1,139,510	-
	Total short term loans and advances	2,052,081,690	691,512,358
14	Other Current Assets		
	Interest accrued but not due	12,557,490	16,344,240
	Total other current assets	12,557,490	16,344,240

		Year ended 31st March, 2016	Year ended 31st March, 2015
		Rs.	Rs.
15	Revenue From Operations		
	Finance activity		
	Operating income	176,320,724	121,425,200
	Processing fees	-	350,000
		176,320,724	121,775,200
	Other Operating revenue		
	Interest income	38,363,018	27,524,815
	Total revenue from operations	214,683,742	149,300,015
16	Other Income		
	Dividend income:		
	Shares	1,808,025	1,813,963
	Mutual Fund	-	343,961
	Interest on Income Tax refund	1,664,549	1,270,550
	Profit on sales of Investment	574,394	33,850,587
	Non Operating Expense	21,645	-
	Total other income	4,068,613	37,279,060
17	Operating Expenses		
	Interest expense	115,030,258	67,892,586
	Legal & Professional fees	1,200,000	2,839,962
	Processing Fees paid	3,806,728	-
	Total direct expenses	120,036,986	70,732,548
18	Employee Benefits Expenses		
	Salaries and wages	1,614,315	1,171,524
	Staff welfare expenses	300,978	345,964
	Total employee benefit expenses	1,915,293	1,517,488
19	Other Expenses		
	Annual, listing fees and other fees	554,513	212,713
	Business promotion	66,333	68,569
	Brokerage & Commission	1,839,203	-
	Demat charges	139,011	38,228
	Director sitting fees	50,000	45,000
	Legal and professional	8,174,235	610,178
	Miscellaneous expenses	259,649	264,977
	Payments to auditors	73,263	53,118
	Printing and stationery	131,301	77,705
	Provision for standard & sub- standard assets	18,896,545	13,649,315
	Rent, rates and taxes	1,047,378	2,500
	Stamp duty & postage	750,000	238,751
	Travelling and conveyance	422,227	401,241
	Total other expenses	32,403,658	15,662,295

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2016

20. Other Required Disclosures;

1. Earnings Per Share

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net profit for the year attributable to equity shareholders (Rs.)	57,158,096	75,108,500
Weighted Average No. of Equity shares outstanding for Basic Earnings per share	9,910,330	9,910,330
Weighted Average No. of Equity shares outstanding for Diluted Earnings per share	9,910,330	9,910,330
Basic Earnings per share (face value of Rs 10/-each)	5.77	7.58
Diluted Earnings per share (face value of Rs 10/-each)	5.77	7.58

2. Contingent liabilities and commitments

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
a) Contingent Liabilities (to the extent not provided for)	1,300,680	-
b) The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities, wherever applicable in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.		

3. Related Party Disclosures

a) Related Parties NIL

4. In the opinion of the Management, all Current Assets, Loans & Advances & Current Liabilities would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. Further provisions have been made for all known & accrued liabilities.

5. Deferred Tax Liability / Asset

Deferred Tax Liability	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Deferred tax liability		
Related to fixed assets (depreciation / amortisation)	-	44,420
Net deferred tax liability	-	44,420

6. Previous year's figures have been regrouped, rearranged, reclassified to the extent possible.

7. Micro, Small and Medium Enterprises

The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro Small and Medium enterprises, as defined under Micro Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2016 is made in the financial statements based on information received and available with the company.

Annexure A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Chitta Finlease Private Limited	V Can Exports Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2015 to March 31,2016	April 1, 2015 to March 31,2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
4.	Share capital	1.00	1.00
5.	Reserves & surplus	(0.79)	10.36
6.	Total Assets	1755.27	11.88
7.	Total Liabilities	1755.27	11.88
8.	Investments	1743.64	NIL
9.	Turnover	NIL	0.22
10.	Profit before taxation	(1.45)	(0.01)
11.	Provision for taxation	(0.01)	(0.44)
12.	Profit after taxation	(1.46)	0.43
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	75.20	100

For and on Behalf of the Board of Directors

Devendra Khandelwal
(DIN: 07460858)
Director

Mayuri Jain
(DIN:07434615)
Director

Mumbai; 30th May, 2016