

# **ANNUAL REPORT : 2019-20**

## **PREMIUM MERCHANTS LIMITED**

**(CIN : L51909DL1985PLC021077)**

**Regd. Office: Omaxe Square, Plot No. 14, 5<sup>th</sup> Floor, Jasola District Centre, Jasola  
New Delhi-110 025**

**Email id – [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com)**

**Tel:91 11 61119658**

**[www.pmltd.in](http://www.pmltd.in)**

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<b>35<sup>th</sup> ANNUAL GENERAL MEETING</b>	
Day:-	Monday
Date:-	31.08.2020
Time:-	3.00 P.M
Venue:-	<b>Omaxe Square, Plot no. 14, 5<sup>th</sup> Floor, Jasola District Centre, Jasola, New Delhi-110025</b>

# **PREMIUM MERCHANTS LIMITED**

**Registered office: Omaxe Square, Plot No. 14, 5th Floor, Jasola District  
Centre, Jasola, New Delhi-110025**

**CIN: L51909DL1985PLC021077, Tel: +91 11 61119658**

**Email Id: premiummerchants123@gmail.com, website:www.pmltd.in**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Dr. Mrs Bina Modi	Additional Director
Mr. Sanjay Kumar Gupta	Director
Ms. Babita Gupta	Woman Director
Mr. Balbir Singh	Independent Director
Mr. Rajeev Kapoor	Independent Director

### **KEY MANAGERIAL PERSONNEL**

Mrs. Shikha Mittal	Chief Executive Officer & Chief Financial Officer
Ms. Jyoti Bharti	Company Secretary

### **BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

Mr. Balbir Singh	Chairman
Mr. Rajeev Kapoor	
Mr. Sanjay Kumar Gupta	

#### **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Balbir Singh	Chairman
Mr. Rajeev Kapoor	
Mr. Sanjay Kumar Gupta	

### **STATUTORY AUDITORS**

M/s R.C AGARWAL & CO. Chartered Accounts  
102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road  
Shakarpur, New Delhi-110092

### **SECRETARIAL AUDITORS**

M/s Kundan Agrawal & Associates  
H-23A, 204 Kamal Tower, Near Sai Mandir, Vikas Marg, Laxmi Nagar, Delhi-110092

### **INTERNAL AUDITORS**

M/s S K Shukla & Co.,  
Chartered Accountants  
184, 2<sup>nd</sup> Floor, Jeewan Nagar, Near Tikona Park, New Delhi-110014

### **REGISTRAR AND SHARE TRANSFER AGENT**

MAS Services Limited  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

### **REGISTERED OFFICE**

Omaxe Square, Plot No. 14, 5th Floor, Jasola District  
Centre, Jasola, New Delhi-110025

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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35<sup>th</sup> Annual General Meeting (AGM) of the Company will be held at the Registered Office of the Company at Omaxe Square, Plot No. 14, 5<sup>th</sup> Floor, Jasola District Centre, Jasola, New Delhi-110025 on 31<sup>st</sup> August, 2020 (Monday) at 3.00 P.M to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Kumar Gupta (DIN: 00027728) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**“RESOLVED THAT** Dr. (Mrs) Bina Modi (DIN 00048606) who was appointed as an Additional Director in the promoter category on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and who has already attained the age of 75 years and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for appointment as a Non Executive Director in terms of section 160 of the said Act, be and is hereby appointed as a Non- Executive Director liable to retire by rotation in accordance with sections 149, 150, 152 and other applicable provisions of the Act and Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) (Amendment) Regulations, 2018 and corresponding Rules formed thereunder.

**RESOLVED FURTHER THAT** the Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By order of the Board  
For Premium Merchants Limited



**Balbir Singh**

**Director**

**DIN: 00027438**

Place: New Delhi

Date : 6<sup>th</sup> August, 2020



**Notes:**

1. The Register of Members and Share Transfer Register of the Company shall remain closed from Tuesday, August 25, 2020 to Monday, August 31, 2020 (both days inclusive) for the purpose of taking record of the shareholders at the Annual General Meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxy Form, in order to be effective, shall be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy form is annexed to this Notice. Proxy forms submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of Item 3 is annexed to the Notice of the meeting.
5. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company and its Registrar and Transfer Agents (RTA) have stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialization.
6. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their name, address, bank details, ECS mandate, nominations, power of attorney, email ID, etc. to their depository participants only and not to the Company or its RTA. The said intimation will be automatically reflected in the Company's records.
7. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.
8. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in form SH-13.
9. Members may contact M/s. MAS SERVICES LIMITED, the Registrars & Transfer Agents (RTA) for any investor related services .The address and other contact details of RTA are as under:



**MAS SERVICES LIMITED**

Address: T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
Tel. No.: 011-26387281, 82, 83  
Fax No.: 011-26387384

10. The Statement of Profit and Loss for the financial year ended 31st March, 2020, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached thereto, are available for inspection by Members at the Registered Office and Corporate Office of the Company between 11:00 a.m. and 1:00 p.m. on working days up to the date of this AGM. Members may also visit the Company's website [www.pmltd.in](http://www.pmltd.in) for viewing various financial information including the quarterly results and annual report of the Company.
11. As a part of its 'Green Initiative' in the Corporate Governance and pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules issued thereunder, companies can serve annual report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with its depository participant. Therefore, electronic copy of the annual report along with the Notice is being sent to all those members whose e-mail addresses are registered with the Company/Depository Participant unless a member has requested for a physical copy of the same.
12. Vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, the SEBI has instructed all the companies to use electronic mode of payment to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc.
13. Members, who have not yet submitted their requisite bank account details, are once again requested to kindly provide these details by quoting their reference folio number(s) if shares are held in physical form. If shares are held in dematerialised form, Members may kindly provide the requisite bank account details to their Depository Participant to ensure that dividend payment is correctly credited to their account.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
16. **Voting through electronic means**
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company is pleased to provide its members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).



- B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- D. The remote e-voting period commences on Thursday, August 27, 2020 (09:00 am) and ends on Sunday, August 30, 2020 (05:00 pm). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 24, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- E. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the as on the cut-off date i.e, 24<sup>th</sup> August, 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through poll papers.
- F. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the as on the cut-off date i.e, 24<sup>th</sup> August, 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through poll papers.

**The procedure and instructions** for members for remote e-voting are as under:

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e, IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed



Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL.) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:





- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL.) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

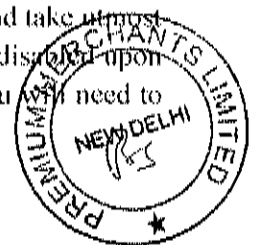
**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at step 1, you will be able to see the Home page of e-voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company, which is 113324
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “submit” and also “confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [kapahassociates@yahoo.com](mailto:kapahassociates@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to



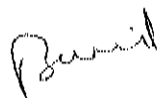
go through the "Forget User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. :1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

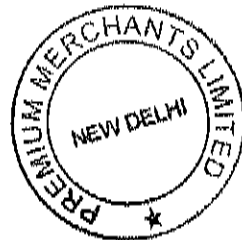
**Other Instructions:**

- i. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24<sup>th</sup> August, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- ii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- iii. Mr. Surrinder Kishore Kapahi (CP No. 1118), Proprietor Kapahi and Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting (i.e remote e-voting and physical voting at the meeting ) process in a fair and transparent manner.
- iv. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- v. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.pmltd.in](http://www.pmltd.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited). Due to some technical reasons, the website of the Company is being repaired and the same will get functional shortly.

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



**Balbir Singh**  
**Director**  
**DIN: 00027438**  
**Place: New Delhi**  
**Date : 6<sup>th</sup> August, 2020**



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

## Item No. 3

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) (Amendment) Regulations, 2018 which was effective from 1<sup>st</sup> April, 2019, listed entities have to pass a special resolution to appoint a non-executive director or continue the directorship of a non-executive director who has attained the age of 75 years with justification for the same.

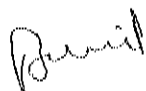
Dr. (Mrs.) Bina Modi (DIN: 00048606), who was appointed as an additional director in the Promoter category on the Board of the Company in place late Shri K. K Modi w.e.f 12<sup>th</sup> December, 2019 and whose term of office expires upon conclusion of 35th AGM of the Company to be held on 31st August, 2020. In view of this, pursuant to provision of section 160 of the Companies Act, 2013, the Company has received a notice in writing from member proposing her candidature for appointment as a Non Executive Director of the Company liable to retire by rotation on the recommendation of the Nomination & Remuneration Committee.

Dr. Bina Modi, 75 is an entrepreneur for more than three decades. She has vast experience in the field of Arts, Technology Management, Commerce, Agriculture, Fashion and the Hospitality Industry. She has run various successful business. Due to her valuable contribution in the growth of the various Industries, K. N Modi University, Newai, Rajasthan has rewarded her with Honorary Doctorate (Honoris Causa). Accordingly, the Board is of the view that Dr. Modi's contribution will be beneficial to the Company's business.

**None of the Director or Key Managerial Personnel of the Company or their relatives other than Dr. Bina Modi is concerned or interested in the proposed resolution.**

The Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

By order of the Board  
For Premium Merchants Limited



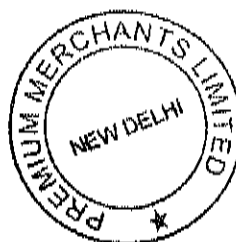
**Balbir Singh**

**Director**

**DIN: 00027438**

Place: New Delhi

Date :6<sup>th</sup> August, 2020



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## ATTENDANCE SLIP

35<sup>th</sup> Annual General Meeting to be held on 31<sup>st</sup> August, 2020 at 3.00 P.M

Name of the Attending Member (in Block Letters)	
Regd. Folio No./ DP ID/Client ID	
No. of Equity Shares held	
Name of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

1. I/We hereby record my / our presence at the Annual General Meeting of the members of the Company held on Monday , 31<sup>st</sup> Day of August, 2020 at 3.00 P.M. at the registered office of the Company at New Delhi-110025

2. Signature of the Shareholder/Proxy Present

3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

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

.....XXXXX.....XXXXXXXX.....XXXXXX

## ELECTRONIC VOTING PARTICULARS

E Voting Event Number  
(EVEN)

User ID

Password

Note: Please read the instructions provided in Notice dated 6<sup>th</sup> August, 2020 of the Annual General Meeting. The Voting period starts from 9.00 a.m. on Thursday, August 27<sup>th</sup>, 2020 and ends at 5.00 p.m. on Sunday, August 30<sup>th</sup>, 2020. The voting module shall be disabled by NSDL for voting thereafter.

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## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)			
Registered address			
Email ID			
Folio No./ Client ID			
DP ID		No. of Shares	

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

1.	Name		
	Address	Signature	
	Email ID		
	Or failing him/her		
2.	Name		
	Address	Signature	
	Email ID		
	Or failing him/her		
3.	Name		
	Address	Signature	
	Email ID		

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 31<sup>st</sup> August, 2020 at 3.00 P.M. at the registered office of the Company at Omaxe Square, Plot No. 14, 5<sup>th</sup> Floor, Jasola District Centre, Jasola, New Delhi-110025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2020 and the Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Sanjay Kumar Gupta (DIN:00027728) who retires by rotation and being eligible, offers himself for re-appointment.		
	<b>Special Business</b>		
3.	Appointment of Dr. (Mrs) Bina Modi (00048606) as a Non Executive Director of the Company		



Signed this ----- day of-----2020

Signature of Member-----

Signature of Proxy-----

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share Capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting Rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. \* It is optional to put a "✓" in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she deems appropriate.

# PREMIUM MERCHANTS LIMITED

Registered office: Omaxe Square, Plot No. 14, 5th Floor, Jasola District  
Centre, Jasola, New Delhi-110025

CIN: L51909DL1985PLC021077, Tel: +91 11 61119658

Email Id: [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com), website: [www.pmltd.in](http://www.pmltd.in)

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## PREMIUM MERCHANTS LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 35<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

#### 1. Financial Highlights

The Company earned a profit of Rs. 23.95 lacs (before tax) during the year under report as against a profit of Rs. 53.13 lacs (before tax) in the previous year. The profit after tax and appropriations has been transferred to the Balance Sheet.

#### 2. State of Company's affair

The Company is an investment company and registered as Non-Banking Financial Company (NBFC) with Reserve Bank of India under Section 45-IA of the RBI Act, 1934.

During the year under review, the income of the Company by way of Brokerage was Rs. 2.35 lacs as against Rs. 16.69 lacs in the previous year. The interest income was Rs. 7.04 lacs as against Rs. 3.93 lacs in the previous year. The income by way of dividend was Rs. 34.58 which is same in the previous year. The income by way of rent received was 6.75 lacs which is also same in the previous year.

#### 3. Covid-19

The Covid-19 has resulted in a significant decrease in fair value of company's financials assets (investment) and the management has considered the effect of the same in the current year financials. Apart from the above, there is no effect on company's financials due to lockdown/covid-19.

#### 4. Dividend

In order to conserve the resources for future requirements, no dividend is proposed to be declared during the year under review.

#### 5. Management Analysis and Review

The Company is registered with 'Association of Mutual Funds of India' (AMFI) as 'Mutual Fund Advisor' so as to provide financial services. The AMFI is dedicated to developing and promoting the Indian Mutual Fund Industry on Professional



healthy and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interest of mutual funds and their unit holders. During the year under review one of the main source of income of the Company was from mobilisation of mutual funds against which brokerage income of the Company was Rs. 2.35 lacs representing 4.63 % of the total income.

## **6. RBI Guidelines**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India (RBI) from time to time. According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year. Thus the requisite sum has been transferred to the Statutory Reserve under the provisions of Section 45 IC of the RBI Act, 1934.

The RBI vide its notification has issued directions to all NBFC's to make provision of 0.25% on standard assets and the same is being complied with.

## **7. Transfer to Reserves**

During the year under review, an amount of Rs.5.46 lakhs was transferred to Statutory Reserve in pursuance of applicable regulation as prescribed by the Reserve Bank of India. No amount was transferred to General Reserve.

## **8. Detailed performance and financial position of Subsidiary/Joint Venture/ Associate Company**

The Company does not have any Subsidiary/Joint Venture or Associate Company.

## **9. Extract of Annual Return**

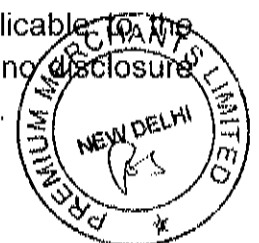
The details forming part of the extract of Annual Return in form MGT- 9, as required under Section 92 of the Companies Act, 2013 is included in this report as per **Annexure 'A'**.

## **10. Compliance relating to Secretarial Standards**

The Company has complied with the applicable secretarial standards issued by Institute of Companies Secretaries of India for the Financial Year 2019-20.

## **11. Corporate Governance**

The Company is listed with Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited). In view of clause 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17,18,19,20,21,22,23,24,25,26,27 and clause (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company under the criteria given in the said Regulation. Hence, no disclosure has been made on the items covered under Corporate Governance.





## **12. Directors/ Key Managerial Personnel**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sanjay Kumar Gupta (DIN: 00027728), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review, Dr. (Mrs) Bina Modi (DIN : 00048606) was appointed as an Additional Director w.e.f 12th December, 2019. In accordance with sections 149, 150, 152 and other applicable provisions of the Act and Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) (Amendment) Regulations, 2018 and corresponding Rules formed thereunder approval of the Members will be sought at the ensuing Annual General Meeting of the Company for regularization of her appointment who hold the office as an additional director upto the date of ensuing Annual General Meeting.

Further, Mr. Ramesh Chander, Chief Financial Officer (CFO) of the Company resigned from the office w.e.f 14<sup>th</sup> August, 2019 and in order to fill the vacancy Mrs. Shikha Mittal who already holds the position of Chief Executive Officer of the Company was also designated the position CFO w.e.f 14<sup>th</sup> August, 2019.

## **13. Declaration given by Independent Director**

The Company has received declarations from Mr Balbir Singh (DIN: 00027438) and Mr. Rajeev Kapoor (DIN:03155896), Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

## **14. Annual Performance Evaluation**

The Company in consultation with Nomination and Remuneration Committee has carried out the performance evaluation of Independent Directors, Board, Committees and other Individual Directors. Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors was completed. The performance evaluation of the other Board Members was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## **15. Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2019-20 are as follows:



<b>S.No.</b>	<b>Date of Meeting</b>	<b>Name of Directors who attended the meeting</b>
1	26.04.2019	Mr. Krishan Kumar Modi, Mr. Sanjay Kumar Gupta, Mr. Balbir Singh, Mr. Rajeev Kapoor and Ms. Babita Gupta
2	29.05.2019	Mr. Krishan Kumar Modi, Mr. Sanjay Kumar Gupta, Mr. Balbir Singh, Mr. Rajeev Kapoor and Ms. Babita Gupta
3	14.08.2019	Mr. Krishan Kumar Modi, Mr. Sanjay Kumar Gupta, Mr. Balbir Singh, Mr. Rajeev Kapoor and Ms. Babita Gupta
4	14.11.2019	Mr. Sanjay Kumar Gupta, Mr. Balbir Singh, Mr. Rajeev Kapoor and Ms. Babita Gupta
5	12.12.2019	Mr. Balbir Singh and Ms. Babita Gupta
6	14.02.2020	Dr.(Mrs) Bina Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Rajeev Kapoor and Ms. Babita Gupta

#### **16. Deposits**

The Company has not accepted any public deposits during the year.

#### **17. Particulars of Loans, Guarantees or Investments by Company**

The details of Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. (Please refer Note 5 of the Financial Statement). No guarantee or loan was given or taken by the company during the Financial Year 2019-20.

#### **18. Related Party Transactions**

All related Party Transactions are placed before the Audit Committee for their approval. The transactions with the related parties are done at arm's length basis in the ordinary course of business. The outstanding balances, if any, of the transactions with the related party at the year ended 31st March, 2020 as covered under section 188(1) of the Companies Act, 2013 have been reported in note number 18 to the Balance Sheet. Form AOC-2 is attached as per Annexure 'B'.

#### **19. Whistle Blower Policy/ Vigil Mechanism**

The Company has formulated a whistle blower policy to report genuine concerns or grievances and the said policy is available on the Company's website [www.pmltd.in](http://www.pmltd.in).

#### **20. Audit Committee**



The composition of audit committee of the Company is as follows:

S. No.	Name of Member	Designation
1.	Mr. Balbir Singh	Chairman (Independent Director)
2.	Mr. Rajeev Kapoor	Member (Independent Director)
3.	Mr. Sanjay Kumar Gupta	Member (Non-Executive Director)

The details regarding number of meetings held by Audit Committee during the year are as follows:

S.No.	Date of Meeting	Name of Directors who attended the meeting
1	29.05.2019	Mr. Balbir Singh, Mr. Rajeev Kapoor and Mr. Sanjay Kumar Gupta
2	14.08.2019	Mr. Balbir Singh, Mr. Rajeev Kapoor and Mr. Sanjay Kumar Gupta
3	14.11.2019	Mr. Balbir Singh, Mr. Rajeev Kapoor and Mr. Sanjay Kumar Gupta
4	14.02.2020	Mr. Balbir Singh, Mr. Rajeev Kapoor and Mr. Sanjay Kumar Gupta

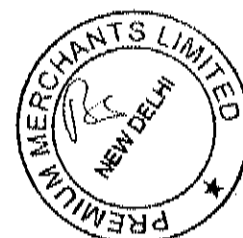
The Board has accepted all the recommendations proposed by audit committee during the financial year.

## 21. Nomination and Remuneration Committee

The composition of Nomination and Remuneration committee of the Company is as follows:

S. No.	Name of Member	Designation
1.	Mr. Balbir Singh	Chairman (Independent Director)
2.	Mr. Rajeev Kapoor	Member (Independent Director)
3.	Mr. Sanjay Kumar Gupta	Member (Non-Executive Director)

The detail regarding number of meetings held by Nomination and Remuneration Committee during the year are as follows:



S.No.	Date of Meeting	Name of Directors who attended the meeting
1.	14.08.2019	Mr. Balbir Singh, Mr. Rajeev Kapoor, Mr. Sanjay Kumar Gupta.
2	12.12.2019	Mr. Balbir Singh and Mr. Rajeev Kapoor,

## 22. Remuneration and Nomination Policy

The Nomination and Remuneration Committee framed a Remuneration and Nomination Policy for selection and appointment of Directors, Senior Management and their remuneration.

The policy formulated by Nomination and Remuneration Committee is available on the Company's website: [www.pmltd.in](http://www.pmltd.in).

## 23. Director's Responsibility Statement

To the best of their knowledge and in terms of the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Directors make the following statements:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) the director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## **24. Statutory Auditors**

M/s. R.C Agarwal & Co., Chartered Accountants (Firm Registration No. 003175N) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2019 for another term of five years from the conclusion of 34<sup>th</sup> Annual General Meeting till the conclusion of 39<sup>th</sup> AGM to be held in calendar year 2024.

## **25. Auditor's Report**

There is no audit qualification on the Financial Statements by the statutory auditors for the year under review. Hence, there are no comments on the Auditor's Report.

## **26. Consolidated Financial Statement**

The Company does not have any Subsidiary, Joint Venture and Associate Company. Hence, the preparation of Consolidated Financial statement is not applicable to the Company.

## **27. Secretarial Auditor**

The Board appointed 'M/s Kundan Agrawal & Associates', Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20 pursuant to section 204 of the Companies Act, 2013. The Secretarial Audit report submitted by them in the prescribed form MR-3 is attached as per **Annexure 'C'** and forms part of this report.

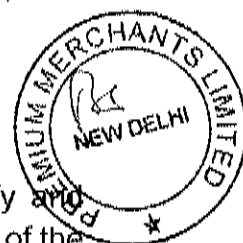
The secretarial Audit report does not contain any qualification, reservation or adverse remark.

## **28. Internal Control System and their Adequacy**

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 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 information, as required under the Companies Act, 2013.

## **29. Risk Management**

The Company has formally adopted a Risk Management Policy to identify and assess the Key risk areas, monitor and report compliance and effectiveness of the



policy and procedure. The Board periodically reviews the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

### **30. Business Responsibility Reporting**

Pursuant to Regulation 34 of SEBI (Listing Obligation and disclosure Requirement) Regulation, 2015, Business Responsibility Reporting is applicable for top five hundred listed entities based on market capitalization calculated as on March 31<sup>st</sup> of every Financial Year. The above reporting is not applicable to the Company as it is not covered under the criteria given in the said Regulation. Therefore, no disclosure has been made on the items covered under Business Responsibility Reporting.

### **31. Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility are not applicable to the Company as per the criteria laid down under section 135 of the Companies Act, 2013.

### **32. Remuneration to Directors and Key Managerial Personnel**

A statement of Particulars relating to remuneration details as per rule 5 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is annexed as per **Annexure 'D'**

### **33. Statutory information**

Being an Investment Company, there are no particulars which are required to be furnished under section 134 (3)(m) of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption, as these are not applicable. There were no foreign exchange earnings or outgo during the year.

### **34. Equity Share Capital**

The Equity share capital of the Company as at 31st March, 2020 stood at Rs. 99.80 lacs. During the year under report, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### **35. Code for Prevention of Insider-trading practices**

The Company has placed a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the management and other connected persons, on procedures to be followed and disclosures to be made by them in dealing with the shares of the Company. The said code of Practices is also available on company's website: [www.pmltd.in](http://www.pmltd.in).



### 36. Disclosures

- a. No significant and material orders were passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- b. There were no material changes and commitments during the year under report.
- c. There was no change in the nature of business during the year under report.
- d. During the year under review, no complaints were reported to the Board under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

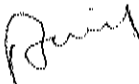
The other relevant provisions/ sections of the Companies Act, 2013, are not applicable to the Company and therefore have not been reported above.

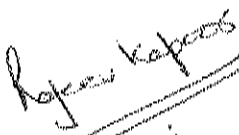
### 37. Appreciation


Your directors wish to thank and express their sincere appreciation to the valued shareholders, bankers and clients for their continued support and faith reposed in the Company

**Respectfully submitted on behalf of the Board**

**Place: New Delhi**  
**Dated: 06.08.2020**

  
**(Balbir Singh )**  
**Director**  
**(DIN-00027438)**

  
**(Rajeev Kapoor)**  
**Director**  
**(DIN-03155896)**



# PREMIUM MERCHANTS LIMITED

Registered office: Omaxe Square, Plot No. 14, 5th Floor, Jasola District Centre, Jasola, New Delhi-110025

CIN: L51909DL1985PLC021077, Tel: +91 11 61119658

Email Id: [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com), website: [www.pmltd.in](http://www.pmltd.in)

## Annual Return Extracts in MGT-9

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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:

1	CIN	L51909DL1985PLC021077
2	Registration Date	29.05.1985
3	Name of the Company	Premium Merchants Limited
4	Category/Sub-Category of the Company	Company Limited by shares (Indian Non- Government Company)
5	Address of the Registered office and contact details	Omaxe Square, Plot No.14 , 5 <sup>TH</sup> Floor, Jasola District Centre , Jasola , New Delhi-110025.  Contact Details. 011-61119658
6	Whether listed Company	Yes
7	Name, Address and contact details of Registrar and Transfer Agent, if any	MAS Services Limited Address: T-34, 2 <sup>ND</sup> Floor, Okhla Phase-II Delhi-110020 Email Id: <a href="mailto:info@masserv.com">info@masserv.com</a> Tel: 011-26387281, 82, 83

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Interest Income	66190	13.87%





2	Dividend Income	66190	68.19%
3	Rent received	66190	13.31%

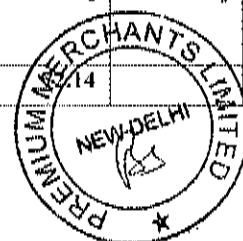
### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	K.K Modi Investment And Financial Services Private Limited Regd. Office: A-1, Maharani Bagh, New Delhi-110065	U65101DL1992PTC049846	Holding	72.14%	Section 2(46) of Companies Act, 2013

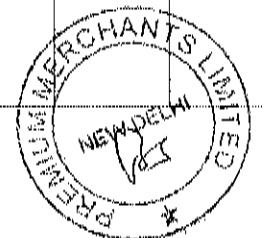
### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding as on 31.03.2020

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	720000	-	720000	72.14	720000	-	720000	72.14	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other (Trusts)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>720000</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	



<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>720000</b>	-	<b>720000</b>	<b>72.14</b>	<b>720000</b>	-	<b>720000</b>	<b>72.14</b>	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	145385	30000	175385	17.58	145385	30000	175385	17.58	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	102615	102615	10.28	-	102615	102615	10.28	-



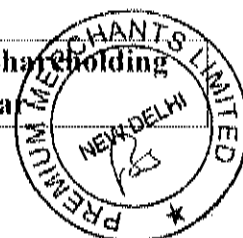
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Other Directors and relatives	-	-	-	-	-	-	-	-	-
Non-Resident Individuals	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	-
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>865385</b>	<b>132615</b>	<b>998000</b>	<b>100</b>	<b>865385</b>	<b>132615</b>	<b>998000</b>	<b>100</b>	-

(ii) Shareholding of Promoters as on 31.03.2020

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change 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 Pledge d / encumbered to total shares	
1.	K.K Modi Investment and Financial Services Private Limited	720000	72.14	-	720000	72.14	-	Nil.
	<b>Total</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>Nil.</b>

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

Sl. No	Shareholding at the beginning of the year	Cumulative Shareholding during the year

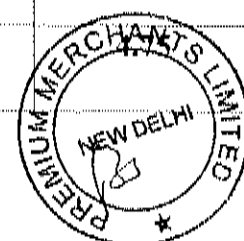


		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>72.14</b>
	Date wise Increase / (Decrease) in Shareholding during the year and reasons	-	-	-	-
	<b>At the End of the year</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>72.14</b>

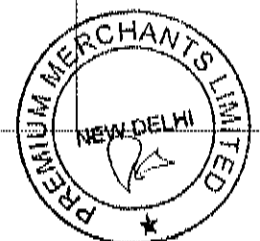
\* There is no change in the shareholding of promoters between April 1, 2019 to March 31, 2020.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31.03.2020**

Sl. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Trend Agencies Private Limited</b>	<b>49000</b>	<b>4.91</b>	<b>49000</b>	<b>4.91</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>49000</b>	<b>4.91</b>	<b>49000</b>	<b>4.91</b>
<b>2</b>	<b>Azure Products Private Limited</b>	<b>48985</b>	<b>4.91</b>	<b>48985</b>	<b>4.91</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>48985</b>	<b>4.91</b>	<b>48985</b>	<b>4.91</b>
<b>3</b>	<b>Narayan Sales Private Limited</b>	<b>47400</b>	<b>4.75</b>	<b>47400</b>	



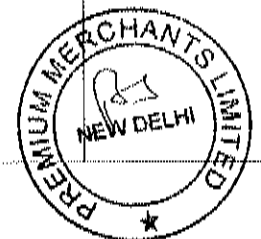
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc)	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>47400</b>	<b>4.75</b>	<b>47400</b>	<b>4.75</b>
<b>4</b>	<b>Soni Associates Private Limited</b>	<b>30000</b>	<b>3.01</b>	<b>30000</b>	<b>3.01</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>30000</b>	<b>3.01</b>	<b>30000</b>	<b>3.01</b>
<b>5</b>	<b>Rajesh Kumar</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>6</b>	<b>Rajesh Kumar Gupta</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>7</b>	<b>Ram Dhari Gupta</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			



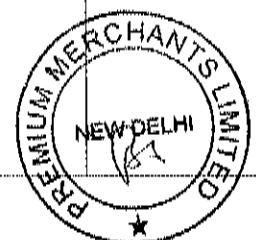
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>8</b>	<b>Sanjay Chaturvedi</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>9</b>	<b>Satya Devi</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>10</b>	<b>Satya Narain Bagri</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>

**(v) Shareholding of Directors and Key Managerial Personnel as on 31.03.2020**

Sl. No	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
<b>A</b>	<b>At the beginning of the Year</b>				
<b>1</b>	<b>Mr. Balbir Singh (DIN:00027438)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-



	At the End of the year	-	-	-	-
<b>2</b>	<b>Dr. (Mrs) Bina Modi</b> <b>(DIN:00048606)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>Mr. Sanjay Kumar Gupta</b> <b>(DIN:00027728)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>Mr. Rajeev Kapoor</b> <b>(DIN:03155896)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>5</b>	<b>Ms. Babita Gupta</b> <b>(DIN:07135430)</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>B</b>	<b>Key Managerial Personnel</b> <b>(KMP)</b>				
<b>1</b>	<b>Mrs. Shikha Mittal</b> <b>(Chief Executive Officer &amp;</b> <b>Chief Financial Officer)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-



	At the End of the year	-	-	-	-
2	<b>Ms. Jyoti Bharti</b> <b>(Company Secretary)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>			
i) Principal Amount	-	-	-
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>			
<b>Change in indebtedness during the Financial year</b>	-	-	-
• Addition			
• (Reduction)			
<b>Indebtedness at the end of the Financial year</b>	-	-	-
i) Principal Amount			
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>			

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary	NIL	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-





	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	-	-
5.	Others- Provident Fund	-	-
	<b>Total (A)</b>	-	-
	Ceiling as per the Act	-	-

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	NIL			-
	• Fee for attending board / committee meetings				
	• Commission				
	• Others				
	<b>Total (1)</b>				
2.	Other Non-Executive Directors	-			-
	• Fee for attending board / committee meetings				
	• Commission				
	• Others				
	<b>Total (2)</b>				
	<b>Total (B)= (1+2)</b>				
	Total Managerial Remuneration	-			-
	Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

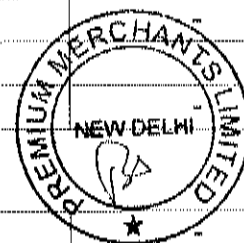
Sl. No	Particulars of Remuneration of Key Managerial Personnel	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total



		Mrs. Shikha Mittal	Mr. Ramesh Chander(Resignedw.e.f 14.08.2019)	Ms. Jyoti Bharti	
<b>1.</b>	Gross salary				
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180000	67500	0	<b>247500</b>
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
<b>2.</b>	Stock Option	-	-	-	
<b>3.</b>	Sweat Equity	-	-	-	
<b>4.</b>	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others	-	-	-	
<b>5.</b>	Others	-	-	-	
	<b>TOTAL</b>	<b>180000</b>	<b>67500</b>	<b>0</b>	<b>247500</b>

**IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Brief Description	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.COMPANY</b>					
Penalty	-	-	-	-	
Penalty	-	-	-	-	
Punishment	-	-	-	-	
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	



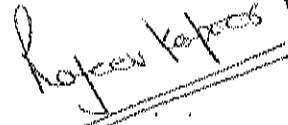
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Respectfully submitted on behalf of the Board

Place: New Delhi  
Dated: 06.08.2020



(Balbir Singh )  
Director  
(DIN-00027438)



(Rajeev Kapoor)  
Director  
(DIN-03155896)



# PREMIUM MERCHANTS LIMITED

Registered office: Omaxe Square, Plot No. 14, 5th Floor, Jasola District Centre, Jasola, New Delhi-110025

CIN: L51909DL1985PLC021077, Tel: +91 11 61119658

Email Id: [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com), website: [www.pmltd.in](http://www.pmltd.in)

## Form No. AOC-2

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

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

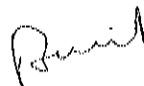
(a)	Name(s) of the related party and nature of relationship	Not applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

### 2. Details of contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Please refer point no. 18 of the Directors Report and Note No 18 of the Financial Statement.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

Respectfully submitted on behalf of the Board

Date: 06.08.2020  
Place: New Delhi

  
(Balbir Singh)  
Director  
(DIN-00027438)

  
(Rajeev Kapoor)  
Director  
(DIN-03155896)





## Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

{Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To  
The Members  
**M/s PREMIUM MERCHANTS LIMITED**  
Omaxe Square, Plot No. 14, 5th Floor Jasola District Centre,  
Jasola, New Delhi-110025 India

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

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 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;

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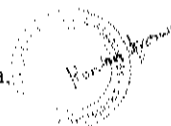
Office- 193, 1<sup>st</sup> Floor, Shakti Khand-3, Indirapuram, Uttar Pradesh-201010 (INDIA)

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (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) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) RBI Act, 1934
- (x) Applicable Labour Laws; and
- (xi) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors and Internal Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India;
- Listing Agreements with Stock Exchanges in India.



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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- Due to Covid-19 pandemic, there is a nationwide lockdown because of which there was a limited access to documents, registers, files etc. of the company. We had received all the necessary information over mails and via other electronic means from the company. So, as per the due-diligence done by us of the available records and documents of company, maintenance of minutes of board meeting and committees and Statutory Registers of the company are in compliance with the applicable secretarial standards and various provisions of The Companies Act, 2013, Sebi (LODR) Regulations, RBI Regulations etc. however further improvement will be appreciated

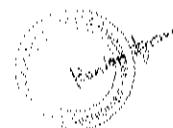
We further report that, based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Disclaimer:-**

- The secretarial audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

**Place: Uttar Pradesh  
Date: 06/08/2020**

**For Kundan Agrawal & Associates  
Company Secretaries**



**Kundan Agrawal  
Company Secretary  
Membership No. 7631  
C.P. No. 8325  
UDIN:- F007631B000555123**

# PREMIUM MERCHANTS LIMITED

Registered office: Omaxe Square, Plot No. 14, 5th Floor, Jasola District Centre, Jasola, New Delhi-110025

CIN: L51909DL1985PLC021077, Tel: +91 11 61119658

Email Id: premiummerchants123@gmail.com, website:www.pmltd.in

## STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**  
No remuneration was paid to the Directors of the Company during the Financial Year 2019-20
- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:**

S.No	Name of Key Managerial Personnel	Remuneration paid during Financial Year 2019-20	%increase in the remuneration in the Financial Year 2019-20
1	Mrs. Shikha Mittal	180000	-
2	Mr. Ramesh Chander, CFO(Resigned on 14/08/2019)	67,500	-
3	Ms. Jyoti Bharti (appointed w.e.f 17.08.2017 pursuant to the provisions of section 203 (3) of the Companies Act, 2013	-	-
	<b>Total</b>	<b>2,47,500</b>	<b>-</b>

- (iii) **The percentage increase in the median remuneration of employees in the financial year**  
During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.
- (iv) **The number of permanent employees on the rolls of Company**  
The number of permanent employee on the roll of the Company is two (02).
- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**  
During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.
- (vi) **The key parameters for any variable component of remuneration availed by the directors**  
Not applicable as no remuneration was paid to the Directors.
- (vii) **Affirmation that the remuneration is as per the remuneration policy of the company**

Yes

Respectfully submitted on behalf of the Board

Place: New Delhi  
Dated: 06.08.2020

  
(Balbir Singh)  
Director  
(DIN-00027438)

  
(Rajeev Kapoor)  
Director  
(DIN-03155896)





**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092  
Ph.: Off: 42445220 , Mob: 9810039548  
E Mail - rcagg1944@gmail.com , rcagg2003@yahoo.com

**To the Members of PREMIUM MERCHANTS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **PREMIUM MERCHANTS LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2020 and the Statement of Profit and Loss for the year ended on that date, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's Responsibility for the Financial Statements**

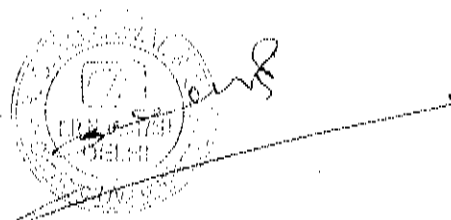
The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued there under. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the fraud and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS and fair presentation of the financial statements 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 Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092

Ph.: Off: 42445220 , Mob: 9810039548

E Mail - rcagg1944@gmail.com , rcagg2003@yahoo.com

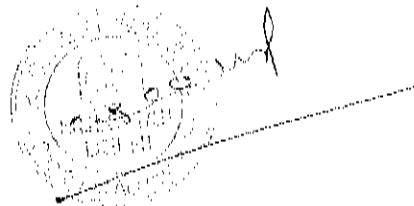
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the standalone Ind AS, of the financial position of the company as at 31<sup>st</sup> March, 2020 and its financial performance including other comprehensive income, its cash flow and changes in equity 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 Companies Act, 2013, we give the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act, 2013 we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flows and statement of changes of equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the relevant rules issued there under.
  - e. On the basis of written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.



**R. C. AGARWAL & CO.**  
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- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B"; and
- 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, if any, on its financial position in its standalone Ind AS financial statements: Refer note to the standalone Ind As Financial statements
  - ii. the company has made provision, as required , if any, under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts: Refer note to the standalone Ind As Financial statements
  - iii. there is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

For R C AGARWAL & CO.

Chartered Accountants

Firm's registration number: 003175N

**R.C. AGARWAL**

Partner

Membership number: 010200

UDIN: 20010200AAAABC2381

Place: New Delhi

Date: 30.06.2020



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092

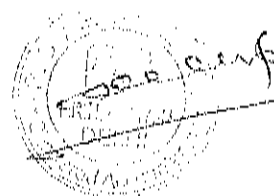
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**Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of **PREMIUM MERCHANTS LIMITED** ("the Company") for the year ended 31 March 2019. We Report that:

1. i) Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
ii) The Fixed Assets of the company are physically verified by the Management. As per the information given by the Management, no material discrepancies were noticed during such verification.  
iii) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, the company did not have any inventory, hence paragraph 3 (ii) of the company's Auditors Report order 2016 are not applicable to the company.
3. During the year under review, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. In respect of loans, investments, guarantees and security necessary provision of section 185 and 186 of the Companies act, 2013 have been complied with.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, duty of Service Tax, duty of Custom, duty of Excise, value added tax cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2020 for a period of more than six months from the date they became payable.  
  
(b) According to information and explanations given to us there was no outstanding due of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of dispute.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as the company has not taken any loans from financial institution, bank or debenture holders.
9. The company has not raised money by way of initial public offer or further public offer and term loan as such clause 9 of the order is not applicable.



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. No managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of the section 197 read with schedule V of the companies Act, 2013.
12. The company is not a Nidhi Company,
13. Detail of all the transactions with related parties in compliance with section 177 and 188 of Companies act, 2013 have been disclosed in the financial statements.
14. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non cash transactions with the directors or persons connected with him.
16. The company is registered under section 45IA of the Reserve Bank of India Act, 1934 and registration certificate has been obtained from Reserve Bank of India.

For **R.C. AGARWAL & CO.**  
Chartered Accountants  
Firm's registration number: 003175N

**R.C AGARWAL**  
Partner  
Membership number: 010200  
UDIN: **20010200AAAABC2381**  
Place: New Delhi  
Date: 30.06.2020



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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**ANNEXURE -B**

Annexure referred to in paragraph 2(i) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

**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 **PREMIUM MERCHANTS LIMITED** as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

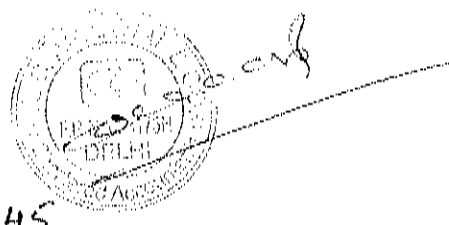
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 and the Standards on Auditing, both 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. 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 judgment, 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.



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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**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, 2020, 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.

For R.C. AGARWAL & CO.

Chartered Accountants

Firm's registration number: 003175N

**R.C. AGARWAL**

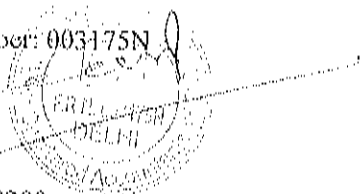
Partner

Membership number: 10200

UDIN: 20010200AAAABC2381

Place: Delhi

Date: 30.06.2020



Premium Merchants Limited  
Balance Sheet as at 31st March, 2020  
All amounts in INR unless otherwise stated

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
- Cash and cash equivalents	2	1,493,637	8,613,328	3,094,397
- Other bank balances	3	11,487,007	-	-
- Trade receivables	4	94,788	494,241	1,266,678
- Investments	5	723,663,052	830,386,145	507,206,168
- Other financial assets	6	11,900	11,900	11,900
		<u>736,750,384</u>	<u>839,505,614</u>	<u>511,579,143</u>
<b>Non-financial assets</b>				
- Current tax assets (Net)	7	1,281,540	977,670	776,687
- Property, plant and equipment	8	18,525,968	18,584,201	18,642,434
		<u>19,807,508</u>	<u>19,561,871</u>	<u>19,419,121</u>
<b>Total assets</b>		<u>756,557,892</u>	<u>859,067,485</u>	<u>530,998,264</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Financial Liabilities</b>				
- Trade Payables	9	81,620	71,220	82,238
- Borrowings	10	10,000,000	10,000,000	10,000,000
- Other financial liabilities	11	150,000	150,000	150,000
		<u>10,231,620</u>	<u>10,221,220</u>	<u>10,232,238</u>
<b>Non Financial Liabilities</b>				
- Provisions	12	7,632	7,632	7,632
- Deferred tax liability	13	153,425,791	178,545,699	103,740,112
- Other non financial liabilities	14	14,136	79,742	221,006
		<u>153,447,559</u>	<u>178,633,073</u>	<u>103,968,750</u>
<b>Total liabilities</b>		<u>163,679,179</u>	<u>188,854,293</u>	<u>113,700,988</u>
<b>Equity</b>				
Equity share capital	15	9,980,000	9,980,000	9,980,000
Other equity	16	582,898,713	660,233,192	407,317,276
<b>Total equity</b>		<u>592,878,713</u>	<u>670,213,192</u>	<u>417,297,276</u>
<b>Total liabilities and equity</b>		<u>756,557,892</u>	<u>859,067,485</u>	<u>530,998,264</u>

Notes forming part of the Financial Statements 1-20

In terms of our report attached

For R. C. Agarwal & Co.  
Chartered Accountants  
Firm Registration No: 003175N

R. C. Agarwal  
Partner  
Membership No. 010200

Place: New Delhi  
Date: 30.06.2020



For and on behalf of the Board of Directors

Balbir Singh  
Director  
DIN No. 00027438

Rajeev Kapoor  
Director  
DIN No. 03155896

Jyoti Bharti

Jyoti Bharti  
Company Secretary

Shikha Mittal

Shikha Mittal  
Chief Financial Officer & Chief Executive Officer





Premium Merchants Limited  
Statement of profit and loss for the year ended 31st March, 2020  
All amounts in INR unless otherwise stated

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Income</b>			
Revenue from operations			
Dividend income		3,457,814	3,457,814
Sale of services- brokerage		234,580	1,668,648
Interest on deposit with banks		703,529	393,192
Net gain on fair value changes on instruments designated at FVTPL		-	-
Profit on sale of investment		-	218,886
<b>Other income</b>			
Rental income		675,000	675,000
<b>Total Income</b>		<b>5,070,923</b>	<b>6,413,540</b>
<b>Expenses</b>			
Net loss on fair value changes on instruments designated at FVTPL		1,942,673	335,391
Employee benefit expenses- salary		247,500	360,000
Depreciation		58,233	58,233
Other expenses	1/	427,546	346,781
<b>Total Expenses</b>		<b>2,675,952</b>	<b>1,100,405</b>
<b>Profit before tax</b>		<b>2,395,021</b>	<b>5,313,135</b>
<b>Tax expense:</b>			
Current tax		282,000	607,000
Current tax- earlier years		(213,012)	-
Deferred tax		(404,495)	(60,553)
<b>Profit for the period</b>		<b>2,730,528</b>	<b>4,766,687</b>
<b>Other comprehensive income</b>			
<b>Items that will not to be reclassified to profit or loss</b>			
(i) Gain/(Loss) on financial instruments through other comprehensive		(104,780,421)	323,515,369
(ii) Income tax relating to items that are not to be reclassified to profit		74,715,413	(75,366,140)
<b>Total other comprehensive income - (i+ii)</b>		<b>(80,065,007)</b>	<b>248,149,229</b>
<b>Total comprehensive income for the period</b>		<b>(77,334,480)</b>	<b>252,915,916</b>
<b>Earning per equity share- basic/diluted</b>	19	<b>2.74</b>	<b>4.78</b>
(Face value of share - Rs. 10 each)			
Notes forming part of the Financial Statements		1-20	

In terms of our report attached

For R. C. Agarwal & Co.  
Chartered Accountants  
Firm Registration No: 00317584

R. C. Agarwal  
Partner  
Membership No. 010200

Place: New Delhi  
Date: 30.06.2020



For and on behalf of the Board of Directors

*Balbir Singh*  
Balbir Singh  
Director  
DIN No. 00027438

*Jyoti Bharti*  
Jyoti Bharti  
Company Secretary

*Rajiv Kapoor*  
Rajiv Kapoor  
Director  
DIN No. 03153896

*Shikha Mittal*  
Shikha Mittal  
Chief Financial Officer & Chief Executive Officer

Premium Merchants Limited  
Cash Flow Statement for the year ended March 31, 2020  
All amounts in INR unless otherwise stated

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax	2,395,021	5,313,135
<b>Adjustments:</b>		
Gain/Loss on fair value adjustment of investment	1,942,673	335,391
Depreciation	58,233	58,233
Change in trade receivables	399,453	772,437
Change in other bank balances	(11,487,007)	-
Change in trade payable	10,400	(11,018)
Change in other non financial liabilities	(65,606)	(141,264)
Cash generated from operations	(6,746,831)	6,326,915
Direct Tax paid	(372,858)	(807,983)
Net cash flow from operating activities (A)	(7,119,691)	5,518,932
<b>B. Cash Flows from investing activities (B)</b>	-	-
<b>C. Cash Flows from financing activities (C)</b>	-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(7,119,691)	5,518,932
Cash and cash equivalents at the beginning of the year	8,613,328	3,094,397
Cash and cash equivalents at the end of the year	1,493,637	8,613,328
<b>Components of cash and cash equivalents:</b>		
Cash and cheques on hand	-	-
With banks - in current account	1,493,637	8,613,328
	1,493,637	8,613,328


Notes forming part of the Financial Statements

1/20

In terms of our report attached  
For R. C. Agarwal & Co.  
Chartered Accountants  
Firm Registration No: 003175N


For and on behalf of the Board of Directors

R.C. Agarwal  
Partner  
Membership No. 010200



Balbir Singh  
Director  
DIN No. 00027438

Rajeev Kapoor  
Director  
DIN No. 03155896



Place: New Delhi  
Date: 30.6.2020

Jyoti Bharti  
Company Secretary

Shikha Mittal  
Chief Financial Officer & Chief Executive Officer

Premium Merchants Limited  
Statement of Changes in Equity for the year ended 31st March, 2020  
All amounts in INR unless otherwise stated

(a) Equity share capital:

Particular	Amount
Balance at April 1, 2013	5,660,000
Changes in equity share capital during the year	-
Balance at March 31, 2015	5,660,000
Changes in equity share capital during the year	-
Balance at March 31, 2020	5,660,000

(b) Other equity

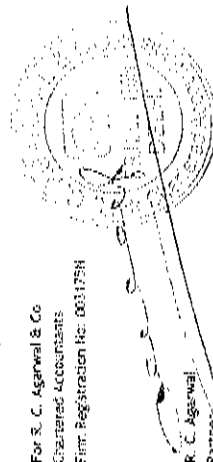
Particular	Special reserves	Statutory Reserve*	Fair value through Other Comprehensive Income(FYIOCI) Reserve	Retained earnings	Total
Balance at March 31, 2013	643,250	7,905,477	-	49,399,742	57,948,469
Increase/(Decrease) in the fair value of investment	-	-	491,032,959	1,561,770	493,095,729
Deferred tax liability on fair value of investment	-	-	(100,060,531)	(195,342)	(195,457)
Balance at April 01, 2018	643,250	7,905,477	348,002,378	50,766,170	407,317,275
Profit for the year	-	-	-	4,756,687	4,756,687
Other Comprehensive Income for the year, net of income tax	-	-	348,149,129	-	348,149,129
Transfer from/(to) during the year	-	1,038,308	-	(1,038,308)	-
Balance at March 31, 2019	643,250	8,943,785	348,149,129	49,727,862	507,464,026
Profit for the year	-	-	596,151,407	54,524,952	650,676,361
Other Comprehensive Income for the year, net of income tax	-	-	803,965,037	1,735,528	805,700,565
Transfer from/(to) during the year	-	546,126	-	(546,126)	-
Balance at March 31, 2020	643,250	9,489,911	1,152,114,166	56,708,974	1,212,956,301

\* Created under section 45-IC(i) of Reserve Bank of India Act, 1934 as a Statutory Reserve.

Notes forming part of the Financial Statements

In terms of our report attached

For S. C. Agarwal & Co  
Chartered Accountants  
Firm Registration No: 003175N



R. C. Agarwal  
Partner  
Membership No. 0110200

Place: New Delhi  
Date: 30.06.2020

For and on behalf of the Board of Directors

*Rajeev Kapoor*  
Rajeev Kapoor  
Director  
DIN No. 03155396

*Salbir Singh*  
Salbir Singh  
Director  
DIN No. 03627433

*Yash Bhardi*  
Yash Bhardi  
Company Secretary

*Shrisha Mittal*  
Shrisha Mittal  
Chief Financial Officer & Chief Executive Officer



**Premium Merchants Limited**

**Notes to Financial Statements for the year ended 31 March 2020**

**Note-1:**

**I. Corporate Information**

Premium Merchants Limited (the Company) is a company limited by shares, incorporated in India on 9th February, 1983. The Company is fully owned by India. The address of its registered office is Omaze Square, Plot No. 14, 5th Floor, Jansla, New Delhi-110025.

**1.1) Statement of compliance**

The Company, a listed non banking financial company, is required to adopt Ind AS with effect from financial year 2019-20. Accordingly, these financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in view of applicability of Ind AS on the Company.

**(b) First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The effect of the Company's transition to Ind AS is summarized in the following notes:

- (i) Transition elections
- (ii) Recombination of equity, total comprehensive income, balance sheet, profit and loss

**(c) Transition elections**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain mandatory optional exemptions availed by the Company as detailed below.

**Exemptions applied**

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

**Deemed cost of property, plant and equipment**

The Company has opted to consider previous GAAP carrying value of investment properties and other intangible assets as deemed cost on transition date.

**III. Basis of preparation and presentation**

**a. Basis of preparation and presentation**

The financial statements are presented in Rs.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

**b. Use of Estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised.

**IV. Significant accounting policies**

**a. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Dividend income from shares/ mutual funds is recognised for when the right to receive it is established.

**Income from services**

Revenue from service contracts priced on a time basis is recognised when services are rendered and related costs are incurred.

**Other income**

Other income comprises of interest income, interest income is accounted for on accrual basis.

**b. Taxation**

**Current tax**

Provision for current tax for the period is based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax resulting from "temporary differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable acceptability that the asset will be realised in future. Deferred tax that relates to items that are recognised in other comprehensive income is recognised in other comprehensive income.

**c. Finance Costs**

Finance costs comprise interest expense on loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Profit and Loss using effective interest rate (EIR). Borrowing cost may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**d. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**e. Earnings per share (EPS)**

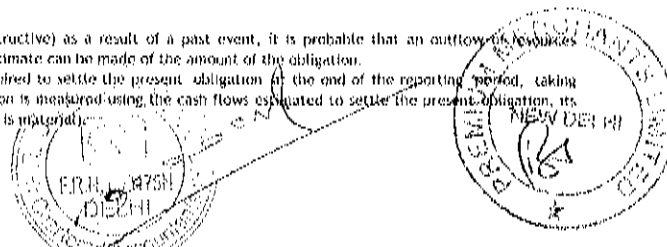
Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

**f. Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value is material).

**g. Financial Instruments**



A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

##### Financial assets at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial asset is classified as at the FVTOCI if both of the following criteria are met unless the asset is designated at fair value through profit or loss under fair value

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset, and
- The asset's contractual cash flows represent SPPI.

##### Financial assets at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

##### Equity investments:

All equity investments, except investments in subsidiaries and associates and non current investment in unquoted equity shares, in scope of Ind AS 109 are measured at fair value, with all changes recognized in the statement of profit and loss. The investments in shares of subsidiaries and associates valued at cost. Non current investments in unquoted equity shares are measured at fair value, with all changes recognized in the other comprehensive income.

##### Derivatives

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### h. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ in the principal market for the asset or liability, or
- ▶ in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

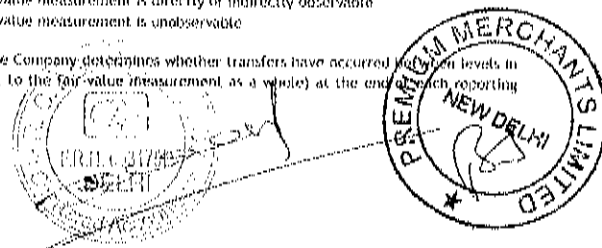
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



External valuers are involved, wherever required, for valuation of significant assets, such as properties and intangible financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Board of directors and the selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board of directors, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the board of directors analyses the movements in the values of assets and liabilities which are required to be measured or re-assessed as per the Company's accounting policies. For this analysis, the board of directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The board of directors, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

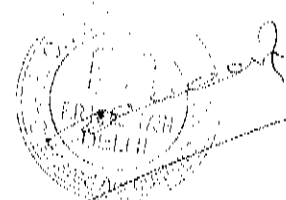
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Premium Merchants Limited

All amounts in INR unless otherwise stated

	<u>As at 31st</u> <u>March, 2020</u>	<u>As at 31st</u> <u>March, 2019</u>	<u>As at 1st</u> <u>April, 2018</u>
<b>2 Cash and cash equivalents</b>			
Cash on hand	-	-	-
Balances with Banks			
- In current accounts	374,989	275,208	188,404
- In Fixed deposits upto 3 months	1,118,199	8,337,671	2,905,544
- Stamps in hand	449	449	449
	<u>1,493,637</u>	<u>8,613,328</u>	<u>3,094,397</u>
<b>3 Other bank balances</b>			
Fixed Deposit with remaining maturity of more than 3 months but upto 12 months	11,487,007	-	-
	<u>11,487,007</u>	<u>-</u>	<u>-</u>
<b>4 Trade receivables</b>			
Considered good- unsecured:			
- Receivables due for a period exceeding six months from the date they became due	94,788	494,241	1,266,678
- Others	-	-	-
	<u>94,788</u>	<u>494,241</u>	<u>1,266,678</u>



Premium Merchants Limited  
All amounts in INR unless otherwise stated

	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>5. Investments</b>							
<b>Fair Value through profit and loss:</b>							
<b>Fully paid up Equity Shares- quoted</b>							
- Medf Naturals Limited	10	4200	75,390	4,200	333,480	4,200	430,500
- Subrose Limited	2	4900	633,080	4,900	1,308,055	4,900	1,423,450
<b>Mutual Funds</b>							
- IIFL Cash Opportunities fund		1002888	8,990,392	1,002,888	10,000,000	840,576	10,122,976
<b>Fair Value through other comprehensive income:</b>							
<b>Fully paid up Equity Shares- unquoted</b>							
- Bharat Hotels	10	400	586,292	400	586,292	400	579,651
- Vandana Dealers Private Limited	10	330000	22,282,725	330,000	22,282,725	330,000	21,828,952
- Indofill Industries Limited	10	418284	657,124,164	418,284	798,524,571	418,284	845,890,744
<b>Partly paid up equity shares- unquoted</b>							
- Indofill Industries Limited (Par value Rs. 10/- per share and paid up Rs. 3/- per share)	10	46476	23,904,139	46,476	25,284,152	46,476	14,363,825
<b>Fully paid up preference shares- unquoted</b>							
- Colorbar Cosmetics Private Limited	10	654800	6,564,370	654,800	6,564,370	654,800	6,564,370
- Rajputana Developers Limited	10	450000	4,500,000	450,000	4,500,000	450,000	4,500,000
- Premium Tradelinks Private Limited	10	100000	1,002,500	100,000	1,002,500	100,000	1,002,500
			<b>723,663,052</b>		<b>830,306,145</b>		<b>907,206,168</b>

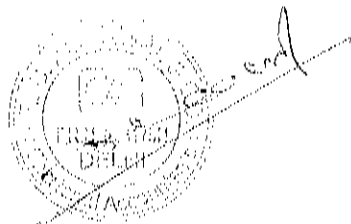




Premium Merchants Limited

All amounts in INR unless otherwise stated

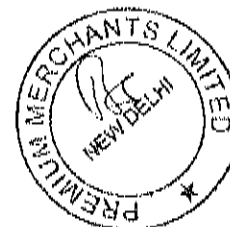
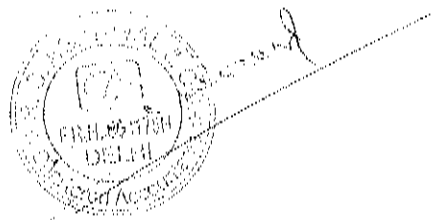
	<u>As at 31st</u> <u>March, 2020</u>	<u>As at 31st</u> <u>March, 2019</u>	<u>As at 1st</u> <u>April, 2018</u>
<b>6 Other financial assets</b>			
Security deposits at amortised cost	11,900	11,900	11,900
	<u>11,900</u>	<u>11,900</u>	<u>11,900</u>
<b>7 Current tax assets</b>			
Income tax paid ( Net of provisions)	1,281,540	977,670	776,687
	<u>1,281,540</u>	<u>977,670</u>	<u>776,687</u>
<b>8 Property, plant and equipment</b>			
		<b>Land</b>	<b>Building</b>
<b>Cost</b>			
As at 31.3.2018		16,225,100	2,650,266
Transition adjustment		-	-
As at 1.4.2018		16,225,100	2,650,266
Additions/deletions		-	-
As at 31.3.2019		16,225,100	2,650,266
Additions/deletions		-	-
As at 31.3.2020		<u>16,225,100</u>	<u>2,650,266</u>
<b>Accumulated Depreciation</b>			
As at 31.3.2018		-	232,932
Transition adjustment		-	-
As at 1.4.2018		-	232,932
Depreciation during the year		-	58,233
As at 31.3.2019		-	291,165
Depreciation during the year		-	58,233
As at 31.3.2020		<u>-</u>	<u>349,398</u>
<b>Net book value</b>			
As at 1.4.2018		16,225,100	2,417,334
As at 31.3.2019		16,225,100	2,359,101
As at 31.3.2020		<u>16,225,100</u>	<u>2,300,868</u>



Premium Merchants Limited

All amounts in INR unless otherwise stated

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>9 Financial Liabilities- Trade payables</b>			
Audit Fees Payable	9,000	32,400	26,720
Other payable	72,620	38,820	55,518
	<u>81,620</u>	<u>71,220</u>	<u>82,238</u>
<b>10 Financial liabilities- Non current borrowings</b>			
9% Redeemable, non cumulative preference shares at amortised cost	4,000,000	4,000,000	4,000,000
6% Redeemable, non cumulative preference shares at amortised cost	6,000,000	6,000,000	6,000,000
	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
The above preference shares are redeemable to KK Modi Investment and Financial Services on			
<b>11 Other financial liabilities</b>			
Security deposits	150,000	150,000	150,000
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
<b>12 Provisions</b>			
Contingent provisions against standard assets	7,632	7,632	7,632
	<u>7,632</u>	<u>7,632</u>	<u>7,632</u>
<b>13 Deferred Tax Liability</b>			
Fair value of financial instruments - quoted	24,292	134,789	159,531
Fair value of financial instruments - unquoted	153,401,499	178,410,910	103,080,581
	<u>153,425,791</u>	<u>178,545,699</u>	<u>103,240,112</u>
<b>14 Other non financial liabilities</b>			
Statutory dues	14,136	79,742	221,006
	<u>14,136</u>	<u>79,742</u>	<u>221,006</u>



Premium Merchants Limited

All amounts in INR unless otherwise stated

15. Equity Share Capital

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
<b>Authorised</b>						
Equity Shares of Rs 10/- each	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000
Preference Shares of Rs. 10/- each	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000
	2,000,000	20,000,000	2,000,000	20,000,000	2,000,000	20,000,000
<b>Issued, subscribed &amp; paid up capital</b>						
Equity Shares of Rs 10/- each	998,000	9,980,000	998,000	9,980,000	998,000	9,980,000
	998,000	9,980,000	998,000	9,980,000	998,000	9,980,000

15.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
Equity Shares outstanding at the beginning of the year	998,000	9,980,000	998,000	9,980,000	998,000	9,980,000
Subscription money received during the year						
Equity Shares outstanding at the end of the year	998,000	9,980,000	998,000	9,980,000	998,000	9,980,000

15.2 Details of Equity shareholders holding more than 5% shares in the company

Name of shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
K.K.Modi Investment & Financial Services Pvt Ltd	720,000	72.14%	720,000	72.14%	720,000	72.14%



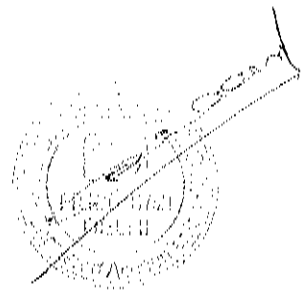
Premium Merchants Limited

All amounts in INR unless otherwise stated

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>16 Other equity</b>			
Special reserve	643,250	643,250	643,250
Statutory reserve	9,459,888	8,913,782	7,905,477
Reserve for equity instruments fair valued through OCI	516,086,600	596,151,607	348,002,378
Retained Earning	56,708,975	54,524,553	50,766,171
	<u>582,898,713</u>	<u>660,233,192</u>	<u>407,317,276</u>
<b>Special reserve</b>			
Opening Balance	643,250	643,250	643,250
	<u>643,250</u>	<u>643,250</u>	<u>643,250</u>
<b>Statutory reserve</b>			
Opening Balance	8,913,782	7,905,477	7,905,477
During the year transfer	546,106	1,008,305	-
	<u>9,459,888</u>	<u>8,913,782</u>	<u>7,905,477</u>
<b>Reserve for equity instruments fair valued through OCI</b>			
Opening Balance	596,151,607	348,002,378	-
Add: Net gain on investment at FVTOCI (Net of tax) at transition date	(80,065,007)	248,149,229	348,002,378
	<u>516,086,600</u>	<u>596,151,607</u>	<u>348,002,378</u>
<b>Retained Earning</b>			
Opening balance	54,524,553	50,766,170	49,399,742
Net profit/(Loss) for the current year	2,730,528	4,766,687	-
During the year transfer to statutory reserve	(546,106)	(1,008,305)	-
Fair value gain on financial instruments net of deferred tax	-	-	1,366,428
	<u>56,708,975</u>	<u>54,524,553</u>	<u>50,766,170</u>

**Nature and purpose of other equity:**

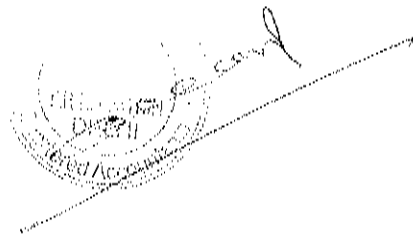
- (i) Amount set aside from retained earnings as a reserve to be utilised for permissible general purposes as per law.
- (ii) Reserve created under section 45-IC(I) of Reserve Bank of India Act, 1934 as a Statutory Reserve.
- (iii) Reserve for financial instruments measured at FVTOCI: The company has elected to recognise changes in fair value of certain investments in equity securities in other comprehensive income.
- (iv) Retained Earnings: Retained earnings represents the surplus in statement in profit and loss and appropriations.



**Premium Merchants Limited**

All amounts in INR unless otherwise stated

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>17 Other Expenses</b>		
Advertisement	37,230	30,160
Payment to auditor as auditor	10,000	40,080
Listing fees	55,000	65,000
Professional charges	92,680	65,512
Depository charges	9,000	22,086
Insurance charges	26,046	21,994
Bank charges	646	1,219
Filing fees & Subscription	77,112	10,114
Rate & Taxes	74,578	73,693
Misc. expenses	41,053	12,722
Edp charges	4,201	4,201
	<u>427,546</u>	<u>346,781</u>



Premium Merchants Limited

Notes to Financial Statements for the year ended 31 March, 2020

18 Disclosures of transactions with related party as required by Ind AS- 24

(A) Name of Related parties and nature of relationships:

S.No.	Name of related party	Relationship
1	K.K.Modi Investment & Financial Services Pvt Ltd	Holding Company
2	Integrated Technology Solutions Private Limited	Fellow Subsidiary Company
3	KKM Management Centre Private Limited	Fellow Subsidiary Company
4	MWC Market Services Private Limited	Fellow Subsidiary Company
5	Neon Solutions Private Limited	Fellow Subsidiary Company
6	Premium Bidi Company Limited	Fellow Subsidiary Company
7	Sapphire Insurance Agencies Limited	Fellow Subsidiary Company
8	Vandana Dealers Private Limited	Fellow Subsidiary Company
9	Gopal Krishna Infrastructure and Real Estate Limited	Fellow Subsidiary Company
10	Indofil Industries Limited	Enterprises over which KMP or their relatives are able to exercise significant influence

(B) Key Managerial Personnel (KMP)

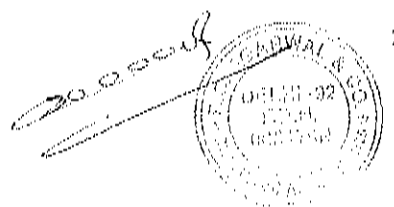
1	Dr. (Mrs) Bina Modi	Additional Director
2	Mr. Balbir Singh	Director
3	Mr. Rajeev Kapoor	Director
4	Mr. Sanjay Kumar Gupta	Director
5	Mrs. Babita Gupta	Director
6	Mrs. Shikha Mittal	Chief Executive Officer & Chief Financial Officer
7	Ms. Jyoti Bharti	Company Secretary

Transactions with related party during the year:

S. No.	Particulars	2019-20 (Rs.)
(I)	Transactions with Indofil Industries Limited	
1	Dividend received	3,457,814
2	Rent received	675,000
(II)	Outstanding balance of Indofil Industries Limited as on the balance sheet date-	
1	Refer note 5 of financial statements for closing balance of investment	
2	Amount outstanding against rent received- Rs. 60,751	

19 Disclosure as per Ind AS 33 regarding earnings per share:

Particulars	FY 2019-20 (Amount in Rs.)	FY 2018-19 (Amount in Rs.)
Profit for the period	2,730,528	4,766,687
Weightage average number of shares (for Basic/diluted)	998,000	998,000
Face Value per share	10	10
Earnings per share (Basic and diluted)	2.74	4.78



Premium Merchants Limited

Notes to Financial Statements for the year ended 31 March 2020

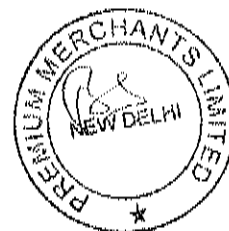
(All amounts are in actual INR unless otherwise stated)

20 First-time adoption of Ind AS

Effect of Ind AS adoption on the balance sheet as at March 31, 2018 and March 31, 2019

Particulars	Opening Balance Sheet as at March 31, 2018 (Date of Transition)				Balance sheet as at March 31, 2019 (End of last period presented under previous GAAP)			
	Previous GAAP	Effect of transition to Ind AS	Check	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Check	Ind AS
<b>Financial assets</b>								
- Cash and cash equivalents	3,094,397			3,094,397	8,613,328			8,613,328
- Trade receivables	1,266,678			1,266,678	494,241			494,241
- Investments	54,597,250		(452,608,918)	507,206,168	54,597,250	(775,788,895)		830,386,145
- Other financial assets	11,900			11,900	11,900			11,900
<b>total financial assets</b>	<b>58,970,225</b>		<b>(452,608,918)</b>	<b>511,579,143</b>	<b>63,716,719</b>	<b>(775,788,895)</b>		<b>839,505,614</b>
<b>Non-financial assets</b>								
- Current tax assets (Net)	776,687			776,687	977,670			977,670
- Property, plant, and equipment	18,642,434			18,642,434	18,584,201			18,584,201
<b>Total non financial assets</b>	<b>19,419,121</b>			<b>19,419,121</b>	<b>19,561,871</b>			<b>19,561,871</b>
<b>Total assets</b>	<b>78,389,346</b>			<b>530,998,264</b>	<b>83,278,590</b>			<b>859,067,485</b>

Particulars	Opening Balance Sheet as at March 31, 2018 (Date of Transition)				Balance sheet as at March 31, 2019 (End of last period presented under previous GAAP)			
	Previous GAAP	Effect of transition to Ind AS	Check	Opening Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	Check	As per Ind AS Balance Sheet
<b>LIABILITIES AND EQUITY</b>								
<b>Liabilities</b>								
<b>Financial liabilities</b>								
- Trade Payables	82,238			82,238	71,220			71,220
- Borrowings		10,000,000		10,000,000		(10,000,000)		10,000,000
- Other financial liabilities	150,000			150,000	150,000			150,000
<b>Total financial liabilities</b>	<b>232,238</b>	<b>10,000,000</b>		<b>10,232,238</b>	<b>271,220</b>	<b>(10,000,000)</b>		<b>10,221,220</b>
<b>Non financial liabilities</b>								
- Provisions	7,632			7,632	7,632			7,632
- Deferred tax liability			(103,240,112)	103,240,112		(178,545,699)		178,545,699
- Other non financial liabilities	221,006			221,006	79,742			79,742
	228,638		(103,240,112)	103,468,750	87,374	(178,545,699)		178,633,073
<b>Total liabilities</b>	<b>460,876</b>	<b>10,000,000</b>	<b>(103,240,112)</b>	<b>113,700,988</b>	<b>308,594</b>	<b>(188,545,699)</b>		<b>188,854,293</b>
<b>Equity</b>								
- Equity share capital	9,980,000			9,980,000	9,980,000			9,980,000
- Preference share capital	10,000,000	(10,000,000)			10,000,000	(10,000,000)		
- Other equity	57,948,470	349,368,806	(0)	407,317,276	62,989,996	587,243,196	(0)	650,233,192
<b>Total Equity</b>	<b>77,928,470</b>	<b>349,368,806</b>	<b>(0)</b>	<b>417,285,276</b>	<b>82,969,996</b>	<b>587,243,196</b>	<b>(0)</b>	<b>670,213,192</b>
<b>Total equity and liabilities</b>	<b>78,389,346</b>	<b>349,368,806</b>	<b>(103,240,112)</b>	<b>530,998,264</b>	<b>83,278,590</b>	<b>(188,545,699)</b>		<b>859,067,485</b>



Premium Merchants Limited

Notes to Financial Statements for the year ended 31 March 2020

(All amounts are in actual INR unless otherwise stated)

20.1 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2019

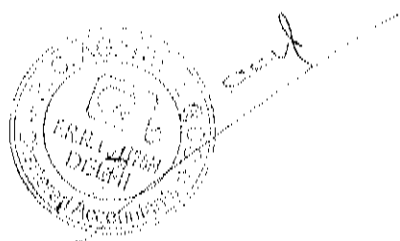
Particulars	Notes to first time adoption	Year ended 31/3/2019 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from operations		6,413,540	-	6,413,540
Total Income		6,413,540		6,413,540
<b>Expenses</b>				
Net loss on fair value changes on instruments designated at FVTPL	(i)	-	335,391	335,391
Employee Benefit Expenses		360,000	-	360,000
Depreciation		58,233	-	58,233
Other expenses		346,781	-	346,781
Total expenses		765,014	335,391	1,100,405
Profit before tax		5,648,526	(335,391)	5,313,135
<b>Tax expense:</b>				
Current tax		607,000	-	607,000
Deferred tax charge		-	-	(60,553)
Profit for the year		5,041,526	(335,391)	4,706,135
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
(i) Gain/(Loss) on equity instruments through other comprehensive income	(i)	-	-	323,515,369
(ii) Income tax relating to items that are classified in comprehensive income	(ii)	-	-	(75,366,140)
Total other comprehensive income		-	-	248,149,229
Total comprehensive income for the year		5,041,526	(335,391)	252,915,916

Effect of Ind AS adoption of the statement of cash flows for the year ended March 31, 2019:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Effect of Ind AS adoption of the other comprehensive income for the year ended March 31, 2019:

Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit and loss to profit and loss as per Ind AS. Further, previous GAAP profit and loss is reconciled to total comprehensive income as per Ind AS.



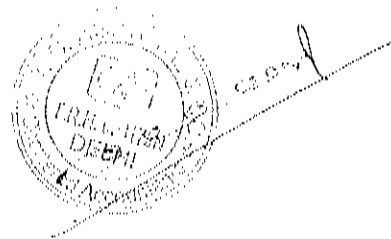


20.2 Reconciliation of total equity as at March 31, 2019 and April 1, 2018

Particulars	Notes to first time adoption	As at April 1, 2018 (Date of transition)	As at March 31, 2019 (End of last period presented under previous GAAP)
Total equity (shareholders' funds) reported under previous GAAP		57,948,470	62,989,996
Increase/(Decrease) due to Ind AS Adjustments			
Impact of measuring investments at fair value through profit and loss	(i)	1,561,770	1,226,379
Deferred tax adjustments on above	(ii)	(195,341)	(134,789)
Impact of measuring investments at fair value through OCI	(i)	451,047,148	774,562,517
Deferred tax adjustments on above	(ii)	(103,044,770)	(178,410,910)
Total adjustment to equity		349,368,807	597,243,197
Total equity under Ind AS		407,317,277	660,233,193

Reconciliation of total comprehensive income for the year ended March 31, 2019

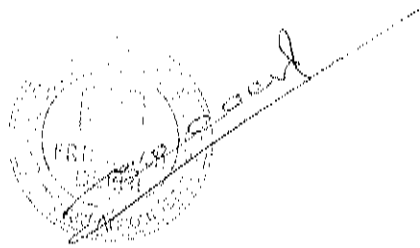
Particulars	Notes to first time adoption	Year ended March 31, 2019
Profit after tax as reported under Previous GAAP		5,041,576
Effects of transition to Ind AS:		
- Impact of measuring investments at fair value through profit and loss	(i)	(335,391)
- Tax adjustments	(ii)	60,553
Profit after tax as reported under Ind AS		4,766,687
Other comprehensive income		
- Gain/(Loss) on equity instruments through other comprehensive income	(i)	323,515,369
- Income tax on above	(ii)	(75,366,140)
Total Other comprehensive income		248,149,229
Total comprehensive income as reported under Ind AS		252,915,916



20.3 Notes to first time adoption

(i) Under the previous GAAP, Long-term investments were carried at cost and related provision for other than temporary decline in the value of such investments were shown in long term provisions. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments aggregating to Rs. 15,61,770/- and Rs. 45,10,47,148/- have been recognized in retained earnings and FVTOCI reserve respectively as at the date of transition and subsequently Rs. (-)335,391/- and Rs. 32,35,15,369/- in the profit and loss and other comprehensive income respectively for the year ended March 31, 2019. Consequent to this change, the amount of investments increased by Rs. 45,26,08,918/- as at April 1, 2018 and by Rs.77,57,88,896/- as at March 31, 2019.

(ii) Deferred tax has been recognised on the adjustments made on transition to Ind AS. The resulting amount of deferred tax liabilities (net of deferred tax assets) recognised on the adjustments due to Ind AS aggregating to Rs. 195341/- and Rs. 10304770/- has been recognised in retained earnings and FVTOCI reserve as at the date of transition and Rs.(-)60,552/- and Rs. 7,53,66,140/- in profit and loss and FVTOCI reserve for the year ended March 31, 2019. Consequent to this change, the amount of deferred tax increased by Rs. 10,32,40,112/- as at April 1, 2018 and by Rs. 17,85,45,699/- as at March 31, 2019.



**PREMIUM MERCHANT LIMITED**

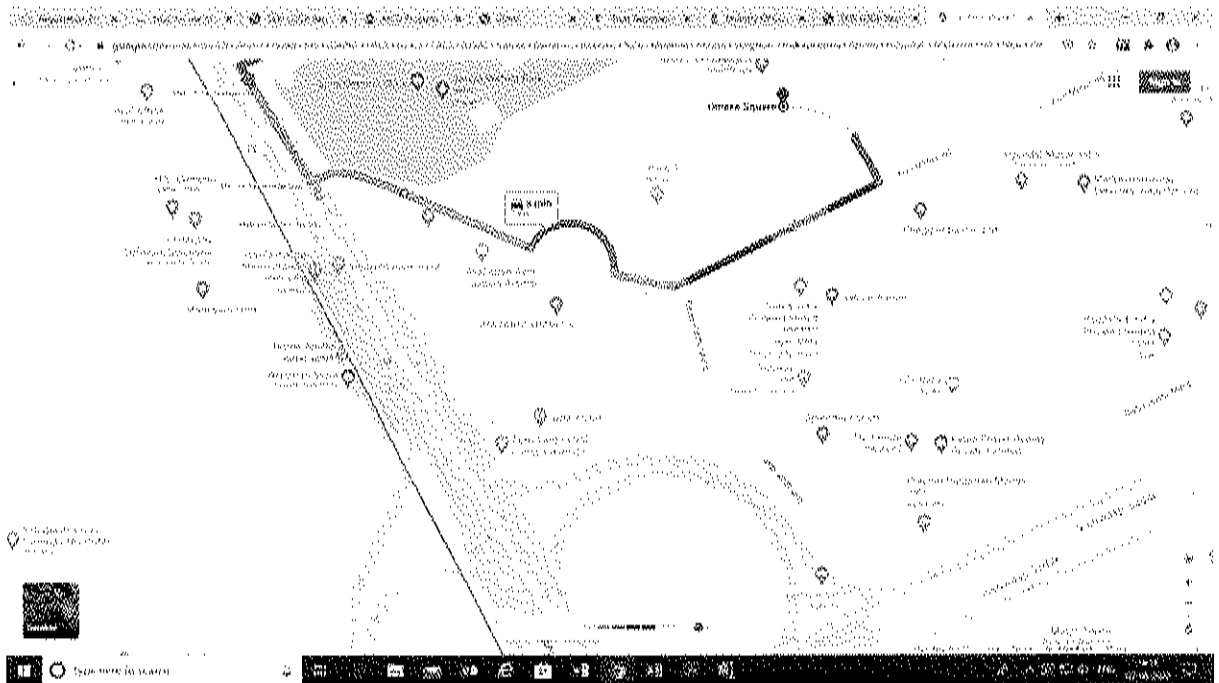
Schedule to the Balance Sheet as on 31<sup>st</sup> March 2020 of a non-deposit taking Non-Banking Financial Company (as required in terms of Para 18 of 'Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016')

Particulars		(Rs. in lakh)	
<b>Liabilities side :</b>			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	Amount out-standing	Amount overdue
a)	Debentures : Secured	---	---
	: Unsecured (other than falling within the meaning of public deposits*)	---	---
b)	Deferred Credits	---	---
c)	Term Loans	---	---
d)	Inter-corporate loans and borrowing	---	---
e)	Commercial Paper	---	---
f)	Public Deposits*	---	---
g)	Other Loans (specify nature)	---	---
* Please see Note 1 below			
Total		---	---
(2)	<b>Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a)	In the Form of Unsecured debentures		
(b)	In the form of partly secured debentures i.e, debentures where there is a shortfall in the value of security		
(c)	Other public deposits		
*Please see Note 1 below			
<b>Asset Side:</b>		<b>Amount outstanding</b>	
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
a)	Secured		Nil
b)	Unsecured		0.95
(4)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
i)	Lease assets including lease rentals under sundry debtors :		
a)	Financial lease		Nil
b)	Operating lease		Nil
ii)	Stock on hire including hire charges under sundry debtors:		
a)	Assets on hire		Nil
b)	Repossessed Assets		Nil
iii)	Other loans counting towards AFC activities		
a)	Loans where assets have been repossessed		Nil
b)	Loans other than (a) above		Nil
Total			0.95
(5)	<b>Break-up of Investments :</b>		
<b>Current Investments :</b>			
1.	Quoted :		
i)	Shares :	a) Equity	
		b) Preference	
ii)	Debentures and Bonds		
iii)	Units of Mutual Funds		
iv)	Government Securities		

	v)	Others (please specify)		Nil
2.		Unquoted :		
	i)	Shares :	a) Equity	Nil
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
		Long Term Investments :		
1.		Quoted :		
	i)	Shares :	a) Equity	7.09
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		89.90
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
2.		Unquoted :		
	i)	Shares :	a) Equity	7018.97
			b) Preference	120.67
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
		Total		7236.63
(6)	<b>Borrower group-wise classification of assets financed as in (3) and (4) above :</b>			
	Please see Note 2 below			
	Category		Amount net of provisions	
			Secured	Unsecured
				Total
	1.	Related Parties **		
	a)	Subsidiaries	Nil	Nil
	b)	Companies in the same group	Nil	Nil
	c)	Other related parties	Nil	Nil
	2.	Other than related parties	Nil	Nil
		Total	Nil	Nil
(7)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
	Please see Note 3 below			
	Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1.	Related Parties **		
	a)	Subsidiaries	NIL	NIL
	b)	Companies in the same group (Holding and Fellow subsidiaries)	6910.95	6910.95
	c)	Other related parties- Associates	NIL	NIL
	2.	Other than related parties	325.68	325.68
		Total	2580.58	7236.63
	• Under Ind AS, Book value means fair value			
	** As per Accounting Standard of ICAI (Please see Note 3)			
(8)	<b>Other information</b>			
	Particulars		Amount	
	i)	Gross Non-Performing Assets		
		a) Related parties	Nil	
		b) Other than related parties	Nil	
	ii)	Net Non-Performing Assets		
		a) Related parties	Nil	
		b) Other than related parties	Nil	
	iii)	Assets acquired in satisfaction of debt		

<b>Notes:</b>	
1	As defined in point six of paragraph 3 of chapter-2 of these directions.
2	Provisioning norms shall be applicable as prescribed in these Directions.
3	All Accounting Standards and Guidance Notes by ICAI are applicable including for valuation of investment and other asset as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.





Route Map from

Red light in front of Apollo Hospital  
to Omare Square

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