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**ANNUAL REPORT  
&  
ACCOUNTS  
2018-19**

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**PUNJAB MERCANTILE & TRADERS LIMITED**  
(CIN: U52110DL1972PLC006380)

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## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
PUNJAB MERCANTILE & TRADERS LIMITED

### I. Report on the Audit of Financial Statements for the year ended 31<sup>st</sup> March, 2019

#### 1. Opinion

- A. We have audited the accompanying Financial Statements of **Punjab Mercantile & Traders Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit, and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

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

#### 3. Management's Responsibility for the Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and its implementation and maintenance; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **4. Auditor's Responsibilities for the Audit of the Financial Statements**

- A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- D. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - C. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - E. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us :
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraph 3 and 4 of the Order.



Place : New Delhi  
Date : 17<sup>th</sup> May, 2019

For **AWATAR & CO.**  
Chartered Accountants  
Firm Registration No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**  
Partner  
Membership No. : 087786

## ANNEXURE-A

### **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PUNJAB MERCANTILE & TRADERS LIMITED**

#### **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 Punjab Mercantile & Traders Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 l/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"



For **AWATAR & CO.**  
Chartered Accountants  
Firm Registration No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**  
Partner

Membership No. : 087786

Place : New Delhi  
Date : 17<sup>th</sup> May, 2019



## ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph II(2) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of Punjab Mercantile & Traders Limited for the year ended 31<sup>st</sup> March, 2019)

- i) The company does not have any fixed assets.
- ii) In respect of inventories, the clause is not applicable since the company does not have any inventory.
- iii) In respect of loans, secured or unsecured, granted or taken by the Company, to or from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanations given to us the company has not granted any such loan.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, wherever applicable.
- vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii)
  - a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, GST, Customs Duty, Excise Duty, VAT and Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of disputes.
- viii) The company does not have any dues to financial institution or bank or debenture holders.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) and hence Clause-3(ix) is not applicable.
- x) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
- xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration under section 197 read with the Schedule V to the Companies Act 2013 and hence Clause 3 (xi) is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence Clause 3 (xii) is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion there are no transactions with the related parties during the year.
- xiv) According to the records of the company, it has not made preferential allotment of shares during the year under report, hence clause 3(xiv) is not applicable to the Company.



Contd. .... 2.

- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him and Clause 3 (xv) is not applicable to the Company.



For **AWATAR & CO.**  
Chartered Accountants  
Firm Registration No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**  
Partner  
Membership No. : 087786

Place : New Delhi  
Date : 17<sup>st</sup> May, 2019



## PUNJAB MERCANTILE & TRADERS LTD.

Regd. Office : 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

CIN: U52110DL1972PLC006380

### BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakh)

PARTICULARS	Note No.	AS AT 31ST MARCH, 2019	AS AT 31ST MARCH, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	5.00	5.00
Reserves and surplus	4	99.30	84.66
<b>Current liabilities</b>			
Trade Payables	5		
- Dues of Micro and Small Enterprises		-	-
- Dues to Other Creditors		0.16	0.09
<b>Total</b>		<b>104.46</b>	<b>89.75</b>
<b>ASSETS</b>			
<b>Non- current assets</b>			
Non-current investments	6	102.31	88.07
Long-term loans and advances	7	1.49	1.33
<b>Current assets</b>			
Cash and Bank Balances	8	0.63	0.35
Short-term loans and advances	9	0.03	-
<b>Total</b>		<b>104.46</b>	<b>89.75</b>
<b>Significant accounting policies &amp; notes to financial statements</b>	<b>1 to 12</b>		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 17-05-2019



For and on behalf of the Board of Directors

*Ashok Sen*

**Ashok Sen**

Director

DIN: 00002109

*Mohit Jain*

**Mohit Jain**

Director

DIN: 01315482

*[Handwritten mark]*

**PUNJAB MERCANTILE & TRADERS LTD.**

Regd. Office : 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

CIN: U52110DL1972PLC006380

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. in Lakh)

Particulars	Note No.	FOR THE YEAR ENDED 31ST MARCH, 2019	FOR THE YEAR ENDED 31ST MARCH, 2018
<b>Revenue</b>			
Other income	10	19.86	1.28
<b>Total</b>		19.86	1.28
<b>Expenses</b>			
Employee benefits expense	11	1.15	0.75
Other expenses	12	0.36	2.56
<b>Total</b>		1.51	3.31
<b>Profit/(-) Loss before tax</b>		18.35	-2.03
<b>Tax expense :</b>			
Current tax		3.53	-
Earlier year tax provisions (net)		0.18	-
<b>Profit/ (-) Loss after tax for the year</b>		14.64	-2.03
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic (in Rs.)		29.28	-4.05
Diluted (in Rs.)		29.28	-4.05
<b>Significant accounting policies &amp; notes to financial statements</b>	1 to 12		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal***Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 17-05-2019

*Ashok Sen***Ashok Sen**

Director

DIN: 00002109

*Mohit Jain***Mohit Jain**

Director

DIN: 01315482

*[Handwritten mark]*

**PUNJAB MERCANTILE & TRADERS LTD.**

Regd. Office : 1st Floor, Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

CIN: U52110DL1972PLC006380

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. in Lakh)

Particulars	31ST MARCH, 2019	31ST MARCH, 2018
<b>A Cash flow from operating activities</b>		
Profit/ (-) Loss before tax	18.35	-2.03
<b>Adjustment for:</b>		
(-)Profit)/Loss on sale of non current investments(net)	-19.86	-1.28
<b>Operating profit/(-) loss before working capital changes</b>	-1.51	-3.31
<b>Adjustments for changes in working capital:</b>		
Increase/(-) decrease in Trade Payables	0.07	-
(-) Increase/ Decrease in Long term loans and Advances	-0.16	-
(-) Increase/ Decrease in Short term loans and Advances	-0.03	-
Cash generated from /(-)used in operations	-1.63	-3.31
Less: Income Tax paid (net of refunds)	-3.72	-
<b>Net cash from/ (-)used in operating activities -----A</b>	-5.35	-3.31
<b>B Cash flow from investing activities</b>		
Purchase of investments	-159.56	-8.00
Amount realised from sale of non current investments	165.19	10.15
<b>Net cash from/(-) used in investing activities -----B</b>	5.63	2.15
<b>C Cash flow from financing activities</b>		
<b>Net cash from/(-)used in financing activities-----C</b>	-	-
<b>Net increase/(-) decrease in cash and cash equivalents ----- (A+B+C)</b>	0.28	-1.16
Cash and cash equivalents at the beginning of the year (opening balance)	0.35	1.51
<b>Total cash and cash equivalents at the end of the year (closing balance)</b>	0.63	0.35
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	-
Balances with scheduled bank in current account	0.63	0.35
<b>Total</b>	0.63	0.35

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 17-05-2019



*Ashok Sen*

**Ashok Sen**

Director

DIN: 00002109

*Mohit Jain*

**Mohit Jain**

Director

DIN: 01315482

**PUNJAB MERCANTILE & TRADERS LTD.**  
**Notes to Financial Statements for the year ended 31st March ,2019**

**Note -1 : Significant Accounting Policies**

**Note - 1.1 : Basis for preparation of Accounts**

The financial statements have been prepared under the Historical Cost Convention on Accrual Basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Pursuant to Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the existing Accounting Standards as notified in the Companies (Accounting Standards) Rules, 2006, as amended, have been adopted by the Company and disclosures are made in accordance with the requirement of Schedule III of the Companies Act, 2013, as amended till date, as referred under section 129(1) of the Companies Act, 2013. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

**Note - 1.2 : Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

**Note - 1.3 : Current and Non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**Note - 1.4 : Revenue Recognition**

Revenue is recognized on accrual basis, to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured and wherever there are uncertainties in the ascertainment/ realization of income the same is not accounted for.

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

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.



**PUNJAB MERCANTILE & TRADERS LTD.**  
Notes to Financial Statements for the year ended 31st March ,2019

**Note - 1.5 : Investments**

Investments held by the Company with an intention to hold the same on long term basis have been classified as long term investments. The long-term investments are valued at their cost of acquisition. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

Current investments, which are intended to be held for not more than one year, are carried at cost or market/ quoted value whichever is less. The current maturities portion of long term investments is shown as Current Investments. The comparison of cost and fair value is done separately in respect of each category of investment.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

When disposing of a part of the holding of an individual investment, carrying amount to be allocated to that part is determined on the basis of the average carrying amount of the total holding of the investment.

**Note - 1.6 : Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**Note - 1.7 : Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise Cash at bank, Cash on hand and demand deposits with bank with an original maturity of three months or less from the date of acquisition.

**Note - 1.8 : Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the net profit /loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share is calculated by dividing the net profit /loss for the year attributable to equity shareholders by the weighted average No. of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**Note - 1.9 : Taxes on Income**

Tax expense comprises of current tax , earlier year tax and deferred tax.

Taxes on Income for the current year (Current Tax) are determined on the basis of taxable income after considering applicable tax allowances and exemptions in accordance with the provisions of Income Tax Act, 1961, as amended from time to time.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws which give rise to future economic benefits in the form of adjustments of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred Tax is recognized, subject to considerations of prudence, on timing difference, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent years.

**Note - 1.10 : Impairment of Assets**

All assets are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which the assets is identified as impaired.

**Note - 1.11 : Provisions & Contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A disclosure for a contingent liability, if any, is made by way of a Note.





**PUNJAB MERCANTILE & TRADERS LTD.**  
**Notes to Financial Statements for the year ended 31st March ,2019**

**Note - 2 : Other disclosures on Accounts**

**Note - 2.1 : Deferred Tax Asset**

The Company has not recognized deferred tax assets on brought forward losses under the Income Tax Act, as there is no virtual certainty of sufficient future taxable income against which such deferred tax assets can be realized.

**Note - 2.2 : MAT Credit Entitlement**

During the current financial year ended 31st March, 2019, Income Tax is payable under MAT and The Company has not recognized MAT Credit Entitlement in full , as there is no virtual certainty of sufficient future taxable income against which such MAT Credit Entitlement can be adjusted.

**Note - 2.3 : Contingent Liabilities**

Contingent Liabilities and commitments not provided for Rs. Nil (Previous year Rs. Nil).

**Note - 2.4 : Foreign Exchange earnings and outgo during the year are as follows:-**

Particulars	2018-19 (Rs.in Lakh)	2017-18 (Rs.in Lakh)
Earnings	Nil	Nil
Outgo	Nil	Nil

**Note - 2.5 : Segment Reporting**

There are no separate reportable segments as per Accounting Standard - 17 " Segment Reporting " ,as the Company has no operations during the year ended 31st March, 2019. (Previous year also there was Nil Segment )

**Note - 2.6 : Dues to Micro,Small & Medium Enterprises**

Based on the information so far available with the Company in respect of enterprises identified under the Micro, Small and Medium Enterprises Development Act, 2006 , there are no outstanding/ delays in payment of dues to such enterprises. The required detail as per The MSMED, Act 2006 is given below :

Particulars	(Rs. in Lakh)	
	As At 31st March, 2019	As At 31st March, 2018
<u>Dues to Micro,Small and Medium Enterprises under MSMED Act,2006</u>		
a) Interest paid and payments made to the supplier beyond the appointed day.	Nil	Nil
b) Interest due and payable for delay (which has been paid but beyond the appointed day), but without adding the interest under the MSMED Act.	Nil	Nil
c) Amount due and unpaid at the end of accounting year- - Principal amount and Interest due - Interest accrued and remaining unpaid	Nil	Nil
d) Interest remaining due and payable even in the succeeding years.	Nil	Nil

**Note - 2.7 : Related Party Disclosures**

**I. Name of Related Parties**

Name of Company /Person	Relation
1. Ashok Sen	Director
2. Mohit Jain	Director
3. Raj Kumar Jain	Director
4. PNB Finance And Industries Ltd.	Holding Company
5. Jacaranda Corporate Services Ltd.	Subsidiary of Holding Company

II. There are no transactions with the related parties during the year in terms of Accounting Standard- 18 'Related Party Disclosures'.



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**PUNJAB MERCANTILE & TRADERS LTD.**  
**Notes to Financial Statements for the year ended 31st March ,2019**

**Note - 2.8 : Earning Per Share (EPS)**

Particulars	31st March, 2019	31st March, 2018
Net Profit / (Loss) after Tax as per Statement of Profit and Loss	14.64 Lakh	(2.03 Lakh)
Weighted Average number of Equity Shares (Face Value of Rs. 10/- each per equity share )	50,000	50,000
Basic and Diluted EPS (In Rupees)	29.28	-4.05

**Note - 2.9 : Inventory**

The Company has no Inventories .

**Note - 2.10 :** Figures have been rounded off to the nearest rupees Lakh .

**Note - 2.11 : Grouping /Regrouping of previous year figures**

Previous year figures have been re-arranged or re - grouped wherever necessary.



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**PUNJAB MERCANTILE & TRADERS LTD.**

Notes to Financial Statements for the year ended 31st March, 2019

**Note - 3 : Share capital**

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March , 2018
<b>Share capital</b>		
Equity Share Capital		
<b>Authorised share capital</b>		
2,50,000 (Previous Year 2,50,000 ) Equity shares of Rs. 10/-Each	25.00	25.00
	25.00	25.00
<b>Issued, subscribed &amp; fully paid share capital</b>		
50,000 (Previous Year 50,000 ) - Equity shares of Rs. 10/- each, fully Paid up in cash.(held by the Holding Company ,PNB Finance & Industries Ltd.)	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

a) There is no change in the Share capital during the year and in the period of five years immediately preceding the date as at which the balance sheet is prepared.

b) The Company has only one class of equity shares having a par value of Rs.10 per Share. Each holder of equity shares is entitled to one vote per share.

c) No dividend has been proposed / declared during the year ended 31st March, 2019 (31st March, 2018 : Nil).

d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e) Detail of Shareholders holding more than 5% Shares**

Name of Shareholder	As at 31st March, 2019	As at 31st March , 2018
	Number of Shares	Number of Shares
<b>PNB Finance and Industries Ltd. (Holding Company)</b>	<b>50,000 *</b>	<b>50,000 *</b>

\*Out of the total equity shares, 7 (Seven) equity shares are held by 7(Seven) Individuals holding 1 (one) share each jointly with the holding Company .



**PUNJAB MERCANTILE & TRADERS LTD.**

Notes to Financial Statements for the year ended 31st March, 2019

**Note - 4 : Reserves and surplus**

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March , 2018
<b>Reserves and surplus</b>		
<b>I. General reserve</b>		
As per last balance sheet	35.15	35.15
	35.15	35.15
<b>II. Surplus</b>		
As per last balance sheet	49.51	51.54
Add:- Profit/ (-) Loss after tax for the year	14.64	-2.03
<b>Net surplus/ (-) deficit</b>	64.15	49.51
<b>Total ( I + II )</b>	99.30	84.66

**Note - 5 : Trade Payables**

Particulars	As at 31st March, 2019	As at 31st March , 2018
<b>Trade Payables</b>		
- Dues of Micro and Small Enterprises	-	-
- Dues to Other Creditors	0.16	0.09
<b>Total</b>	0.16	0.09



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PUNJAB MERCANTILE & TRADERS LTD.

Notes to Financial Statements for the year ended 31st March, 2019

Note - 6 : Non current investments

Particulars	Face Value (In Rs.)	As at 31-03-2019		As at 31-03-2018	
		Shares/Units in No.***	Book Value * (Rs. in Lakh)	Shares/Units in No.***	Book Value * (Rs. in Lakh)
<b>(Long term - other than trade - at cost, unless stated otherwise)</b>					
<b>( A ) Quoted equity shares</b>					
Camac Commercial Co. Ltd.	10	65,975	4.93	65,975	4.93
Combine Holding Ltd.@	10	-	-	92,000	6.11
Sahu Jain Ltd.@	10	-	-	4,900	0.45
Ashoka Viniyoga Ltd.@	10	-	-	4,100	0.41
<b>Total (A)</b>			<b>4.93</b>		<b>11.90</b>
<b>( B ) Unquoted equity shares</b>					
Combine Holding Ltd.@	10	92,000	6.11	-	-
Sahu Jain Ltd.@	10	4,900	0.45	-	-
Ashoka Viniyoga Ltd.@	10	4,100	0.41	-	-
Times Publishing House Ltd.	10	24,000	2.42	24,000	2.42
Sahu Jain Services Ltd.	10	2,500	0.25	2,500	0.25
<b>Total (B)</b>			<b>9.64</b>		<b>2.67</b>
<b>( C ) Unquoted mutual funds units</b>					
Axis Treasury Advantage Fund - Direct Growth	1,000	3,643	76.53	-	-
IDFC Bond Fund - Medium Term Plan-Growth-Direct (Earlier IDFC Super Saver Income Fund)	10	27,949	8.00	27,949	8.00
IDFC Corporate Bond Fund -Direct Plan-Growth	10	17,959	2.00	17,959	2.00
Reliance Credit Risk Fund - Direct - Growth (Earlier Reliance Regular Savings Fund)	10	-	-	3,10,225	62.57
UTI Dynamic Bond Fund -Direct-Growth	10	-	-	5,729	0.93
UTI Liquid Cash Plan- Direct- Growth	1,000	41	1.21	-	-
<b>Total (C)</b>			<b>87.74</b>		<b>73.50</b>
<b>Total (A+B+C)</b>			<b>102.31</b>		<b>88.07</b>
Aggregate value of Quoted investments			<b>4.93</b>		<b>11.90</b>
Market value of quoted investments **			<b>387.56</b>		<b>501.67</b>
Aggregate value of unquoted investments			<b>97.38</b>		<b>76.17</b>

\* Investments are stated at cost.

\*\* As at 31st March,2019, wherever the quoted equity shares have not been traded/No latest quotation is available, then net asset value based on last available audited financials statements have been considered.

@ With effect from February 12,2019, these Companies have been transferred from CSE to the Dissemination Board of National Stock Exchange, thus Investment in equity shares of these companies are reclassified from "Quoted Shares" to

\*\*\* Units are rounded off to the nearest unit.



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## PUNJAB MERCANTILE & TRADERS LTD.

Notes to Financial Statements for the year ended 31st March, 2019

### Note -7 : Long term loans and advances

(Rs. in Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Others</b>		
<b>Unsecured, considered good</b>		
Advance income tax / TDS (net of tax provision)	1.33	1.33
Deposit with Custodian (CDSL) & RTA	0.16	-
<b>Total</b>	<b>1.49</b>	<b>1.33</b>

### Note - 8 : Cash and bank balances

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Cash and cash equivalents</b>		
Cash on hand	-	-
Balance with HDFC Bank Ltd., New Delhi (current account)	0.63	0.35
<b>Total</b>	<b>0.63</b>	<b>0.35</b>

### Note - 9 : Short Term Loans and Advances

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered Good</b>		
Prepaid expenses	0.01	-
Advance income tax / TDS (net of tax provision)	0.02	-
<b>Total</b>	<b>0.03</b>	<b>-</b>

### Note - 10 : Other income

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit on sale of non current investments (Long Term)	19.86	1.28
<b>Total</b>	<b>19.86</b>	<b>1.28</b>

### Note - 11 : Employee benefits expense

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salary	1.15	0.75
<b>Total</b>	<b>1.15</b>	<b>0.75</b>



*(Signature)*

**PUNJAB MERCANTILE & TRADERS LTD.**

**Notes to Financial Statements for the year ended 31st March, 2019**

**Note - 12 : Other expenses**

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Legal and professional charges	0.05	2.42
Depository (Custodian) Fees	0.19	-
Filing fees	0.01	0.02
<u>Auditor's remuneration</u>		
Audit fees (including GST)	0.09	0.09
Miscellaneous expenses	0.02	0.03
<b>Total</b>	<b>0.36</b>	<b>2.56</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**For Awatar & Co.**

Chartered Accountants

Firm Regn. No. 000726N

*Sanjay Agrawal*

**Sanjay Agrawal**

Partner

Membership No. 087786

Place: New Delhi

Date: 17-05-2019



*Ashok Sen*

**Ashok Sen**

Director

DIN: 00002109

*Mohit Jain*

**Mohit Jain**

Director

DIN: 01315482

*DR F*