

**Annual Report**

**Of**

**Creative Merchants Limited**

**For The Year**

**2013–2014**

## **BOARD OF DIRECTORS**

Bipin Mangaldas Patel	Chairman & Managing Director
Jignesh Purshottamdas Patel	Non Executive- Independent Director
Jayendra Savjibhai Kharadi*	Non Executive- Independent Director
Gaurish Shantilal Shah**	Non Executive- Independent Director

\*Appointed as on 21/02/2014

\*\*Resigned as on 22/02/2014

## **AUDITORS**

M/s. Hemant C. Parikh & Co,  
Chartered Accountants  
Ahmedabad

## **REGISTERED OFFICE**

Shop No.4, Second Floor, Indra Market,  
Opp. Panna Singh Pakore Wala, Gill Road  
Ludhiana-141003  
Email: [creativemerchants1984@gmail.com](mailto:creativemerchants1984@gmail.com)  
Website: [www.creativemerchants.co.in](http://www.creativemerchants.co.in)

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## NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Shop No.4, Second Floor, Indra Market, Opp. Panna Singh Pakore Wala, Gill Road, Ludhiana- 141003 on 30<sup>th</sup> September, 2014 at 11.00 a.m. to transact the following business:-

### ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31<sup>st</sup> March, 2014 and profit & loss account of the company for the year ended on 31<sup>st</sup> March, 2014 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Jignesh Purshottamdas Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Date : 12/04/2014

Place : Ludhiana

Sd/-  
Bipin M. Patel  
**Managing Director**  
(DIN: 03190744)

Sd/-  
Jignesh P. Patel  
**Director**  
(DIN: 05257911)

Sd/-  
Jayendra Kharadi  
**Director**  
(DIN: 06777687)

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF 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. The instrument of Proxy, in order to be effective, should 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 Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. The Company has appointed M/s. Purva Sharegistry (India) Private Limited as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to Registrars and Share Transfer Agents, Unit: Creative Merchants Limited.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. The Company is concerned about the environment and utilizes natural resources in sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of "GREEN INITIATIVES" in corporate governance.
7. Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the

8. Members holding shares in physical form are requested to notify to the Company and the company's proposed Registrar and share Transfer Agent, quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
9. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.
10. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
11. Voting through Electronic means: Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13<sup>th</sup> July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

### **PROCEDURE FOR E-VOTING**

#### **In case of members receiving AGM Notice by e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li></ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "CREATIVE MERCHANTS LIMITED"

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 25<sup>th</sup> September, 2014 (11:00 A.M.) and ends on 27<sup>th</sup> September, 2014 (6:00 P.M.). During this period shareholders’ of the



Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. the record date), being 24<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 24<sup>th</sup> September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 25<sup>th</sup> September, 2014 (11:00 A.M.) and ends on 27<sup>th</sup> September, 2014 (6:00 P.M.).

The Company has appointed A. Santoki & Associates, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

12. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
13. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company immediately.
14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the

date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

15. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company.
16. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
17. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

**Date : 12/04/2014**

**Place : Ludhiana**

**By Order of the Board of Directors**

**Sd/-**  
Bipin M. Patel  
**Managing Director**  
(DIN: 03190744)

**Sd/-**  
Jignesh P. Patel  
**Director**  
(DIN: 05257911)

**Sd/-**  
Jayendra Kharadi  
**Director**  
(DIN: 06777687)

**Annexure to Notice**

Notes on directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

**ITEM NO. 2**

<b>Name</b>	:	Jignesh Purshottamdas Patel
<b>Date of birth</b>	:	27/07/1971
<b>Qualification</b>	:	B.Com
<b>Expertise</b>	:	Administration
<b>Director of the Company since</b>	:	06/01/2003
<b>Directorship in other public limited companies</b>	:	NIL
<b>Membership of Committees of other public limited companies</b>	:	NIL
<b>No. of Shares held in the Company</b>	:	NIL

Date : 12/04/2014  
Place : Ludhiana

By Order of the Board of Directors

Sd/-  
Bipin M. Patel  
**Managing Director**  
(DIN: 03190744)

Sd/-  
Jignesh P. Patel  
**Director**  
(DIN: 05257911)

Sd/-  
Jayendra Kharadi  
**Director**  
(DIN: 06777687)

## **DIRECTORS' REPORT**

**To,  
The Members  
Creative Merchants Limited**

The Directors' present the Annual report on the business and operations of your Company for the year 2013-14.

### **FINANCIAL RESULTS AND OPERATIONAL REVIEW:**

Particulars	Year Ended 31.03.2014 (Amt in Rs.)	Year Ended 31.03.2013 (Amt in Rs.)
Gross Sales/Income	7356958	1110315
Less Depreciation	-----	-----
Profit/(Loss) before Tax	327788	246137
Taxes/Deferred Taxes	114722	73747
Profit/(Loss) After Taxes	213066	172390
P& L Balance b/f	303238	130848
Profit/ (Loss) carried to Balance Sheet	516304	303238

### **DIVIDEND:**

In view of Inadequate Profits, your Directors do not recommend any dividend during the year.

### **DIRECTORS:**

Mr Jignesh Purshottamdas Patel Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Jayendra Savjibhai Kharadi was appointed w.e.f 21/02/2014 and your company has accepted the resignation of Mr. Gaurish Shantilal Shah w.e.f 22/02/2014, during the year under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Director confirms that:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE:**

A comprehensive report on corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed at the end of Corporate Governance Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

#### **PARTICULARS OF EMPLOYEES:**

There are no employees drawing the remuneration in excess of ceiling prescribed under provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956 as amended from time to time. Hence no information is required to be appended to this report in this regard.

#### **APPOINTMENT OF AUDITORS:**

M/s. Hemant Parikh & Co., Chartered Accountants, Ahmedabad Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year under review. Your Company is listed with the BSE Ltd. and Ludhiana Stock Exchange.

**SEGMENT:**

Your Company is engaged in a single segment only.

**ACKNOWLEDGEMENT:**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

**Date : 12/04/2014**  
**Place :Ludhiana**

**By Order of the Board of Directors**

**Sd/-**  
Bipin M. Patel  
**Managing Director**  
(DIN: 03190744)

**Sd/-**  
Jignesh P. Patel  
**Director**  
(DIN: 05257911)

**Sd/-**  
Jayendra Kharadi  
**Director**  
(DIN: 06777687)

*A. Santoki & Associates*

**Company Secretaries**

203, Abhishek, B/h. Navgujarat College, Income Tax, Ahmedabad – 380014

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**Authorised Share Capital: ₹ 5,00,00,000/-    Paid Up Share Capital: ₹ 5,00,00,000/-**

### Compliance Certificate

To,

The Members

**CREATIVE MERCHANTS LIMITED (L51101PB1984PLC005966)**

Shop No.4, Second Floor, Indra Market, Opp. Panna Singh Pakore Wala, Gill Road,  
Ludhiana- 141003

We have examined the registers, records, books and papers of **CREATIVE MERCHANTS LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2014** in our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents. We certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is public limited company, comments are not required.
4. The Board of Directors duly met 10 times on 30/05/2013, 12/07/2013, 05/09/2013, 25/10/2013, 25/11/2013, 25/01/2014, 07/02/2014, 17/02/2014, 21/02/2014 and 22/02/2014 in respect of which meetings, the proceedings were properly recorded and signed (including circular resolutions) in the Minutes Book maintained in loose leaf for the purpose.
5. The company has closed its Register of Members from 16<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 (inclusive of both days) and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31/03/2013 was held on 28/09/2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained in loose leaf for the purpose.

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7. Two Extra Ordinary General Meetings (EGM) were held on 01/10/2013 for increase in the authorised capital and issue of 45,00,000 Equity Shares on preferential basis; and on 11/03/2014 for appointment of Mr. Bipin Patel as Managing Director of the Company, during the year under review.
  8. As Certified by the Management of the Company, the Company has not advanced any loan to its director. Hence there is no requirement to comply with the provision of section 295 of the Act.
  9. As certified by the management of the Company, the Company has not entered into any transaction attracting provisions of Section 297 of the Act.
  10. The company has made necessary entries in the register maintained under Section 301 of the Act.
  11. As there is no instance falling within the purview of Section 314 of the Act, the Company has not been required to obtain any approvals from the Board of Directors, members or Central Government as the case may be.
  12. The Company has not issued duplicate share certificates during the financial year.
  13. The Company has:
    - a) Delivered certificates on allotment and on lodgment for transfer in accordance with the provision of the Act. There were no securities lodged for transmission or any other purpose.
    - b) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
    - c) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures, and the interest accrues thereon which have remained unclaimed or unpaid for a period of 7 (seven) years to Investor Education and Protection Fund as there were no such amounts.
    - d) duly complied with the requirements of Section 217 of the Act.
  14. The Board of Directors of the company is duly constituted and appointment of Jayendra Savjibhai Kharadi was made as on 21/02/2014 and the Company have accepted resignation of Gaurish Shantilal Shah as on 22/02/2014 and no other appointments of directors, additional directors, alternate directors and directors to fill casual vacancies have been made during the year.
  15. The Company has made appointment of Mr. Bipin Patel as Managing Director as on 11/03/2014 during the year and no other appointment of Whole Time director or Manager was made during the year under review.
  16. No appointment of sole-selling agents has been made during the year under review.



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17. The Company was not been required to obtain approval of the Central Government, Company Law Board, Registrar of Companies or other authorities prescribed under the various provisions of the Act.
  18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions section 301 of the Act and the rules made thereunder.
  19. The Company has issued 45,00,000 equity shares on preferential basis as on 01/10/2013 and no other debentures/securities issued during the financial year under review.
  20. The Company has not bought back any shares during financial year under scrutiny.
  21. The Company has not redeemed any preference shares/debentures during the year.
  22. The Company has not been required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited/accepted any deposits including unsecured loans from the public within the provisions of section 58A read with Companies (Acceptance of Deposit) Rules, 1975.
  24. The Company has not made loans or advances made or any guarantees given or a security provided to other bodies corporate and hence does not attract provisions of Section 372A of the Companies Act, 1956.
  25. The Company has not made borrowings during the year and hence the provisions of Section 293(1) (d) of the Act are not attracted.
  26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
  28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and complied with provisions of the Act.
  29. The Company has altered Clause V of the memorandum of association with respect to share capital of the company during the year under scrutiny.
  30. The Company has altered Article No. 3 of articles of association for increase in Authorised Share Capital, during the year under review.

*A. Santoki & Associates*

**Company Secretaries**

203, Abhishek, B/h. Navgujarat College, Income Tax, Ahmedabad – 380014

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31. As explained by the management, no show cause notice were received by the Company and no other prosecutions were initiated against the Company for alleged offences under the Companies Act, 1956.
32. The Company has not received any amount as security from its employees during the year under certification and hence the question of deposit of the same as per provisions of the Section 417(1) of the Act does not arise.
33. As certified by the management, the Company was not required to deposit both Employee's and Employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Ahmedabad

Date: 12/04/2014

Signature: Sd/-

Name of Practising Company Secretary: Ajit Santoki

C. P. No.: 2539

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Annexure To Compliance Certificate for the Financial Year 2013-14  
**CREATIVE MERCHANTS LIMITED (L51101PB1984PLC005966)**

**ANNEXURE “A”**

Registers as maintained by the Company

1. Register of charges under Section 143
2. Register of members under Section 150
3. Minutes book of General Meeting under section 193
4. Minutes book of Board meeting under section 193
5. Books of Accounts under section 209
6. Register of Contracts under section 301
7. Register of general notice of directors under section 301(3)
8. Register of Directors etc. under section 303
9. Register of Directors' shareholding under section 307

**ANNEXURE “B”**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended **31<sup>st</sup> March, 2014:**

Sr. No.	Form No./Return	Filed Under Section	For	Challan No.	Date of Filing	Whether Filed within Prescribed Time Yes/No	If Delay in Filing whether Requisite Additional Fee Paid Yes/No
1	Form No. 23AC, 23ACA for the year 2002	220	Yearly compliance	Q23979974	19/11/2013	No	Yes
2	Form No. 23AC, 23ACA for the year 2003	220	Yearly compliance	Q11557733	23/09/2013	No	Yes
3	Form No. 23AC, 23ACA for the year 2004	220	Yearly compliance	Q11558582	23/09/2013	No	Yes
4	Form No. 23AC, 23ACA for the year 2005	220	Yearly compliance	Q11558970	23/09/2013	No	Yes
5	Form No. 23AC,	220	Yearly compliance	Q11559226	23/09/2013	No	Yes

*A. Santoki & Associates***Company Secretaries**

203, Abhishek, B/h. Navgujarat College, Income Tax, Ahmedabad – 380014

	23ACA for the year 2006						
6	Form No. 23AC, 23ACA for the year 2007	220	Yearly compliance	Q11559648	23/09/2013	No	Yes
7	Form No. 23AC, 23ACA for the year 2008	220	Yearly compliance	Q11560018	23/09/2013	No	Yes
8	Form No. 23AC, 23ACA for the year 2009	220	Yearly compliance	Q11560695	23/09/2013	No	Yes
9	Form No. 23AC, 23ACA for the year 2010	220	Yearly compliance	Q11561404	23/09/2013	No	Yes
10	Form No. 23AC, 23ACA-XBRL for the year 2011	220	Yearly compliance	Q16615916	24/10/2013	No	Yes
11	Form No. 23AC, 23ACA-XBRL for the year 2012	220	Yearly compliance	Q16621344	24/10/2013	No	Yes
12	Form No. 23AC, 23ACA-XBRL for the year 2013	220	Yearly compliance	Q16620080	24/10/2013	YES	NO
13	Form No. 20B for the year 2003	159	Yearly Compliance	Q11561685	23/09/2013	No	Yes
14	Form No. 20B for the year 2004	159	Yearly Compliance	Q11562840	23/09/2013	No	Yes
15	Form No. 20B for the year 2005	159	Yearly Compliance	Q11563285	23/09/2013	No	Yes
16	Form No. 20B for the year 2006	159	Yearly Compliance	Q11563756	23/09/2013	No	Yes
17	Form No. 20B for the year	159	Yearly Compliance	Q11563954	23/09/2013	No	Yes

*A. Santoki & Associates***Company Secretaries**

203, Abhishek, B/h. Navgujarat College, Income Tax, Ahmedabad – 380014

	2007						
18	Form No. 20B for the year 2008	159	Yearly Compliance	Q11646007	25/09/2013	No	Yes
19	Form No. 20B for the year 2009	159	Yearly Compliance	Q11647054	25/09/2013	No	Yes
20	Form No. 20B for the year 2010	159	Yearly Compliance	Q11647427	25/09/2013	No	Yes
21	Form No. 20B for the year 2011	159	Yearly Compliance	Q11648839	25/09/2013	No	Yes
22	Form No. 20B for the year 2012	159	Yearly Compliance	Q11648946	25/09/2013	No	Yes
23	Form No. 20B for the year 2013	159	Yearly Compliance	Q16615296	24/10/2013	YES	NO
24	Form No. 66 for the year 2010	383A	Yearly Compliance	Q16017550	23/10/2013	NO	YES
25	Form No. 66 for the year 2011	383A	Yearly Compliance	Q16022618	23/10/2013	NO	YES
26	Form No. 66 for the year 2012	383A	Yearly Compliance	Q16374415	24/10/2013	NO	YES
27	Form No. 66 for the year 2013	383A	Yearly Compliance	Q16376717	24/10/2013	YES	NO
28	Form No. 23B for the year 2010	224	Consent of Auditor	S24489452	23/10/2013	N.A	N.A
29	Form No. 23B for the year 2011	224	Consent of Auditor	S24494387	23/10/2013	N.A	N.A
30	Form No. 23B for the year 2012	224	Consent of Auditor	S24498446	23/10/2013	N.A	N.A
31	Form No. 23B for the year 2013	224	Consent of Auditor	S24502163	23/10/2013	N.A	N.A
32	Form No.5	94	Increase in capital	B89629653	21/11/2013	No	Yes
33	Form No.2	75	Return on allotment	S28236149	29/11/2013	Yes	No

*A. Santoki & Associates*

**Company Secretaries**

203, Abhishek, B/h. Navgujarat College, Income Tax, Ahmedabad – 380014

34	Form No.18	142	Shifting of Registered office	B87770392	25/10/2013	Yes	No
35	Form No.23	192	Registration of resolution	B89628648	21/11/2013	No	Yes
36	Form No.18	142	Shifting of Registered office	B91989103	20/12/2013	No	Yes
37	Form No.32	383A	Appointment of Company Secretary	B96113915	14/02/2014	Yes	No
38	Form No.32	303	Resignation of Director	B96969647	24/02/2014	No	Yes
39	Form No.32	303	Resignation of Director	B98301096	11/03/2014	Yes	No
40	Form No.32	266	Appointment of Director	B98300817	11/03/2014	Yes	No

**Report on Corporate Governance**  
(Pursuant to Clause 49 of the Listing Agreement)

## **1. COMPANY'S PHILOSOPHY**

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

## **2. BOARD OF DIRECTORS**

### **2.1 Composition of Board of Directors as on date of Report:**

The Board of Directors as at 31<sup>st</sup> March, 2014 comprises of three Directors out of which one executive director and two Non- executive directors. The Chairman is an executive director.

<b>No.</b>	<b>Name of Director</b>	<b>Category</b>
1	Mr. Bipin Patel	Chairman & Managing Director
2	Mr. Jignesh Kumar Patel	Non-Executive Independent Director
3	Mr. Gaurish Shantilal Shah*	Non-Executive Independent Director
4	Mr. Jayendra Savjibhai Kharadi**	Non-Executive Independent Director

\*Resigned as on 22/02/2014

\*\*Appointed as on 21/02/2014

### **2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

### **2.3 Board Meetings and Attendance Record of Directors:**

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is

tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

**During the year under review, the Board met 10 times on the following dates:**

30/05/2013    12/07/2013    05/09/2013    25/10/2013    25/11/2013  
25/01/2014    07/02/2014    17/02/2014    21/02/2014    22/02/2014

**Extra Ordinary General Meeting:**

Two Extra Ordinary General Meetings held during the year under review.

01/10/2013- For Increase in Authorised Capital of the Company

11/03/2014- For appointment of Mr. Bipin Patel as Managing Director of the Company.

**Postal Ballot Resolution:**

No postal ballot resolution was passed during the year under review.

Attendance of Directors at Meetings of Board of Directors and last AGM:

No.	Name of Director	Category of Directorship	No. of other Directorship	No. of Board Meeting attended
1	Mr. Bipin Patel	Chairman	1	10
2	Mr. Jignesh Kumar Patel	Director	0	10
3	Mr. Gaurish Shantilal Shah*	Director	1	9
4	Mr. Jayendra Savjibhai Kharadi**	Director	0	2

\*Resigned as on 22/02/2014

\*\*Appointed as on 21/02/2014

**2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Jignesh Purshottamdas Patel retires by rotation at the ensuing Annual General Meeting and offers them for re-appointment.

**Profile of Mr. Jignesh Purshottamdas Patel Director being appointed u/s 152 of the Companies Act, 2013**

Name	Jignesh Purshottamdas Patel
Date of Birth	27/07/1971
Date of Appointment	06/01/2003
No. of shares held in the company	Nil



No. of warrants held in the company	Nil
Directorship in other company	Nil

## 2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2013 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship In other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Bipin Patel	1	--	2
2.	Mr. Jignesh Kumar Patel	0	--	--
3.	Mr. Gaurish Shantilal Shah*	1	--	--
4.	Mr. Jayendra Savjibhai Kharadi**	0	--	--

\*Resigned as on 22/02/2014

\*\*Appointed as on 21/02/2014

## 3. COMMITTEE OF BOARD

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31.03.2014, the Audit Committee comprised of three Directors namely:

No.	Name of Director	Category
1	Mr. Jayendra Savjibhai Kharadi	Chairman
2	Mr. Jignesh Kumar Patel	Member
3	Mr. Bipin Patel	Member

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

**Brief description of terms of reference:**

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Review the financial reporting process and disclosure of its financial information
  - Review with the management, Annual financial statements before submission to the Board
  - Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
  - Review the company's accounting and risk management policies
  - Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
  - Review quarterly financial statement.
  - Review internal investigations made statutory/ Internal Auditors.
  - Scope of Statutory/ Internal Audit
  - Review fixed deposits/repayment systems etc.
  - Any other applicable functions as described in Corporate Governance.
  - Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2013-14. The dates on which the said meetings were held as follows:

30/05/2013    12/07/2013    25/10/2013    25/01/2014

### 3.1 Remuneration Committee:

The remuneration committee of the Company has not met during the year under review because there was no proposal for the payment or increase / decrease of the remuneration of any managerial staff or director of the Company.

#### Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2014

Name	Executive / Non-Executive	Salary	Bonus	Sitting Fees	Contribution to PF	Perquisites	Total
Mr. Bipin Patel	Chairman & Executive	-	-	-	-	-	-
Mr. Jignesh Kumar Patel	Non-Executive Independent	-	-	-	-	-	-
Mr. Gaurish Shantilal Shah*	Non-Executive Independent	-	-	-	-	-	-
Mr. Jayendra Savjibhai Kharadi**	Non-Executive Independent	-	-	-	-	-	-

\*Resigned as on 22/02/2014

\*\*Appointed as on 21/02/2014

### 3.2 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

No.	Name of Director	Category
1	Mr. Bipin Patel	Chairman
2	Mr. Jignesh Kumar Patel	Member
3	Mr. Jayendra Savjibhai Kharadi	Member

Mr. Bipin Patel, Chairman and Executive Director of the company were heading the committee as well as she was designated as the Compliance officer of the Company.

The Committee continued to look into the investors/shareholders complaints. The Committee meets once in a month to look after share transfers and other complaints. The Company is yet to appoint some share transfer agent for looking after the work of physical and dematerialized shares and shall do it shortly.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2014 is given below:-

Complaints Status: 01.04.2013 to 31.03.2014

- Number of complaints received so far : 1
- Number of complaints solved : 1
- Number of pending complaints : 0

#### **4. GENERAL BOARD MEETING:**

(a) Location and time where last three AGMs were held:

<b>Year of AGM</b>	<b>Date of the AGM</b>	<b>Time</b>	<b>Place of AGM Held</b>
2013	28/09/2013	11.00	B/ 1928, Chawani Mohalla, Ludhiana, Punjab - 141013
2012	30/09/2012	11.00	B/ 1928, Chawani Mohalla, Ludhiana, Punjab - 141013
2011	30/09/2011	11.00	B/ 1928, Chawani Mohalla, Ludhiana, Punjab - 141013

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

**2013:** No special resolution passed in the year under review.

**2012** No special resolution passed in the year under review.

**2011** No special resolution passed in the year under review.

#### **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR**

Two Extra Ordinary General Meeting were held during the financial year under review.

- 1) 01/10/2013- To increase the Authorised Share capital of the Company from 5,00,000 (Five Lacs) equity shares to 50,00,000 (Fifty lacs) of Rs. 10 Each.
- 2) 11/03/2014- To Appoint Mr. Bipin Patel as Managing Director of the Company.

## **5. DISCLOSURES:**

- a. Materially significant related party transactions:  
There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have not been provided in Notes forming parts of Accounts.
- b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

## **6. CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
  - Significant changes in internal control over the financial reporting during the year 2013-14;

- Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

## **7. MEANS OF COMMUNICATIONS:**

The Quarterly Unaudited Financial Results and other presentation as to the Company's Performance etc., are made available to the institutional investors/Financial Analysts as and when felt expedient.

The Management discussion and analysis forms part of the Annual Report.

## **8. GENERAL SHAREHOLDER INFORMATION:**

- **Annual General Meeting: Date, Time and venue:**

30th September, 2014 at 11.00 a.m at the Registered Office of the Company

- **Financial Year:**

1<sup>st</sup> April 2013 to 31<sup>st</sup> March, 2014

- **Financial Calendar:**

1<sup>st</sup> quarterly results – Second week of August, 2014

2<sup>nd</sup> quarterly results – Second week of October, 2014

3<sup>rd</sup> quarter results – Second week of November, 2014.

4<sup>th</sup> quarter results – last week of May, 2015.

- **Date of Book Closure:**

23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive)

- **Dividend Payment Date:** N.A.

- **Listing on Stock Exchanges:**

Ludhiana Stock Exchange Ltd. and BSE Ltd.

- **Listing Fee**

The Equity Shares of the Company are listed on BSE Limited and Ludhiana Stock Exchange and the Company has paid Annual Listing Fees up to the year 2013-14.

- **Scrip Code :** LSE- CMER  
**BSE: 538504**
- **Demat ISIN number:** INE896P01011
- High / Low of Monthly Market Price of the Companies Equity Shares traded on Stock Exchange during the financial year 2013-14 are furnished below: The Company have nothing to report in this segment as no trading have taken place during the financial year under review.
- Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex: The Company have nothing to report in this segment.
- **Registered and Transfer Agent:** M/s. Purva Sharegistry (India) Pvt. Ltd.  
No-9, Shiv Shakti Industrial Estate,  
Ground Floor, J. R. Boricha Marg, Opp.  
Kasturba Hospital, Lower Parel, Mumbai -  
400 011
- **Share Transfer System:**  
Valid Share transfer in physical form and complete in all respects were approved and registered within the stipulated period.
- **Distribution of Shareholding as on Dated 31.03.2014**

SHARE HOLDING OF NOMINAL VALUE		SHARE HOLDERS		SHARE AMOUNT	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto - 5,000		131	21.72%	258000	0.52%
5,001 - 10,000		435	72.14%	4346930	8.69%
10,001 - 20,000		3	0.50%	60000	0.12%
1,00,001 and above		34	5.64%	45335070	90.67%
<b>TOTAL</b>		<b>603</b>	<b>100.00</b>	<b>50000000</b>	<b>100.00</b>

- **Shareholding pattern as on 31.03.2014**

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	333507	6.67
b. Mutual Fund/Trust	NIL	0.00
c. Financial Institution Banks	NIL	0.00
d. Bodies Corporate	NIL	0.00
e. Indian public	4666493	93.33
<b>TOTAL</b>	<b>5000000</b>	<b>100</b>

**Dematerialization of shares:** As on 31/03/2014, Demat shares accounted for 4,53,307 Equity Shares (90.67%) of total equity.

**Outstanding GDR / ADR / Warrants:** Not Applicable

- **Registered Office and Address for communication:**

Creative Merchants Limited  
Shop No.4, Second Floor, Indra Market,  
Opp. Panna Singh Pakore Wala, Gill Road,  
Ludhiana- 141003

**Declaration of compliance with the code of conduct**

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**By Order of the Board of Directors**

**Date : 12/04/2014**

**Place : Ludhiana**

**Sd/-**

Bipin M. Patel  
**Managing Director**  
(DIN: 03190744)

**Sd/-**

Jignesh P. Patel  
**Director**  
(DIN: 05257911)

**Sd/-**

Jayendra Kharadi  
**Director**  
(DIN: 06777687)



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1) INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is engaged in trading in financial services. India's real GDP growth moderated significantly during last few years. The slowdown reflects continued sluggish investment activity in the economy as well as slowdown in consumption demand. While slower growth is a major worry, there are other headwinds in the economy as well. However, we believe that the macro cycle is gradually turning for the better because in the last two quarters, Government initiated several reform measures. These steps were well received by the industry and by foreign investors in particular.

### **2) OPPORTUNITIES AND THREATS**

#### **Opportunities**

- Increase in income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

#### **Threats**

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

### **3) SEGMENT-WISE PERFORMANCE**

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in textile industry.

### **4) RECENT TREND AND FUTURE OUTLOOK:**

Notwithstanding global uncertainties, regulatory tightening and cyclical economic downtrend, financial services industry in India on the whole, will continue to march ahead at a healthy pace in the long term. We expect interest rates to remain stable or move southward and liquidity to ease in the coming quarters. This should augur well for demand growth in financing and lending business. However your company is making all possible efforts will improve its position.

## **5) RISK AND CONCERNS**

Like any other industry, this industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is proposed to export raw materials/ finished product, the Company has risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

## **6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate system of Internal Controls to ensure that all the assets are safeguarded, protected as against loss from unauthorised use or disposition and that transactions are authorised , recorded and reported correctly. The Company conducted the audit of various departments through an independent internal auditor. The views of the statutory auditors are also consider to ascertain the adequacy of the internal control system.

## **7) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2013-14 is described in the Directors' Report under the head 'Financial Performance of the Company'.

## **8) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT**

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

## **9) CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**By Order of the Board of Directors**

**Date : 12/04/2014**  
**Place :Ludhiana**

**Sd/-**  
**Bipin M. Patel**  
**Managing Director**  
(DIN: 03190744)

**Sd/-**  
**Jignesh P. Patel**  
**Director**  
(DIN: 05257911)

**Sd/-**  
**Jayendra Kharadi**  
**Director**  
(DIN: 06777687)

**Hemant C Parikh & Co.,**  
Chartered accountants  
B.Com., FCA



Block-A, 3-Ravjibhai Apartment,  
Opp. Kanan Flats, Nr. Pallavi Tower,  
Opp. Memnagar Fire Station,  
Navrangpura, Ahmedabad-380009.  
{M} 9825838629

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**Auditors' Compliance Certificate**

To,  
The Members,  
**Creative Merchants Limited**

Shop No.4, Second Floor, Indra Market, Opp. Panna Singh Pakore Wala, Gill Road,  
Ludhiana- 141003

We have examined the compliance of Corporate Governance by **Creative Merchants Limited** for the year ended on **31<sup>st</sup> March, 2014** as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

**M/s. Hemant C. Parikh & Co.,**  
**Chartered Accountants**

**Date: 12/04/2014**  
**Place: Ahmedabad**

**Sd/-**  
**Hemant Parikh**  
**(Proprietor)**  
**M No. 031780**



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### **Auditors' Report**

Auditors' Report to the members of Creative Merchants Limited

We have audited the attached Balance Sheet of Creative Merchants Limited as at March 31, 2014, and the Profit and Loss Account for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the Accounting Principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have 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 the law, have been kept by the Company, so far as appears from our examination of those books;
- (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors, as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on



31<sup>st</sup> March, 2014 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of Companies Act, 1956;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, give the information required by the Companies Act, 1956, in the manner so required and give as true and fair view in conformity with the Accounting Principles generally accepted in India:
- (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.

**Date: 12/04/2014**  
**Place: Ahmedabad**

**M/s. Hemant C. Parikh & Co.,**  
**Chartered Accountants**

**Sd/-**  
**Hemant Parikh**  
**(Proprietor)**  
**M No. 031780**



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Annexure referred to in paragraph II of our report of even date

- (i) (a) The Company has not maintained any fixed assets so there is no requirement of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) No fixed assets have been owned by the Company so question of Physical verification by the management during the year does not arise.
- (c) The Company has not disposed off its fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed to us, the Company granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered into the register maintained under section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.



- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records given by the Company, no dues outstanding of sales-tax, Investor education and protection fund, income-tax, custom duty, wealth-tax, excise duty and cess on account of any dispute:
- (x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, there is no Outstanding Balance of secured loans.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us

**Hemant C Parikh & Co.,**  
Chartered accountants  
B.Com., FCA



Block-A, 3-Ravjibhai Apartment,  
Opp. Kanan Flats, Nr. Pallavi Tower,  
Opp. Memnagar Fire Station,  
Navrangpura, Ahmedabad-380009.  
{M} 9825838629

by the management, term loans are applied for the purpose for which the loans were obtained.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (xviii) The Company has made preferential allotment of 45,00,000 equity shares of Rs.10 each to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

**M/s. Hemant C. Parikh & Co.,**  
**Chartered Accountants**

**Date: 12/04/2014**  
**Place: Ahmedabad**

**Sd/-**  
**Hemant Parikh**  
**(Proprietor)**  
**M No. 031780**



# CREATIVE MERCHANTS LIMITED

## Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	50,000,000	5,000,000
(b) Reserves and Surplus	2	516,304	303,238
<b>(2) Current Liabilities</b>			
(a) Trade payables	3	125,600	-
(b) Short-term provisions	4	114,722	128,064
<b>Total</b>		<b>50,756,626</b>	<b>5,431,302</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets		-	-
(b) Non-current investments	5	7,500,000	-
(c) Long term loans and advances	6	26,478,923	3,633,493
(d) Other non-current assets	7	512,912	-
<b>(2) Current assets</b>			
(a) Inventories	8	14,737,252	710,598
(b) Trade receivables	9	1,161,902	500,402
(e) Cash and cash equivalents	10	365,637	586,809
<b>Total</b>		<b>50,756,626</b>	<b>5,431,302</b>

As per our report of even date  
For Hemant C. Parikh & Co  
Chartered Accountants

For and on behalf of the Board  
Creative Merchants Limited

Sd/-  
Hemant C Parikh  
(Proprietor)  
Membership No. 031780

Place : Ahmedabad  
Dated: 12/04/2014

Sd/-  
Bipin Patel  
Managing Director  
DIN: 03190744

Place : Ludhiana  
Dated: 12/04/2014

Sd/-  
Jignesh Patel  
Director  
DIN: 05257911

Sd/-  
Jayendra Kha  
Director  
DIN: 0677761

# CREATIVE MERCHANTS LIMITED

## Statement of Profit and Loss for the period ended 31st March, 2014

	Particulars	Note No	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
I.	Revenue from operations	11	7,356,958	1,110,315
II.	Other Income			
III.	<b>Total Revenue (I + II)</b>		<b>7,356,958</b>	<b>1,110,315</b>
IV.	<b>Expenses:</b>			
	Purchase Cost of Stock in Trade	12	20,457,050	104,087
	Changes in inventories of finished goods and Stock-in-Trade	13	(14,026,654)	710,598
	Employee benefit expense	14	48,000	26,650
	Financial costs	15	1,301	-
	Other expenses	16	549,473	22,843
	<b>Total Expenses</b>		<b>7,029,170</b>	<b>864,178</b>
V.	Profit before tax (III - IV)		<b>327,788</b>	<b>246,137</b>
VI.	Tax expense: Current tax/ Provision for Tax		114,722	73,747
VII.	Profit/(Loss) for the period (V - VI)		<b>213,066</b>	<b>172,390</b>
VIII.	Earning per equity share:			
	(1) Basic		0.13	0.34
	(2) Diluted		0.13	0.34

**As per our report of even date**  
**For Hemant C. Parikh & Co**  
**Chartered Accountants**

**For and on behalf of the Board**  
**Creative Merchants Limited**

**Sd/-**  
**Hemant C Parikh**  
**(Proprietor)**  
**Membership No. 031780**

**Sd/-**  
**Bipin Patel**  
**Managing Director**  
**DIN: 03190744**

**Sd/-**  
**Jignesh Patel**  
**Director**  
**DIN: 05257911**

**Sd/-**  
**Jayendra Kh**  
**Director**  
**DIN: 067776**

**Place : Ahmedabad**  
**Dated: 12/04/2014**

**Place : Ludhiana**  
**Dated: 12/04/2014**

# CREATIVE MERCHANTS LIMITED

## NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
1	<b>Share Capital</b>		
	Equity Share Capital		
	Authorised Share capital (50,00,000 Equity Shares of Rs 10/- each) (Previous Year : 5,00,000)	50,00,000	5,00,000
	Issued, Subscribed & fully Paid Share Capital 50,00,000 Equity Shares of Rs.10/- each (Previous Year : 5,00,000)	50,00,000	5,00,000
	<b>Total</b>	<b>50,00,000</b>	<b>5,00,000</b>
	<b>ii) Reconciliation of the number of shares;</b>		
	No. of Equity shares issued at the beginning of the period	500,000	500,000
	Add no. of Equity shares issued during the period	4,50,000	-
	Less no. of Equity shares bought back during the year	-	-
	No. of Equity shares at the end of the period	5,00,000	500,000
	<b>ii) List of Shareholder holding more than 5% of shares</b>	<b>No of Shares</b>	<b>% of holding</b>
	Hitesh R.Patel	300,000	6.00%

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
2	<b>Reserves and Surplus</b>		
	<b>Profit &amp; Loss account</b>		
	OPENING BALANCE	303,238	130,848
	ADDITION/REDUCTION DURING THE PERIOD	213,066	172,390
	<b>TRANSFERRED TO RESERVES AND SURPLUS</b>	<b>516,304</b>	<b>303,238</b>
	<b>Total</b>	<b>516,304</b>	<b>303,238</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
3	<b>Trade Payables - Current</b>		
	Unsecured and considered good	125,600	-
	<b>Total</b>	<b>125,600</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
4	<b>Short-term provisions</b>		
	Provision for Income Tax	114,722	127,064
	Provision for the Expenses	-	1,000
	<b>Total</b>	<b>114,722</b>	<b>128,064</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
5	<b>Non-current investments</b>		
	Joint Venture	7,500,000	-
	<b>Total</b>	<b>7,500,000</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
6	<b>Long Term Loans and Advances</b>		
	<b>Unsecured considered good</b>		
	Advance against Capital Goods	10,000,000	-
	Loan to others	16,478,923	3,633,493
	<b>Long Term Loans and Advances</b>	<b>26,478,923</b>	<b>3,633,493</b>
	<b>Total</b>	<b>26,478,923</b>	<b>3,633,493</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
7	<b>Other Non Current Assets</b>		
	Misc. Exp. To the extent not written off	512,912	-
	<b>Total</b>	<b>512,912</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
8	<b>Inventories</b>		
	Stock in trade	14,737,252	710,598
	<b>Total</b>	<b>14,737,252</b>	<b>710,598</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
9	<b>Trade receivables</b>		
	Unsecured, Considered Good		
	Sundry Debtors	1,161,902	500,402
	<b>Total</b>	<b>1,161,902</b>	<b>500,402</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
10	<b>Cash and cash equivalents</b>		
	Cash on Hand	311,253	586,809
	Balances with banks	54,384	-
	<b>Total</b>	<b>365,637</b>	<b>586,809</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
11	<b>Revenue from Operations</b> Revenue from Sale - Domestic	7,356,958	1,110,315
	<b>Total</b>	<b>7,356,958</b>	<b>1,110,315</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
12	<b>Purchase cost of Stock In Trade</b> Purchases	20,457,050	104,087
	<b>Total</b>	<b>20,457,050</b>	<b>104,087</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
13	<b>INCREASE/ DECREASE IN STOCK OF FINISHED GOODS and Stock in Trade</b> Opening Stock	710,598	-
	<b>Total</b>	<b>710,598</b>	-
	Closing Stock	14,737,252	710,598
	<b>Total</b>	<b>14,737,252</b>	<b>710,598</b>
	<b>Increase or Decrease in Stock</b>	<b>(14,026,654)</b>	<b>(710,598)</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
14	<b>Employee Benefits Expense</b> Salaries and wages / staff welfare	48,000	26,650
	<b>Total</b>	<b>48,000</b>	<b>26,650</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
<b>15</b>	<b>Finance Costs</b>		
	Other borrowing costs	1,301	-
	<b>Total</b>	<b>1,301</b>	<b>-</b>

Note No	PARTICULARS	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
<b>16</b>	<b>Other Expenses</b>		
	Papers & Periodicals Exps.	2,340	2,289
	Rent & Electricity	-	5,409
	Staff Welfare Expenses	-	1,050
	Printing & Stationery	8,900	6,500
	Postage	1,610	1,100
	Conveyance Charges	1,678	1,070
	Professional Charges	-	1,250
	Audit Fees	21,100	1,500
	Office Expenses	3,895	2,675
	Legal Expenses	56,120	-
	Preliminary Expense Written off	304,303	-
	CDSL Fees	20,226	
	Listing Fees	20,224	
	Other Expenses	109,077	-
	<b>Total</b>	<b>549,473</b>	<b>22,843</b>

**Note No.: 17**

**THE STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES:**

The accounts have been prepared in accordance with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and other applicable provisions of the other Laws.

**(A) METHOD OF ACCOUNTING:**

The Accounts of the Company are prepared under the Historical Cost Convention using the Mercantile Method of Accounting.

**(B) FIXED ASSETS:**

Company has no fixed Assets at the end of financial year hence question of its valuation does not arise.

**(C) DEPRECIATION:**

The question of providing Depreciation in absence of Fixed Assets does not arise.

**(D) INVESTMENTS:**

The investments are shown at cost and are inclusive of related expenses. Income from these deposit & Investment is accounted on Receipt basis from the available information.

**(E) INVENTORY:**

Inventories are valued at a cost or net realizable price whichever is lower.

**(F) RETIREMENT BENEFITS:**

Gratuity and Provident Fund are not provided in the books since not applicable.

**(G) CAPITAL ISSUE EXPENDITURE:**

Company has written off Preliminary and Pre-operative expenses amounting to Rs. 3,04,303 during the year.

## NOTES ON ACCOUNTS:

1. Previous year figures have been re-grouped and rearranged wherever necessary for proper presentation of accounts.
2. Sundry debit and credit balances of loans and advances are subject to confirmation and Bank Balances as per reconciliation, if any. As per view of management the same are shown at realizable value and necessary precaution of actual and realizable value has been taken care of.
3. As informed to us, there are no contingent liabilities as on Balance Sheet Date.
4. Auditors Remuneration relating to audit work Rs.21,100/- (P.Y. Rs.1500/-) is provided at the end of year.
5. As informed to us there are no estimated amounts of contracts remaining to be executed on Capital Amount.
6. Company has no fixed Assets at the end of financial year.
7. As certified by the management of the Company, all amounts in the Balance Sheet relating to Sundry Debtors, Sundry Creditors, Unsecured Loans, Deposits, Loans and advances are shown at net realizable or net payable as the case may be.
8. As Certified by Company that it has received written representation from All the Directors, that Companies in which they are Directors had not defaulted in terms of section 274(1)(g) of the Companies Act,1956, and that representation of Directors taken in Board that no Director is disqualified from being appointed as Director of the Company.
9. Income in Foreign Currency is NIL.
10. Expenditure in Foreign Currency is NIL.
11. Share Application Money Account and Share Allotment are Subject to reconciliation.
12. Number of employees who were:
  - (a) Employed throughout the year and were in receipt of remuneration of Rs. 60,00,000/- per annum or more are nil. (Previous Year Nil)



(b)Employed for part of the year and were in receipt of remuneration of Rs 5,00,000/ -per month or more are nil. (Previous Year Nil)

13. Particulars of licensed Capacity or Production Capacity is not applicable to the Company.

As per our Auditor's report of even date attached herewith.

**For Hemant C. Parikh & Co**  
**Chartered Accountants.**

**For And On Behalf Of the Company**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Bipin Patel</b>	<b>Jignesh Patel</b>	<b>Jayendra kharadi</b>
<b>Managing Director</b>	<b>Director</b>	<b>Director</b>
<b>DIN: 03190744</b>	<b>DIN: 05257911</b>	<b>DIN: 06777687</b>

**Sd/-**  
**Hemant Parikh**  
**(Proprietor)**  
**M.No.031780**

**Date: 12/04/2014**  
**Place: Ahmedabad**

**Date: 12/04/2014**  
**Place: Ludhiana**

**CREATIVE MERCHANTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	AS AT 31/03/2014		AS AT 31/03/2013	
	RS.	RS.	RS.	RS.
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before tax and Extraordinary Items		327,788		246,137
Adjusted for Preliminary Expenses to the extent written off	304,303	<b>632,091</b>		<b>246,137</b>
Operating Profit before Working Capital Changes				
Adjusted for Inventories	(14,026,654)		(710,598)	
Trade Receivable	(661,500)		(500,402)	
Short term Provisions	(128,064)		-	
Trade Payable, Other Current Liabilities	125,600	(14,690,618)	-	(1,211,000)
<b>Cash generated from Operating Activities</b>		<b>(14,058,527)</b>		<b>(964,863)</b>
<b>Net Cash flow Operating Activities</b>		<b>(14,058,527)</b>		<b>(964,863)</b>
<b>B. Cash Flow from Investing Activities</b>				
Other Non Current Assets	(817,215)		-	
Increase in Investments	(7,500,000)		-	
<b>Net Cash used in Investing Activities</b>		<b>(8,317,215)</b>		<b>-</b>
<b>C. Cash Flow from Financing Activities</b>				
(Increase) / Decrease in Long Term Loan & Advances	(22,845,430)		1,200,000	
Increase in Share Capital	45,000,000		-	
<b>Net Cash used in Financing Activities</b>		<b>22,154,570</b>		<b>1,200,000</b>
<b>Net increase in Cash and Cash Equivalents ( A + B + C )</b>		<b>(221,172)</b>		<b>235,137</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>586,809</b>		<b>351,672</b>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>365,637</b>		<b>586,809</b>
<p>As per our Audit Report of even date  <b>For Hemant C. Parikh &amp; Co</b>  Chartered Accountants</p> <p>Sd/-</p> <p><b>Hemant C Parikh</b>  (Proprietor)  Membership No. 031780</p> <p>Place : Ahmedabad  Dated: 12/04/2014</p>				
<p><b>For and on behalf of the Board</b>  Creative Merchants Limited</p> <p>Sd/-                      Sd/-</p> <p><b>Bipin Patel      Jignesh Patel</b>  Director              Director</p> <p>Place : Ludhiana  Dated: 12/04/2014</p>				

**Reg. Add: Shop No.4, Second Floor,Indra Market,  
Opp. Panna Singh Pakore Wala,Gill Road  
Ludhiana-141003**

**ATTENDANCE SLIP  
ANNUAL GENERAL MEETING – 30<sup>th</sup> September, 2014 AT 11.30 A.M.**

<b>DP Id.</b>		<b>Client Id. / Ben. A/c.</b>	
<b>Folio No.</b>		<b>No. of Shares</b>	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on 30<sup>th</sup> September, 2014 at 11.30 A.M at Shop No.4, Second Floor, ,Indra Market, Opp. Panna Singh Pakore Wala,Gill Road Ludhiana-141003

\_\_\_\_\_  
Full Name of the Shareholder / Proxy (In Block Letter)

\_\_\_\_\_  
Signature

=====

**Form No. MGT-11****Proxy form**

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

**CIN:** L51101PB1984PLC005966

**Name of the company:** CREATIVE MERCHANTS LIMITED

**Registered office:** Shop No.4, Second Floor, ,Indra Market, Opp. Panna Singh Pakore Wala,Gill Road Ludhiana-141003

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

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

1. Name: .....  
Address: .....  
E-mail Id: .....  
Signature:.....,or failing him,

2. Name: .....  
Address: .....  
E-mail Id: .....  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 30<sup>th</sup> day of September, 2014 at 11.30 a.m. at Shop No.4, Second Floor, ,Indra Market, Opp. Panna Singh Pakore Wala,Gill Road Ludhiana-141003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014		
2	Re-election of Mr. Jignesh Purshottamdas Patel as a Director of the Company		
3	Appointment of M/s. Hemant C Parikh, Chartered Accountants, Ahmedabad as a Statutory Auditors of the Company and to fix their remuneration for the financial year ending as on 31 <sup>st</sup> March, 2015		

Signed this..... day of..... 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Rs. 1 /-  
Revenue  
Stamp

*Note: 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.*

If Undelivered, please return to:-

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

**Unit: Creative Merchants Ltd**

No-9, Shiv Shakti Industrial Estate, Ground Floor,

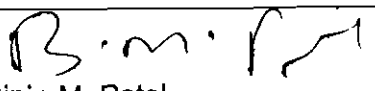
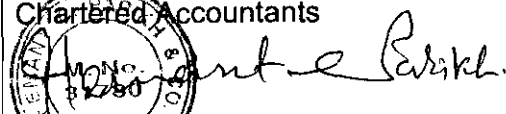

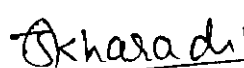
J. R. Boricha Marg, Opp. Kasturba Hospital,

Lower Parel, Mumbai - 400 011

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

**[Clause 31 (a) of the Listing Agreement]**

1.	Name of the Company	<b>Creative Merchants Limited</b>
2.	Annual Financial Statement for the year ended on	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-Qualified
4.	Frequency of Observation	N.A.
5.	To be signed by <ul style="list-style-type: none"><li>• CEO and Managing Director</li></ul>	 Mr. Bipin M. Patel (Managing Director)
	<ul style="list-style-type: none"><li>• CFO</li></ul>	N. A.
	<ul style="list-style-type: none"><li>• Auditors of the Company</li></ul>	For, M/s. Hemant C. Parikh & Co., Chartered Accountants   Hemant C. Parikh Proprietor (Membership No.: 031780 )
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	 Mr. Jayendra S. Kharadi Director

