

## **DRAFT INFORMATION DOCUMENT**

(For Listing on Institutional Trading Platform for SME of BSE Limited)

Dated: 28<sup>th</sup> April, 2014

(In accordance with SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013)



### **LEGACY MERCANTILE LIMITED**

*Our Company was incorporated as Private Limited Company. During the year 2013-2014, the company's status was converted from Private Limited to Public Limited and consequently, the name was changed to Legacy Mercantile Limited from Legacy Mercantile Private Limited with effect from 18th February of the year 2014. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 18th February, 2014. Our corporate identification number is US2100DL2011PLC220026.*

**Registered Office:** A - 4, First Floor, Acharya Niketan, Mayur Vihar, Phase – I, Opp Fine Home Society, Delhi-110091, Delhi.

**Tel:** 011-32409091 **Fax:** 011-32409091 **Website:** www.legacymercantile.com

**Company Secretary and Compliance Officer:** Mr. Sudhir Suman Singh

**PROMOTERS: BLOOMS TEXENT PRIVATE LIMITED.**

**THE DRAFT INFORMATION DOCUMENT IS BEING MADE IN TERMS OF CHAPTER XC OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

**FOR LISTING OF 15814750 EQUITY SHARES OF ` 10/- EACH FULLY PAID-UP ON INSTITUTIONAL TRADING PLATFORM OF THE BSE SME**

**ABSOLUTE RESPONSIBILITY OF LEGACY MERCANTILE LIMITED**

This Information Document is In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009, as amended from time to time and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME.

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Information Document contains all information with regard to the Company which is material in the context of this proposed listing, that the information contained in the Draft Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Information Document as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

**TABLE OF CONTENTS**

<b>CONTENTS</b>	<b>PAGE NO.</b>
<b>General</b>	
1. Definitions and Abbreviations	3-5
2. General Information	6-8
3. Eligibility Criteria	9-10
<b>I. Business</b>	
1. Description of our Business and Operations	11-17
2. Financial Information	
3. Capital Structure	18-22
4. Description of Property	
<b>II. Risk Factors</b>	23-26
<b>III. Security ownership of certain beneficial owners and Management</b>	27
<b>IV. Our Management</b>	28-32
<b>V. Promoters</b>	33-34
<b>VI. Related Party Transactions</b>	35
<b>VII. Outstanding Litigations</b>	36
<b>VIII. Declaration</b>	37

## GENERAL

### DEFINITIONS AND ABBREVIATIONS

In the Draft Information Document, unless the context otherwise requires, the terms defined and abbreviations stated hereunder shall have the meanings as assigned therewith as stated in this Section.

#### General Terms

Term	Description
“Legacy Mercantile Limited”, “Legacy Mercantile”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Legacy Mercantile Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at A - 4, First Floor, Acharya Niketan, Mayur Vihar, Phase – I, Opp Fine Home Society, Delhi-110091

#### Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Legacy Mercantile Limited, as amended from time to time.
Auditors	The Statutory Auditors of our Company, being M/s. Shobit Bansal & Associates., Chartered Accountants
Board of Directors / Board	The Board of Directors of Legacy Mercantile Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Legacy Mercantile Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Legacy Mercantile Limited
Non Residents	A person resident outside India, as defined under FEMA
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA
NRIs / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign (Outside India) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters/ Core Promoters	Blooms Textent Private Limited.
Registered Office	The Registered Office of our company is located at A - 4, First Floor, Acharya Niketan, Mayur Vihar, Phase – I, Opp Fine Home Society, Delhi-110091
RoC	Registrar of Companies, NCT of Delhi and Haryana, situated at Delhi
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992

SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited

#### Technical / Industry Related Terms

Term	Description
CSO	Central Statistical Organization
GDP	Gross Domestic Product
DEPB	Duty entitlement pass book scheme
EPCG	Export Promotion Capital Goods Scheme
FDI	Foreign Direct Investment
F&O	Futures and Options
FMC	Forward Market Commission
GOI	Government of India
FOB	Free on Board
RONW	Return on Net Worth
SSI	Small Scale Industry
VCF	Venture Capital Funds
SENSEX	Bombay Stock Exchange Sensitive Index
NIFTY	National Stock Exchange Sensitive Index

#### Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India

FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
Gol/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
or Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Days	All days except Saturday, Sunday and any public holiday

## GENERAL INFORMATION

### Legacy Mercantile Limited

Our Company was incorporated as Private Limited Company. During the year 2013-2014, the company's status was converted from Private Limited to Public Limited and consequently, the name was changed to Legacy Mercantile Limited from Legacy Mercantile Private Limited with effect from 18th February of the year 2014. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 18th February, 2014. Our corporate identification number is U52100DL2011PLC220026.

#### Registered Office of our Company

**Legacy Mercantile Limited**  
A - 4, First Floor, Acharya Niketan,  
Mayur Vihar, Phase - I,  
Opp Fine Home Society,  
Delhi-110091.  
Tel: 011-32409091  
Fax: 011-32409091  
Website: [www.legacymercantile.com](http://www.legacymercantile.com)  
E-mail: [legacymercantile@yahoo.com](mailto:legacymercantile@yahoo.com)

Company Registration Number: 220026

Company Identification Number: U52100DL2011PLC220026

Address of the ROC: Registrar of Companies, Delhi:  
4th Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi - 110019  
Phone: 011-26235707, 26235708 & 26235709  
Fax: 011-26235702  
[roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

#### Name of the Stock Exchange where proposed to be listed

Our Company proposed to list its Equity Shares on the For Listing on Institutional Trading Platform for SME of BSE Limited.

ISIN NO.: INE241Q01018

#### Details of PAN / TAN of the Company

PAN	TAN
AACCL0594K	DELL05797B

#### Our Board of Directors

The following table sets out details regarding our Board as on the date of the Draft Information Document:

Sr. No.	Name and Designation	Designation	Age (in years)	DIN	Address
1.	Saurabh Sharma	Whole-time Director	25	06842375	1/18, Madhav Ganj, Joote Wali Gali, Firojabad, 283203, Uttar

Sr. No.	Name and Designation	Designation	Age (in years)	DIN	Address
					Pradesh, India
2.	Shikha Garg	Non-Executive Independent Director	39	06792255	H.No.676, Kailash Nagar, Ghaziabad, Uttarpradesh, 201010, Uttar Pradesh, India
3.	Saurav Rastogi	Non- Executive & Non Independent Director	36	05217855	A-22, Ground Floor, Gali No.3, Gurunanakpura, Laxmi Nagar, New Delhi, 110092, Delhi, India
4.	Sushil Kumar	Non-Executive Independent Director	42	06842369	25/438, Block - 25, Trilok Puri, Delhi - 110091

***Company Secretary and Compliance Officer***

**Mr. Sudhir Suman Singh**

**Legacy Mercantile Limited**

**Address: A - 4, First Floor, Acharya Niketan,**

**Mayur Vihar, Phase - I,**

**Opp Fine Home Society,**

**Delhi-110091.**

**Tel: 011-32409091**

**Fax: 011-32409091**

**Website: [www.legacymercantile.com](http://www.legacymercantile.com)**

**E-mail: [legacymercantile@yahoo.com](mailto:legacymercantile@yahoo.com)**

***Registrar to the Company***

**Mr. Sharvan Mangla**

**Mas Services Limited**

**T-34, IInd Floor, Okhla Industrial Area,**

**Phase-I, New Delhi - 110020**

**Tel: 011-26387281-83**

**Fax: 011-26387384**

**Website: [www.massserv.com](http://www.massserv.com)**

**E-mail: [info@massserv.com](mailto:info@massserv.com)**

***Bankers to our Company***

**Punjab National Bank**

**ECE House, 26A, K. G Marg,**

**Connaught Place,**

**New Delhi - 110001**

**Phone No. 011-23321503, 011-23312956**

***Statutory Auditors of our Company***

**Gyanesh Gupta & Co.**

**Address - 1 first floor, Saraswati vihar,**

**Shopping complex, Near M.G. road.**

**Metro station, Gurgaon 122002.**

**Email ID - [fcgyaneshgupta@gmail.com](mailto:fcgyaneshgupta@gmail.com)**

**Phone No. - 09818884921**

**Membership No. - 0509350**

**Firm Registration No. - 024354N**

***Investment Merchant Banker***

**First Overseas Capital Limited**

**Registered Office:**

**Bhupen Chambers,**

**1-2, Ground Floor,**

**Dalal Street, Fort,**

**Mumbai,**

**Maharashtra – 400001**

**Tel No: 022 4050 9999**

**Email: [firstoverseas@vsnl.net](mailto:firstoverseas@vsnl.net)**

**Website: [www.focl.in](http://www.focl.in)**

**SEBI Registration No: MB/INM000003671.**



## ELIGIBILITY FOR LISTING ON INSTITUTIONAL TRADING PLATFORM OF BSE SME

Our Company is an "Unlisted Company" in terms of the SEBI (ICDR) Regulations; and proposes to list our Equity Shares Institutional Trading Platform of BSE SME in terms of Chapter XC of the SEBI (ICDR) Regulations, 2009 as amended from time to time.

Our Company is eligible for the Issue in accordance with Regulation 106(Y) and other provisions of Chapter XC of the SEBI (ICDR) Regulations.

In terms of the Regulation 106(Y) of the SEBI (ICDR) Regulations, we confirm that:

- a. Our company, our promoters, group company or director does not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
- b. There is no winding up petition against our company that has been admitted by a competent court;
- c. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
- d. No regulatory action has been taken against our Company, our promoters or our directors, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
- e. Our company has not completed a period of more than ten years after incorporation and our revenues have not exceeded one hundred crore rupees in any of the previous financial years;
- f. The paid up capital of our company has not exceeded twenty five crore rupees in any of the previous financial years;
- g. Our Company has atleast one full year's audited financial statements, for the immediately preceding financial year at the time of making listing application;
- h. In accordance with Regulation 106 Y (h) (iv) of SEBI (ICDR) Regulations, 2009, First Overseas Capital Limited, a SEBI registered merchant banker has exercised due diligence and has invested a sum of ` 50.00 Lacs in Equity Shares of our company at a price of ` 10 per Equity Share. Accordingly, 5,00,000 Equity Shares of face value of ` 10 each were allotted to First Overseas Capital Limited on February 12, 2014. These Equity Shares shall be locked in for a period of three years from the date of listing.

We further confirm that:

In terms of Regulation 106ZB of SEBI (ICDR) Regulations, 2009 our Company has obtained written consents from our Promoters for the lock-in 3162950 Equity Shares representing 20% of the post listing capital, for a period of three years from the date of listing.

The Company satisfies following requirements :

- Net Tangible Assets of minimum Rs. 1 Crore. (Net fixed assets plus net Current assets)

OR

Net income\* (excluding extraordinary and other income) of Rs. 50 Lacs as per the latest audited financials.

\*(Net income = Sales – Purchases)

- There has been no change in the promoters of the Company in the preceding one year from date of filing of application with BSE for listing on the SME ITP platform.

In terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009:

- (1) All Equity Shares of our company shall be in dematerialized form upon listing on institutional trading platform.
- (2) Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. We further confirm that we shall have connectivity with atleast one depository at all times. The ISIN is INE241Q01018.
- (3) The minimum trading lot on institutional trading platform shall be ` 10.00 Lacs.

## I – BUSINESS

### INDUSTRY OVERVIEW

#### A. Indian Textile Industry

Textile Industry is one of India's largest industries, after agriculture. It provides direct employment to about 35 million people, the second largest provider of employment after agriculture. Besides, another 54.85 million people are engaged in large number of ancillary industries, which are dependent upon this sector, such as manufacturing various machines, accessories, stores, ancillary items and chemicals.

The fundamental strength of this industry flows from its strong production base of wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. We can just track the strong multi-fibre strong base by highlighting the following important positions reckon by this industry across globe are:

- Cotton – Second largest cotton and cellulosic fibres producing country in the world.
- Silk – India is the second largest producer of silk and contributes about 18% to the world's total silk. Mulberry, Eri, Tasar, and Muga are the main types of silk produced in the country.
- Wool – India has 3rd largest sheep population in the world, having 6.15 crores sheep, producing 45 million kg of raw wool, and accounting for 3.1% of total world wool production. India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers.
- Man-Made Fibres – These includes manufacturing of clothes using fiber or filament synthetic yarns. It is produced in the large power loom factories. They account for the largest sector of the textile production in India. This sector has a share of 62% of the India's total production and provides employment to about 4.8 million people. The fourth largest in synthetic fibres/yarns globally.
- Jute – India is the largest producer and second largest exporter of the jute goods.
- Handloom – It is well developed and Its market share is 16%. of the total cloth produced in India

Known globally for its skill and craftsmanship, the Indian textile industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and is also one of the largest export earners and accounts for about 35% of the gross export earnings in trade. Trade restrictions have hitherto kept the Indian textile industry from soaring to the height it is capable of, but this is expected to change, as after January 2005 the quota and other trade restrictions are being gradually removed.

#### B. Structure of the Textile Industry

The industry has a complex structure marked by presence of large-scale and small-scale production units. The industry is manufacturer driven with spinning having large scale operations and the retailing as the weakest link which is now changing. From growing own raw material (cotton, jute, silk and wool) to providing value added products to consumers (fabrics and garments), the textile industry covers a wide range of economic activities, and results in employment generation in both organized and unorganized sectors.

#### C. Market Size

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production increased by 6 per cent during December 2013. The production increased by about 4 per cent during the year April - December 2013.

Cotton yarn production increased by 6 per cent during December 2013 and by 10 per cent during April-December 2013. Blended and 100 per cent non-cotton yarn production increased by 5 per cent during December 2013 and increased by 8 per cent during the year April-December 2013.

Cloth production by mill sector increased by 4 per cent during December 2013 and by 6 per cent during April-December 2013. Cloth production by handloom, and hosiery increased by 3 per cent and 11 per cent respectively during December 2013. Production by handloom, and hosiery sectors increased by 4 per cent and 13 per cent during April-December 2013. The total cloth production grew by 2 per cent during April-December 2013.

The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021, according to Technopak's Textile and Apparel Compendium 2012.

Garment exports from India is expected to touch US\$ 60 billion over the next 3 years

#### **D. Organized sector**

India ranked as the fourth most promising market for apparel retailers in 2009.

There is large scope of improvement in the textile industry of India as there is a huge increase in personal disposable income among the Indians after the 1991 liberalization. There is also a large growth of the organized sector in the Indian textile industries. The foreign brands along with the collaboration of the Indian companies established business in India

#### **E. Description of Our Business**

Our Company carries on the Business as Manufacturer, traders, buyers, sellers, factors, importers, exporters, distributor's agents, brokers, stockiest, commission agents and dealers of textile, fabrics, cotton, silk, jute, woolen, garments, yarns, synthetics goods, fibrous materials and allied products including decorative hand and machine - made readymade garments, carpets and carpet backing, durries, mats, rugs, namdas, blankets, shawls, tweeds, lines, flannels, beds spreads, quilts, scarfs, belts, woven bags, tapestry and all other articles of silk, cotton, woolen, jute and worsted materials and all sorts of apparels, dressing material, mixed, blended products, nylon, polyester, fibres, yarn, yarn and sewing thread, hosiery and mixed fabrics, natural silk fabrics, and leather garments of all kinds including all kinds of commodities. To carry on the business of packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, jute, wool, silk, art silk, synthetic and other fibers or blends thereof

#### **F. Our Products & Services**

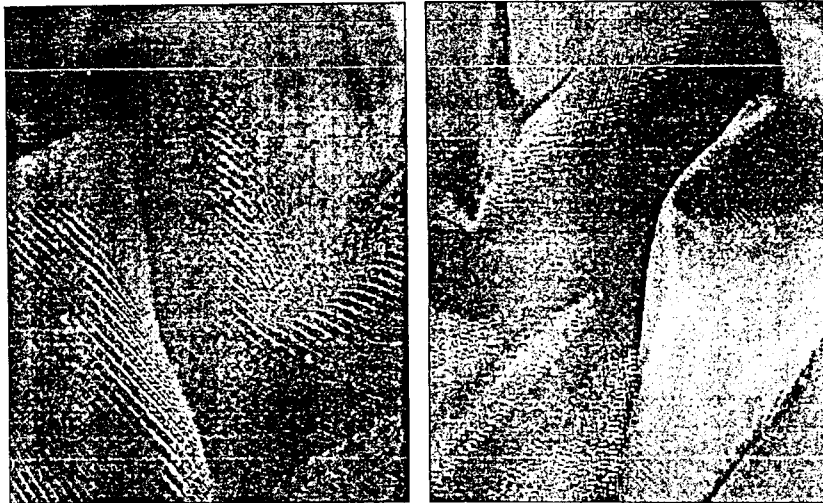


Our Company covers the full range of apparel and textile business. In order to respond to market needs, the Company mobilizes its extensive processing expertise and network. Company is engaged in trading of various types of fabrics.

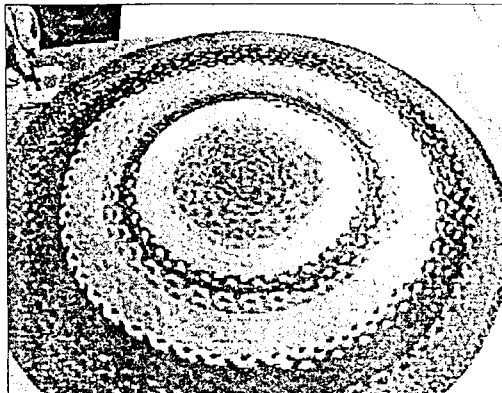
FELTING FABRIC



KNITTING FABRIC



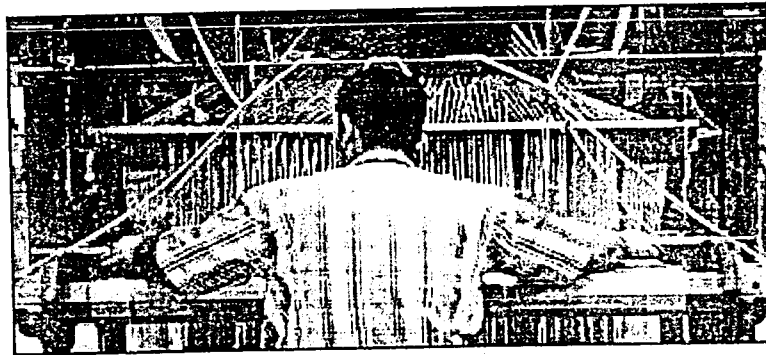
BRAIDING FABRIC



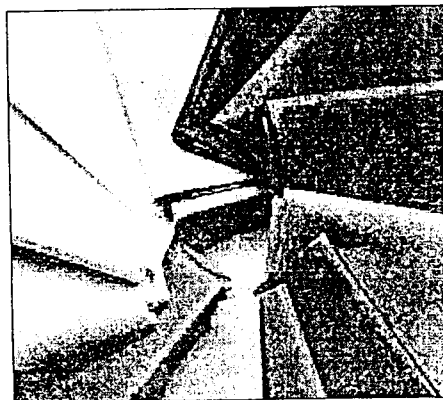
NETTING FABRIC



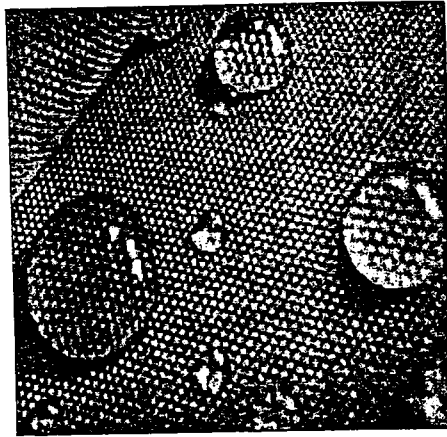
WEAVING FABRIC



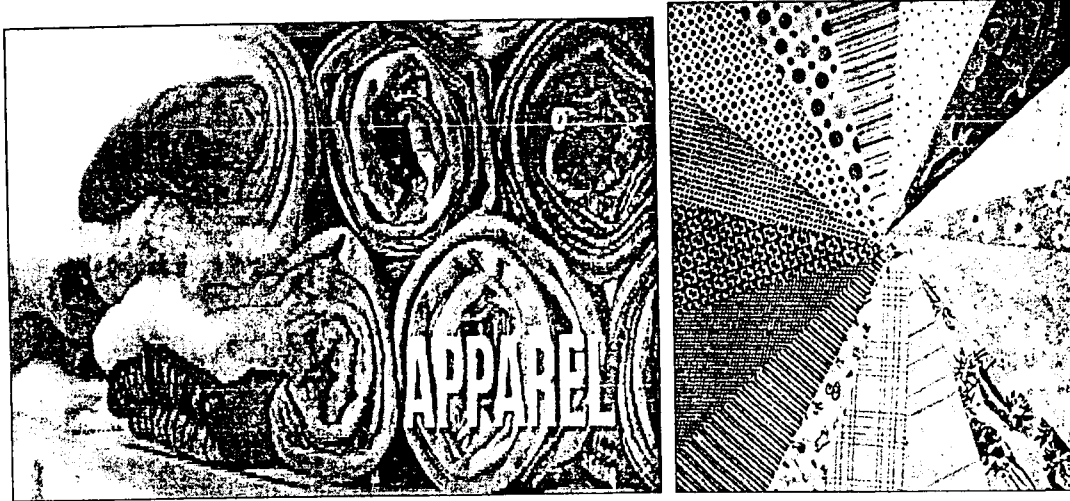
NYLON FABRIC



### POLYESTER FABRIC



### COTTON FABRIC



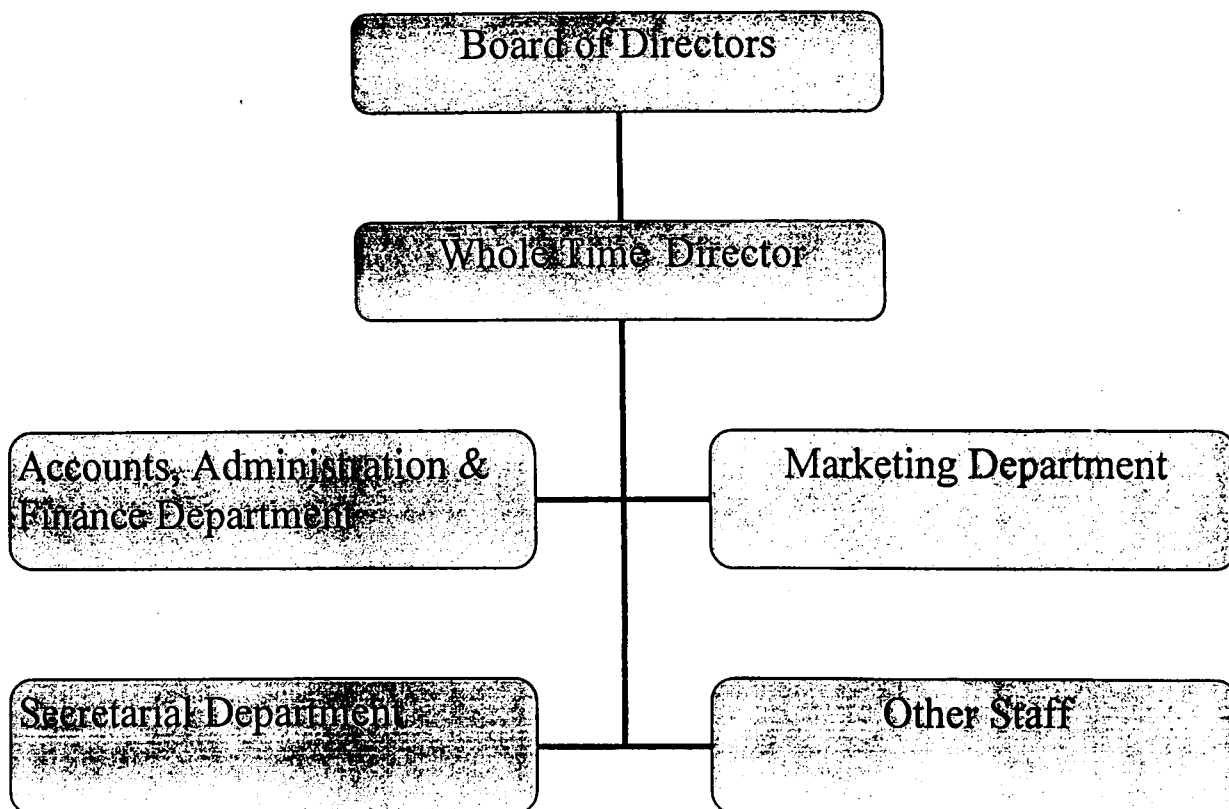
#### G. Our Major Customers

<u>CUSTOMERS</u>
1. Sanskriti Tradex Pvt Ltd
2. Sanjivini Commo Trade Pvt Ltd
3. B R Industries
4. Shri Baanke Bihari Concast Pvt Ltd
5. Other Trade Receivable

#### H. Our major suppliers include the following

<u>SUPPLIERS</u>
1. Meenakshi Udhog
2. Sai Enterprises

## I. Manpower



The following is a department-wise break-up of our employees as on date:

Particulars	No. of persons
Whole time Director	1
Accounts, Administration & Finance Department	2
Marketing Department	3
Secretarial Department	1
Other Staff	1
<b>Total</b>	<b>8</b>

### Intellectual Property

Our Company does not own or otherwise possess any registered intellectual property rights.

### Competition

Much of the product market is unorganized and fragmented with many small and medium-sized companies and players. We face substantial competition in the industry from product manufacturing companies, marketing companies and subsidiaries or divisions of large multinational corporations, as well as domestic competitors and traders. We compete with these entities on the basis of availability of product, product range, product traits, and other factors, based on price, reputation, customer service and customer convenience.



## Working Capital

Our working capital as on December 2013

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Current Assets</b>	<b>As on December, 2013</b>
Trade Receivables	82,204,305
Cash and Cash Equivalents	559,632
Short Term Loans and Advances	31,476,742
<b>Total (A)</b>	<b>114,240,679</b>
<b>Current Liabilities</b>	
Short-Term Liabilities	432,519
Trade Payables	70,531,762
Other Current Liabilities	45,820
Short-Term Provisions	71,050
<b>Total (B)</b>	<b>71,081,151</b>
<b>Working Capital Gap (A-B)</b>	<b>43,159,528</b>

## FINANCIAL INFORMATION

Refer Annexure I to this Information Document for audited financial statements for the period ended December 31, 2013.

Refer Annexure II to this Information Document for audited financial statements for the period ended March 31, 2013

## CAPITAL STRUCTURE

### 1. Capital Structure of Our Company

No.	Particulars	Amount (Rs. in Lacs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,58,50,000 Equity Shares of ` 10 each	1,585.00	1,585.00
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,58,14,750 Equity Shares of ` 10 each	1,581.475	1,581.475
<b>C.</b>	<b>Securities Premium Account</b>	Nil	Nil

### 2. History of Equity Share Capital of our Company

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value	Issue Price	Nature of consideration	Nature of Allotment	Cumulative number of Equity	Cumulative Paid-up Capital	Cumulative Securities premium
		(₹)	(₹)			Shares	(₹)	(₹)
30.05.2011	10000	10	10	Cash	Subscription to Memorandum of Association	10000	100000	----
31.03.2012	307000	10	10	Cash	Further Allotment	317000	3170000	----
15.10.2013	2536000	10	1:8		Bonus Issue	2853000	28530000	----
25.10.2013	5800000	10	10	Cash	Further Allotment	8653000	86530000	
21.03.2014	1193000	10	10	Cash	Preferential	9846000	98460000	----

					Allotment			
24.03.2014	664750	10	10	Cash	Preferential Allotment	10510750	105107500	----
26.03.2014	508000	10	10	Cash	Preferential Allotment	11018750	110187500	----
28.03.2014	1099500	10	10	Cash	Preferential Allotment	12118250	121182500	----
31.03.2014	1279000	10	10	Cash	Preferential Allotment	13397250	133972500	----
02.04.2014	1295500	10	10	Cash	Preferential Allotment	14692750	146927500	----
08.04.2014	644500	10	10	Cash	Preferential Allotment	15337250	153372500	----
15.04.2014	477500	10	10	Cash	Preferential Allotment	15814750	158147500	----

### 3. Details of build-up of shareholding of the Promoters and lock-in

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in `)	Issue/ Transfer price per Equity Share (in `)	Consideration (cash/other than cash)	% of issued capital
<b>Blooms Textent Private Limited</b>						
March 31, 2012	Further Allotment	50,000	10	10	Cash	0.31%
October 03, 2013	Acquisition	50,000	10	10	Cash	0.31%
October 15, 2013	Bonus	8,00,000	10	10		5.06%
October 25, 2013	Further Allotment	19,53,000	10	10	Cash	12.35%
November 01, 2013	Acquisition	8,10,000	10	10	Cash	5.12%
	<b>Total</b>	<b>36,63,000</b>				<b>23.16</b>

3162950 Equity Shares representing 20% of the post listing capital of Blooms Textent Private Limited will be locked in for a period of three years from the date of listing.

#### 4. Our shareholding pattern

The table below represents the shareholding pattern of our Company in accordance with clause 34 of the Listing Agreement, as on the date of this Draft Information Memorandum:

##### Our shareholding pattern

The table below represents the shareholding pattern of our Company in accordance with clause 34 of the Listing Agreement, as on the date of this Draft Information Memorandum:

##### (I)(a) Statement showing Share Holding Pattern of Legacy Mercantile Limited as per clause 34 of Listing on Institutional Trading Platform

Category code (I)	Category of shareholder (II)	No. of shareholders (III)	Total No. of shares (IV)	No. of shares held in dematerialized form (V)	Total shareholding as a percentage of total no. of shares	Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	No. of Shares (VII)	As a Percentage (VIII) = (VII) / (IV) *100
(A)	<b>Promoter and Promoter Group</b>						
(1)	<b>Indian</b>						
(a)	Individuals / Hindu Undivided Family	-	-	-	-	NA	NA
(b)	Central Government/ State Government(s)	-	-	-	-	NA	NA
(c)	Bodies Corporate	1	3663000	-	23.16	NA	NA
(d)	Financial Institutions/ Banks	-	-	-	-	NA	NA
(e)	Any Other (specify)	-	-	-	-	NA	NA
	<b>Sub-Total (A)(1)</b>	<b>1</b>	<b>3663000</b>	<b>-</b>	<b>23.16</b>	<b>NA</b>	<b>NA</b>
(2)	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	NA	NA
(b)	Bodies Corporate	-	-	-	-	NA	NA
(c)	Institutions	-	-	-	-	NA	NA
(d)	Qualified Foreign Investor	-	-	-	-	NA	NA
(e)	Any Other (specify)	-	-	-	-	NA	NA
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>NA</b>
	<b>Total Shareholding of Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>1</b>	<b>3663000</b>	<b>-</b>	<b>23.16</b>	<b>NA</b>	<b>NA</b>
(B)	<b>Public shareholding</b>						
(1)	<b>Institutions</b>						
(a)	Mutual Funds/UTI	-	-	-	-	NA	NA
(b)	Financial Institutions/ Banks	-	-	-	-	NA	NA
(c)	Central Government/ State Government(s)	-	-	-	-	NA	NA
(d)	Alternate Investment Funds / Venture Capital Funds	-	-	-	-	NA	NA
(e)	Insurance Companies	-	-	-	-	NA	NA
(f)	Foreign Institutional Investors	-	-	-	-	NA	NA
(g)	Foreign Venture Capital Investors	-	-	-	-	NA	NA

Category code (I)	Category of shareholder (II)	No. of shareholders (III)	Total No. of shares (IV)	No. of shares held in dematerialized form (V)	Total shareholding as a Percentage of total no. of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	No. of Shares (VII)	As a percentage (VIII)= (VII) / (IV) *100	
(h)	Any Other – Merchant Banker	1	500000	-	3.16	NA	NA	NA
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>500000</b>	<b>-</b>	<b>3.16</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
(2)	<b>Non- institutions</b>							
(a)	Bodies Corporate	6	4990000	-	31.55	NA	NA	NA
(b)	Individuals	367	6661750	-	42.13	N.A	N.A	N.A
(c)	Qualified Foreign Investors	-	-	-	-	N.A	N.A	N.A
(d)	Any Other	-	-	-	-	N.A	N.A	N.A
	<b>Sub-Total (B)(2)</b>	<b>373</b>	<b>11651750</b>	<b>-</b>	<b>73.68</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>					<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
	<b>TOTAL (A)+(B)</b>	<b>375</b>	<b>15814750</b>	<b>-</b>	<b>100</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of Shareholder	Details of Shares Held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants & convertible securities) as a % of diluted share capital
		No. of Shares Held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	No. of warrants held	As a % total no. of warrants of the same class	No. of convertible securities held	As a % total no. of warrants of the same class	
1	Blooms Textent Pvt Ltd	3663000	23.16	0	0.00	0.00	0	0.00	0	0.00	-
	<b>TOTAL</b>	<b>3663000</b>	<b>23.16</b>	<b>0</b>	<b>0.0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-</b>

(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Direct Trading Co. Pvt. ltd	243000	1.54
2.	Direct Mercantile Pvt. Ltd.	315000	1.99
3.	Domain Enterprises pvt. Ltd	337500	2.13
4.	First Overseas Capital Limited	500000	3.16

5.	Lax Resource Mgt Pvt. Ltd	1037000	6.56
6.	Rockhard Infrastructure Pvt. Ltd	1450000	9.17
7.	Ram Rahim Trading Co Pvt. Ltd	1607500	10.16
	<b>TOTAL</b>	<b>5490000</b>	<b>34.71</b>

(d) Statement showing details of locked-in shares

Sr. No.	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1	Blooms Textent Private Limited	3162950	20.00%
2	FIRST Overseas Capital Limited	500000	3.16%
	<b>TOTAL</b>	<b>3662950</b>	<b>23.16</b>

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of outstanding DRs	No. of shares underlying outstanding DRs	Share underlying outstanding DRs as a percentage of total no. of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1.	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	No. of shares underlying outstanding DR	Share underlying outstanding DRs as a percentage of total no. of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1.	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL

**Details of Rented Premises**

Descriptions of Properties of Company are set forth below.

Registered Office:

We operate from our registered office situated at A - 4, First Floor, Acharya Niketan, Mayur Vihar, Phase - 1, Opp Fine Home Society, Delhi-110091 which is a rented premise.

**Intellectual Property-** Our Company does not own any Intellectual Property.

## II – RISK FACTORS

*The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Information Document were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment.*

*These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

*Risk (internal and external) envisaged by the management:*

The Textile Industry is dependent on the vagaries of nature. Availability of the required quality and quantity of cotton is critical for business and any damage or fall in crop production can adversely impact the price of cotton, which can impact business performance and profitability.

Cheaper imports of fabric can also impact pricing power and adversely affect business performance in the domestic market.

Currency fluctuations can also impact profitability.

Economic Scenario - Any economic downturn / recession or unforeseen events like terrorist attacks etc would reduce consumer spending, thus dampening sales.

Increased Competition - Once the Quota system is abolished, global trade of textiles would be free, leading to severe competition. Price undercutting would result in shrinking operating margins.

### INTERNAL RISK FACTORS

A failure / inability to manage our growth could disrupt our business and reduce profitability

We expect that our growth will place significant demands on us and will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- Maintaining high levels of customer satisfaction;
- Recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- Adhering to quality and process execution standards that meet customer expectations;
- Preserving a uniform culture, values and entrepreneurial environment in operations in India and our other countries of operations; and
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.
- Raising additional capital for future expansions.
- A failure to manage our growth effectively may have an adverse effect on our business and financial results

1. ***Our revenues and profits are difficult to predict and can vary significantly from period to period, which could cause the price of our Equity Shares to fluctuate.***

Our sales revenues are dependent on demand for the products, imports of readymade garments, Competition and the growth of the industry to whom we supply our products and these factors could significantly affect our sales. As a result of the above factors there may be significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

2. ***We are dependent on the performance of, and prevailing conditions affecting the Textile market in India.***

Our business is heavily dependent on the performance of the Textile market in India, particularly in the regions in which we operate, and could be adversely affected if market conditions deteriorate. The Textile market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can negatively affect the demand which can hamper our business.

3. ***We have a limited operating history and might not be able to operate our business or implement our strategies successfully***

The Company being new company has limited operating history. It is possible that we may not be able to anticipate or evaluate business risks. Further, we may have limited regulatory experience in managing corporate disclosures and compliance requirements and would have to acclimatize ourselves to the regulatory environment and buildup in-house expertise and resources for the same.

4. ***The success of our textiles business is dependent on supply chain management.***

We depend on air or sea borne freight, rail and road transport to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. These transportation facilities may not be adequate to support our existing and future operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to supply our products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

5. ***Our business could be harmed if key management personnel with significant experience and expertise in the industry terminate their employment with us.***

Our success depends on the continued services and performance of the members of our management team and other key employees, whose talent we believe provides us with a significant competitive advantage. Competition for senior management and key personnel in the industry is intense, and we may not be able to retain our existing senior management or key personnel or attract and retain new senior management or key personnel in the future. The loss of the services of our senior management or key personnel could seriously impair our ability to continue to manage and expand our business.



- 6. A slowdown in economic growth due to negative political, social and economic developments in India could cause our business to suffer.***

We derive all of our revenues from India. Our performance and growth are directly and indirectly dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

- 7. Our customers prescribe various qualities and other standards with which we are required to comply.***

Our business is customer-driven. Our customers prescribe stringent standards and guidelines in relation to timeliness of deliveries and quality. Any non-compliance by us can lead to loss of customers or decrease in their volume of business to us, which may adversely affect our business and results of operations

- 8. Fluctuations in the price, availability and quality of raw materials could cause delay and increase costs.***

We rely on third-party suppliers for fabric and other raw materials. Fluctuations in the price, availability and quality of the fabrics or other raw materials used by us for manufacturing labels could have a material adverse effect on our cost of sales or our ability to meet our customer's demands. Any material shortage or interruption in the supply or decrease in the quality of raw materials due to natural causes or other factors could result in increased production costs.

#### **EXTERNAL RISK FACTORS**

- 1. A slowdown in economic growth due to negative political, social and economic developments in India could cause our business to suffer.***

We derive all of our revenues from India. Our performance and growth are directly and indirectly dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

- 2. Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war, including those involving India or other countries and other such acts, could adversely affect Indian and worldwide financial markets. Such acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economy of India and other countries including economic recession.

***3. The industry in which we operate is competitive, highly fragmented, with low entry barriers resulting in increased competition that may adversely affect our results.***

We face competition from unorganized and small scale enterprises. The low entry barriers further increase the chances of competition in future, which can have material impact on our financial performance.

***4. Our business is subject to extensive statutory or governmental regulations.***

We are required to obtain various regulatory clearances for our product and for operations. We are also required to comply with various statutory and regulatory compliances. A lot of qualitative time of our key employees is wasted on these compliances. This could hamper our operational efficiencies and competence.

### **III – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

**Information with respect to the shareholding of a beneficial owner:**

Not Applicable

**Shareholders' agreement:**

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Information Document.

## IV – OUR MANAGEMENT

### DIRECTORS AND EXECUTIVE OFFICERS

As per the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors on its Board. As on date of the Draft Information Document, our Board consist of 4 (Four) Directors. Mr. Saurabh Sharma is the Whole-time Director of our Company. Further, in compliance with the requirements of Clause 52 of the SME Equity Listing Agreement, our Board consist of 2 (Two) independent Directors.

#### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of the Draft Information Document:

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
1.	<p><b>Mr. Saurabh Sharma</b> S/o Mr. Jayanti Prasad Sharma</p> <p><i>Designation:</i> Whole-time Director (Promoter)</p> <p><i>Address:</i> 1/18, Madhav Ganj, Joote Wali Gali, Firojabad, 283203, Uttar Pradesh, India</p> <p><i>Age:</i> 25 years</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 06842375</p>	<p><i>Date of appointment:</i></p> <p>Appointed as Whole-time Director with effect from February 22, 2014</p> <p><i>Term:</i> For a period of 5 years</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
2.	<p><b>Mr. Saurav Rastogi</b> S/o Mr. Suneel Rastogi</p> <p><i>Designation:</i> Director (Promoter Non- Executive and Non-Independent)</p> <p><i>Address:</i> A-22, Ground Floor, Gali No.3, Gurunanakpura, Laxmi Nagar, New Delhi, 110092, Delhi, India</p> <p><i>Age:</i> 36 years</p> <p><i>Occupation:</i> Service</p> <p><i>DIN:</i> 05217855</p>	<p><i>Date of appointment:</i></p> <p>Appointed Additional Director with effect from February 22, 2014</p> <p><i>Term:</i> Liable to retire by rotation.</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
3.	<p><b>Ms. Shikha Garg</b> D/o Mr. Jay Narayan</p> <p><i>Designation:</i> Director (Non Executive and Independent)</p> <p><i>Address:</i> 36/226, Block No.36, Trilok Piri, Delhi, 110091, Delhi, India</p>	<p><i>Date of appointment:</i></p> <p>Appointed Additional Director with effect from February 10, 2014</p> <p><i>Term:</i> Liable to retire by rotation.</p>	<p><i>Public Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Private Limited Companies:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>

	<p>Age: 37 years</p> <p>Occupation: Service</p> <p>DIN: 06792255</p>		
4.	<p><b>Mr. Sushil Kumar</b> S/o Mr. Jairam</p> <p>Designation: Director (Non Executive and Independent)</p> <p>Address: 25/438, Block - 25, Trilok Puri, Delhi - 110091</p> <p>Age: 42 years</p> <p>Occupation: Service</p> <p>DIN: 06842369</p>	<p>Date of appointment:</p> <p>Appointed Additional Director with effect from February 22, 2014</p> <p>Term: Liable to retire by rotation.</p>	<p>Public Limited Companies:</p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p>Private Limited Companies:</p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>

**Note:**

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Information Document.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- 4) There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

**Brief Profile of the Directors of our Company**

1. **Saurabh Sharma** – Aged 25, is a Whole Time Director of the Company. He has done his Master in Business Administration. He has more than 2 years of experience in leadership positions in the Graphic Designing. He is responsible for overall planning & management of our Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed.
2. **Saurav Rastogi** – Aged 36 years, is a Non – Executive and Non- Independent Director of our Company. He is has Completed his M.Com. He has more than 16 years of experience in the field of research & marketing sector. He is responsible for the successful creation and delivery of the company's product to the marketplace by managing technical risks and opportunities.
3. **Shikha Garg** – Aged 39 is an Independent Director of our Company. He has more than 5 years of experience in the field of accounting and finance. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company.
4. **Sushil Kumar** - Aged 42 is an Independent Director of our Company. He has more than 5 years of experience in the field of accounting and finance. As an Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company.

### Family relationship between Directors

None of our Directors are related to each other within the meaning of Section 6 of the Companies Act, 1956.

### Terms and Conditions of Employment of the Directors

#### *i. Whole Time Director - Mr. Saurabh Sharma*

**Mr. Saurabh Sharma** is the Whole-time Director of our Company. He was designated as the Whole Time Director for a term of 5 years commencing w.e.f. February 22<sup>nd</sup>, 2014. The remuneration payable to him towards salary (inclusive of perquisites, performance bonus and allowances) shall not exceed ₹ 20,000 per month.

*ii. No remuneration is payable to Mr. Saurav Rastogi, Shikha Garg and Sushil Kumar being Non-Executive Director of our Company.*

#### *iii. Independent Directors*

Our independent Directors are not entitled to any sitting fees for attending meetings of the Board, or of any committee of the Board.

### Corporate Governance

Our Company has complied with the corporate governance code in accordance with Clause 42 of the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee and Shareholder / Investors Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, our Company undertakes to take all necessary steps to comply with all the requirements of Clause 42 of the Listing Agreement to be entered into with the Stock Exchanges.

### Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 42 of the Listing Agreement. Our Board has 4 Directors out of which two are independent directors in accordance with the requirement of Clause 42 of the Listing Agreement.

In terms of Clause 42 of the Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Shareholders/Investors Grievance Committee

To enable efficient functioning with regards to the activities relating to this Issue we have constituted an Initial Public Offer (IPO) Committee.

1. Audit Committee

As on the date of the Draft Information Document the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sushil Kumar	Chairman	Non-executive and Independent
Ms. Shikha Garg	Member	Non-Executive and Independent
Mr. Saurabh Sharma	Member	Executive and Non Independent

Our Company Secretary, Mr. Sudhir Suman Singh is the secretary of the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditor.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
  - a. Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to the financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchanges;
7. Monitoring the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
10. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
11. Discussing with internal auditors on any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
15. To review the functioning of the 'whistle blower' mechanism, when the same is adopted by our Company and is existing.
16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
18. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial information and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and

- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
19. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per Clause 52 of Listing Agreement

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minute in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

## 2. Shareholders/ Investors Grievance Committee

As on the date of the Draft Information Document the Shareholders/ Investors Grievance Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Ms. Shikha Garg	Chairman	Independent Director
Mr. Sushil Kumar	Member	Non-executive and Independent
Mr. Saurav Rastogi	Member	Non-executive and Non -Independent

Our Company Secretary, Mr. Sudhir Suman Singh is the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 42 of the Listing Agreements with the Stock Exchanges and its terms of reference include the following:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- Ensure proper and timely attendance and redressal of investor queries and grievances.
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.



## V – OUR PROMOTERS

The Promoters of our Company are:

### *Corporate Promoter:*

**Blooms Textent Private Limited**

Brief profile of our Promoters is as under:

**Blooms Textent Private Limited**

### *Corporate Information*

Initially the Company was incorporated as Kabir Enterprises Private Limited on 27/09/2006 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. Later on the Company has changed its name from Kabir Enterprises Private Limited to Blooms Textent Private Limited vide fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana. The Corporate Identification Number of Blooms Textent Private Limited is U51500DL2006PTC154355.

The registered office of Blooms Textent Private Limited is situated at A-85, First Floor, Office NO.2, St NO.15, Madhu Vihar, and Delhi - 110092.

The Company is promoted by Mr. Saurabh Sharma

### *Current Nature of Activities*

The objects Blooms Textent Private Limited is mainly to carry on business as to importing, trading, exporting and consulting of mineral water, soft drink, botling plants.

### **Board of Directors**

The board of directors of Blooms Textent Private Limited as on date of this Draft Information Document is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Sourabh Sharma	Director
2.	Mr. Shyam Lal	Director

### **Shareholding Pattern**

The shareholding pattern of Blooms Textent Private Limited as on date of this Draft Information Document is as follows:

<b>Sr.No.</b>	<b>Name of Shareholder</b>	<b>Number of Share</b>	<b>Percentage of share capital (%)</b>
1	Saurabh Sharma	494000	73.73%
2	Sunvision Adversion & Marketing Pvt. Ltd	40000	5.97%
3.	Massive Infrasol Pvt. Ltd.	100000	14.93%
4.	Sona Electrical Services Pvt Ltd	36000	5.37%
	<b>Total</b>	<b>670000</b>	<b>100%</b>

#### **Other disclosures:**

**Blooms Textent Private Limited** has not made any public issues or rights issue in the preceding three years prior to the date of this Draft Information Document.

**Blooms Textent Private Limited** is not a 'sick company' as defined in SICA nor have winding up proceedings been initiated against **Blooms Textent Private Limited**.

Our Promoters and the members of our Promoter Group have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against him.

#### **Other Ventures of Promoter**

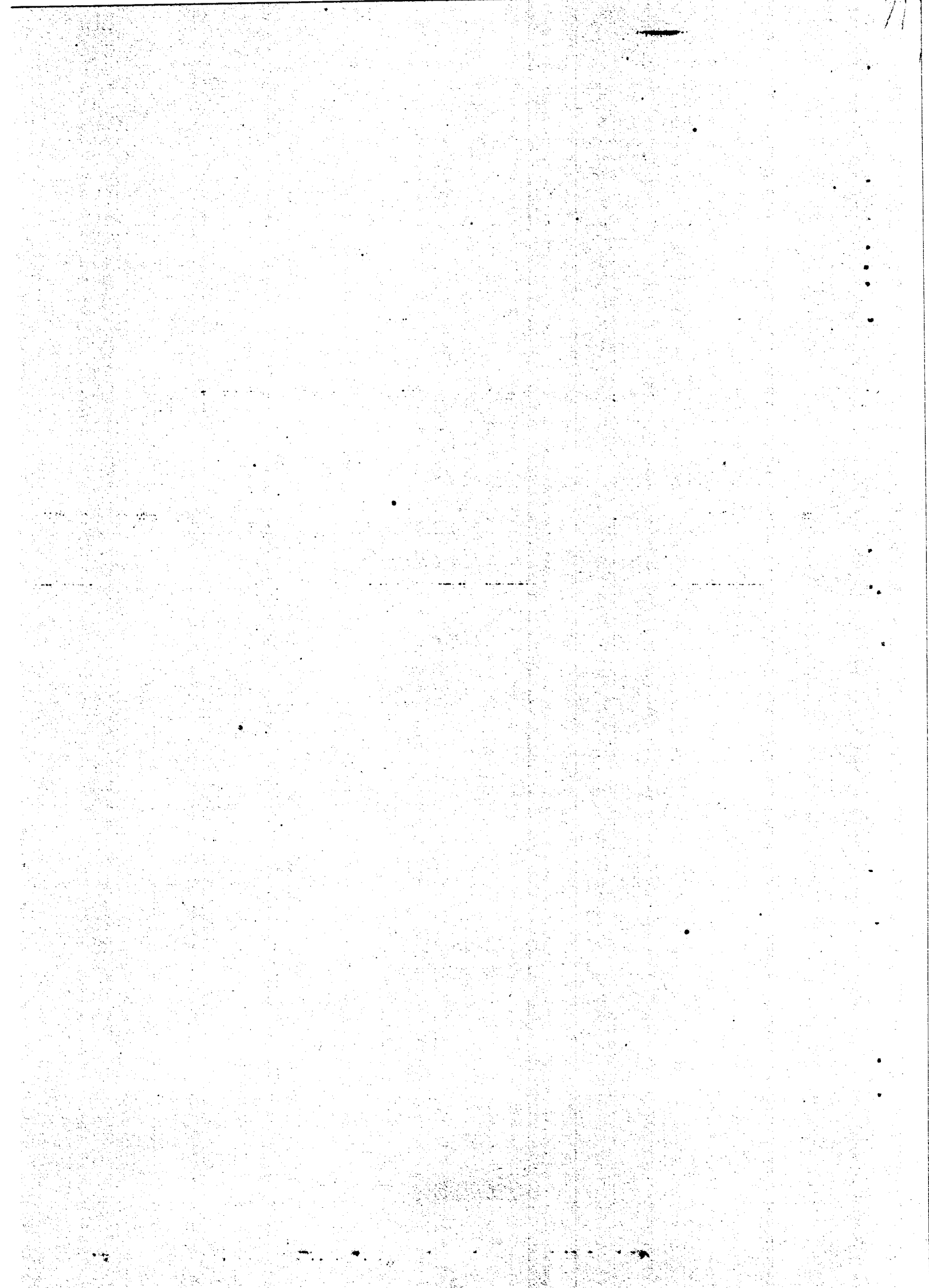
Our Promoters do not have any other ventures.

## VI – RELATED PARTY TRANSACTIONS

Related party disclosure in accordance with AS – 18

### RELATED PARTY TRANSACTIONS

Particulars	As on 31 <sup>st</sup> March 2013	As on 31 <sup>st</sup> March 2012	As on 31 <sup>st</sup> March 2011
Promoters Contribution	Nil	50,00,000	Nil



## VI – LEGAL PROCEEDINGS

### I. Litigations involving our Company

#### A. *Against our Company*

NIL

#### *Income Tax related matters*

NIL

#### B. *By our Company*

NIL

### II. Litigations involving our Directors / Promoters

#### A. *Against our Directors / Promoters*

NIL

#### B. *By our Directors / Promoters*

NIL

### III. Litigations involving our Group Entities

#### A. *Against our Group Entities : NIL*

#### B. *By our Group Entities: NIL*

### IV. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

### V. Potential Litigations

There are no potential litigations against our Company, our Promoters, our Directors, our Subsidiary or our Group Entities that we are currently aware of or in connection with which, we have received notice.

### VI. Details of the past penalties imposed on our Company / Directors

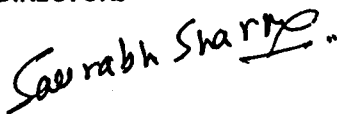
As on the date of the Draft Information Document, no penalties have been imposed on our Company or any of our Directors.

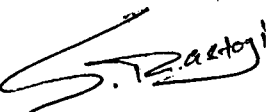
SECTION VIII

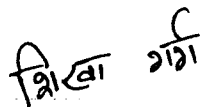
DECLARATION

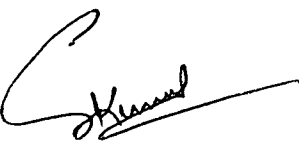
All relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

SIGNED BY ALL THE DIRECTORS

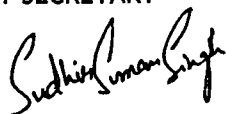
Mr. Saurabh Sharma 

Mr. Saurav Rastogi 

Ms. Shikha Garg 

Mr. Sushil Kumar 

SIGNED BY THE COMPANY SECRETARY

Mr. Sudhir Suman Singh 

SIGNED BY THE FINANCE MANAGER

Mr. Parnav Kumar 

Date: 28.04.2014

Place: Delhi

## LEGACY MERCANTILE LIMITED

CIN: U52100DL2011PLC220026

Balance Sheet As at December 31, 2013

(Amount in INR)

Particulars	Note No.	As at 31.12.2013	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
a. Share Capital	3.1	86,530,000	3,170,000
b. Reserves & Surplus	3.2	2,640,075	27,810,891
<b>(2) Share Application Pending Allotment</b>		-	20,400,000
<b>(3) Non-Current Liabilities</b>			
a. Deferred tax Liabilities (Net)		13,550	-
<b>(4) Current Liabilities</b>			
a. Short-Term Liabilities	3.3	432,519	432,519
b. Trade Payables	3.4	62,031,762	89,281,762
c. Other Current Liabilities	3.5	45,820	945,000
d. Short-Term Provisions	3.6	71,050	57,548
<b>Total</b>		<b>151,764,776</b>	<b>142,097,720</b>
<b>II. ASSETS</b>			
<b>(1) Non- Current Assets</b>			
(a) Fixed assets	3.7		
(i) Tangible Assets		992,097	-
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments	3.8	45,000,000	45,000,000
(c) Other Non-Current Assets	3.9	32,000	40,000
<b>(2) Current Assets</b>			
a. Trade Receivables	3.10	82,204,305	81,267,305
b. Cash and Cash Equivalents	3.11	559,632	285,959
c. Short Term Loan & Advances	3.12	23,576,742	15,504,456
<b>Total</b>		<b>152,364,776</b>	<b>142,097,720</b>

See accompanying notes forming part of the financial statements

1 &amp; 2

In terms of our report attached  
SHOBHIT BANSAL & ASSOCIATES  
Chartered Accountants

FOR LEGACY MERCANTILE LIMITED

CA. Priya Jain  
(Partner)  
M.No.500847  
Firm Reg. No.021322N

Director                      Director  
Anil Kumar Talwar      Saurabh Sharma

Place : Delhi  
Date :

**LEGACY MERCANTILE LIMITED**  
CIN: U52100DL2011PLC220026

Statement of Profit and Loss For The Period Ended 31st December, 2013

Amount in INR

Particulars	Note	As at 31.12.2013	As at 31.03.2013
I. Revenue from Operations	3.13	50,200,880	205,264,850
II. Other Income	3.14	337,500	18,258,239
<b>III. Total Revenue (I+II)</b>		<b>50,538,380</b>	<b>223,523,089</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	3.15	47,879,825	222,264,589
Depreciation & Amortization Expenditure	3.16	88,463	-
Employee benefits expense	3.17	924,304	969,332
Other Expenses	3.18	1,372,004	102,932
<b>V. Total Expenses</b>		<b>50,264,596</b>	<b>223,336,853</b>
<b>VI. Profit before tax</b>		<b>273,784</b>	<b>186,237</b>
VII. Tax expense:			
(1) Current tax		71,050	57,548
(2) Deferred tax		13,550	-
<b>VIII. Profit(Loss) from the operations.</b>		<b>189,184</b>	<b>128,689</b>
<b>DISCONTINUING OPERATIONS</b>			
IX. Profit / (Loss) from discontinuing operations (before tax)		-	-
X. Tax expense of discounting operations		-	-
XI. Profit/(Loss) balance transferred to Balance Sheet. (IX - XI)		-	-
<b>XII. Profit/(Loss) for the period (VIII + XI)</b>		<b>189,184</b>	<b>128,689</b>
IX. Earnings per equity share:			
(1) Basic		0.04	0.41
(2) Diluted		0.04	0.41

In terms of our report attached  
SHOBHIT BANSAL & ASSOCIATES  
Chartered Accountants

FOR LEGACY MERCANTILE LIMITED

CA. Priya Jain  
(Partner)  
M.No.500847  
Firm Reg. No.021322N

Director  
Anil Kumar Talwar  
Director  
Saurabh Sharma

Place : Delhi  
Date :





**Limited Review Report**

**Review Report to**  
**The Board of Directors**  
**Legacy Mercantile Limited**

1. We have reviewed the accompanying balance sheet of **LEGACY MERCANTILE LIMITED** as at December 31, 2013, and related statement of profit and loss & Cash Flow Statement, for the period from 1<sup>st</sup> April 2013 to 31<sup>st</sup> December 2013 then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Revised Standard on Review Engagements (SRE) 2400, "Engagements to Review Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with the Financial Reporting Standards 5.

**For SHOBHIT BANSAL & ASSOCIATES**  
**Chartered Accountants**

**CA Priya Jain**  
**Partner**  
**Membership number: 500847**  
**FRN: 021322N**

**Place: Haryana**  
**Date:**

**LEGACY MERCANTILE LIMITED**  
**CIN : U52100DL2011PLC220026**

The Previous period figures have been regrouped/reclassified, wherever necessary to confirm to the current period presentation.

Particulars	As at Dec 31, 2013	As at March 31, 2013
<b>3.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
1,33,50,000 Equity Shares (PY 3,50,000 Equity Share) of Rs. 10 each	133,500,000	3,500,000
TOTAL	133,500,000	3,500,000
<b>Issued, Subscribed and Paid-up Capital</b>		
86,53,000 Equity Shares (3,17,000 Equity Shares) of Rs. 10 each	86,530,000	3,170,000
TOTAL	<b>86,530,000</b>	<b>3,170,000</b>

The Company has only one class of share referred to as equity shares having a par value of Rs. 10/- each holder of equity share is entitled to vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below.

Particulars	As at Dec 31, 2013		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	317,000	3,170,000	317,000	3,170,000
Add: Shares issued during the year	8,336,000	83,360,000	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>8,653,000</b>	<b>86,530,000</b>	<b>317,000</b>	<b>3,170,000</b>

**Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at Dec 31, 2013		As at March 31, 2013	
	No. of Shares	%	No. of Shares	%
<b>Name of Shareholders</b>				
Blooms Texent Private Limited	3,653,000	42.21%	35,000	11.04%
Ram Rahim Trading Co. Pvt.Ltd	1607500	18.57%	25,000	7.89%
Rockhard Infrastructure Pvt.Ltd	1450000	16.75%	50,000	15.77%
Lax Resource Management Pvt. Ltd.	1047000	12.09%	-	0.00%

**LEGACY MERCANTILE LIMITED**  
CIN : U52100DL2011PLC220026

**3.2 RESERVES & SURPLUS**

Particulars	As at Dec 31, 2013	As at March 31, 2014
<b>a. Surplus in the Profit and Loss</b>		
Opening balance	180,891	52,202
(+) Net Profit/(Net Loss) For the current year	189,184	128,689
	370,075	180,891
Less : Deductions during the year		-
<b>Closing Balance</b>	<b>370,075</b>	<b>180,891</b>
<b>b. Securities Premium Account</b>		
Opening balance	27,630,000	27,630,000
Add : Addition during the year	-	-
	27,630,000	27,630,000
Less : Deductions during the year	25,360,000	-
<b>Closing Balance</b>	<b>2,270,000</b>	<b>27,630,000</b>
<b>TOTAL</b>	<b>2,640,075</b>	<b>27,810,891</b>

**3.3 TRADE PAYABLE**

Particulars	As at Dec 31, 2013	As at March 31, 2014
Trade paybles		
- Arshiya Rail Infrastructure ltd	54,088,990	79,016,618
- Meenakshi Udhyog	3,536,158	5,260,044
- Sai Enterprises	4,406,614	5,005,100
<b>TOTAL</b>	<b>62,031,762</b>	<b>89,281,762</b>

**3.4 SHORT TERM LIABILITIES**

Particulars	As at Dec 31, 2013	As at March 31, 2014
Duties & Taxes	82,519	82,519
Short-Term Loans	350,000	350,000
<b>TOTAL</b>	<b>432,519</b>	<b>432,519</b>

**3.5 OTHER CURRENT LIABILITIES**

Particulars	As at Dec 31, 2013	As at March 31, 2014
Salary	25,600	945,000
Expenses Payable	20,220	-
<b>TOTAL</b>	<b>45,820</b>	<b>945,000</b>

**3.6 SHORT TERM PROVISION**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Provision for Income Tax	71,050	57,548
<b>TOTAL</b>	<b>71,050</b>	<b>57,548</b>

**3.8 NON CURRENT INVESTMENT**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Direct Mercantile Company Private Limited	5,000,000	5,000,000
Shri Baanke Bihari Concast Private Limited	5,000,000	5,000,000
Bhole Concast Private Limited	10,000,000	10,000,000
Translink Consulting Private Limited	5,040,000	5,040,000
Trendz Informatics Private Limited	4,300,000	4,300,000
Century Buildmart Private Limited	1,500,000	1,500,000
Cygnus Buildtech Private Limited	3,000,000	3,000,000
Kapilan Buildhome Solution Private Limited	3,900,000	3,900,000
Maha Maya Buildcon Private Limited	3,700,000	3,700,000
Other Investment	3,560,000	3,560,000
<b>TOTAL</b>	<b>45,000,000</b>	<b>45,000,000</b>

**3.9 OTHER NON CURRENT ASSETS**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Miscellaneous Expenditure	32,000	40,000
<b>TOTAL</b>	<b>32,000</b>	<b>40,000</b>

**3.10 TRADE RECEIVABLE**

Particulars	As at Dec 31, 2013	As at March 31, 2013
<b>Secured ,Considered good-</b>		
Sanskriti Tradex Enterprises	22,536,588	21,755,880
Sanjivini Commo Trade Co.	30,256,610	29,958,440
B R Industries	10,525,660	12,055,898
Shri Baanke Bihari Trading Co.	11,066,645	12,566,550
Goyal Trading Company	2,088,551	-
Yogesh Trading Co	1,587,450	-
Jawahar Trading Co	1,258,440	-
Other Trade Receivable	2,884,361	4,930,537
<b>TOTAL</b>	<b>82,204,305</b>	<b>81,267,305</b>

**3.11 CASH AND CASH EQUIVALENTS**

Particulars	As at Dec 31, 2013	As at March 31, 2013
<b>Balances with Banks</b>		
Axis Bank Limited	29,073	10,631
<b>Cash in hand</b>	<b>530,559</b>	<b>275,328</b>
<b>TOTAL</b>	<b>559,632</b>	<b>285,959</b>



**3.12 SHORT TERM LOAN & ADVANCES**

Particulars	As at Dec 31, 2013	As at March 31, 2013
<b>Short term Loan &amp; Advances</b>		
Pushpit Steel Private Limited	5,635,394	5,331,664
M S Build Prop.	4,000,000	4,000,000
Vipin Enterprises	1,500,000	1,500,000
Ranajn Buildwell Private Limited	2,400,000	2,400,000
CSA Infradevelopers Private Limited	1,500,000	2,000,000
Ace Tour Worldwide Private Limited	3,450,000	-
Henat Kaur Sabbharwal	3,500,000	-
Other Loan & Advances	1,557,598	239,628
Tds receivable	33,750	33,164
<b>TOTAL</b>	<b>23,576,742</b>	<b>15,504,456</b>

**3.13 REVENUE FROM OPERATIONS**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Gross Revenue from Operations	50,200,880	205,264,850
<b>TOTAL</b>	<b>50,200,880</b>	<b>205,264,850</b>

**3.14 OTHER INCOME**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Interest on loan	337,500	364,808
Rebate	-	17,893,431
<b>TOTAL</b>	<b>337,500</b>	<b>18,258,239</b>

**3.15 COST OF MATERIAL CONSUMED**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Purchases	44,874,600	204,050,885
Freight and Handling	3,005,225	18,213,704
<b>TOTAL</b>	<b>47,879,825</b>	<b>222,264,589</b>

**3.15 DEPRECIATION & AMORTIZATION EXPENDITURE**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Depreciation	80,463	-
Amortization Expenditure	8,000	-
<b>TOTAL</b>	<b>88,463</b>	<b>-</b>

**3.16 EMPLOYEE BENEFITS EXPENSES**

Particulars	As at Dec 31, 2013	As at March 31, 2013
Salaries & Wages	825,550	945,000
Staff Welfare expenses	98,754	24,332
<b>TOTAL</b>	<b>924,304</b>	<b>969,332</b>

**3.17 OTHER EXPENDITURES**

<b>Particulars</b>	<b>As at Dec 31, 2013</b>	<b>As at March 31, 2013</b>
Telephone Expenses	36,360	12,329
Conveyance & Travelling Expenses	55,540	17,786
Office Repair & Maintenance	50,220	-
Gift Expenses	62,550	-
Printing & stationary	35,588	5,580
Office expenses	71,445	18,000
Rent	36,000	24,000
Business Promotion	582,550	-
Advertisement	65,589	-
Miscellaneous Expenses	208,493	-
Electricity & Water Expenses	25,880	7,756
Audit Fees	-	5,000
Bank Charges	2,008	6,981
Filling Fee	10,552	5,500
Legal & Professional charges	129,229	-
<b>TOTAL</b>	<b>1,372,004</b>	<b>102,932</b>

As per our report of even date attached.

SHOBHIT BANSAL & ASSOCIATES

Chartered Accountants

FOR LEGACY MERCHANTILE LIMITED

CA. Priya Jain  
(Partner)  
M.No.500847  
FRN.021322N

Director  
Anil Kumar Talwar

Director  
Saurabh Sharma

Place : Delhi

Date :

**LEGACY MERCANTILE LIMITED**  
Company CIN No.: U52100DL2011PLC220026  
Notes Forming Part of the Balance Sheet

**Note : 1 & 2 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

**1- SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Accounting**

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and as per the provisions and presentational requirements of the Companies Act, 1956.

**1.2 Changes in Accounting policies**

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

**1.3 Recognition of Income**

Export Sales represents invoiced Value of goods Sold. Other Income is recognised and accounted for on accrual basis unless otherwise stated.

**1.4 Tangible Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**1.5 Taxes on Income**

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

**1.6 Contingent Liability**

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

**1.7 Events occurring after the balance sheet date**

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

**1.8 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

**1.9 Use of estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**1.10 Foreign Currency Transaction**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the rate ruling at the year end rate.

**2- NOTES TO THE ACCOUNTS**

2.1 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

2.2 All the investments made by the company are valued at Cost .

2.3 Managerial Remuneration: Nil



- 2.4 The inventories of the company are valued as per cost price and market price which ever is less.
- 2.5 Deffered tax arising on account of timing differeance and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deffered tax assets are recognised unless there is virtual certainty with respect to the reversal of the same in future years.
- 2.6 The revised Schedule VI as notified under the companies Act,1956, has become applicable to the company for the presentation of its financial statements for the year ending March 31,2013. The adoptation of the revised Schedule VI requirements has significantly modified the presentation and disclosurs which have been complied with in these financial statements Previous year figures have been reclassified in accordance with current year requirements.
- 2.7 All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.
- 2.8 Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convicing evidence that the company will pay normal income tax during the speciefied period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entilement to the extent there is no longer convicing evidence to the effect that company will pay normal Income Tax during the specified period.

2.9 Value of Import on CIF Basis Nil

2.1 Earnings in Foreign Exchange (FOB Value) Nil

2.11 Expenditure in Foreign Currency Nil

2.12 The Company has no employee to whom the provisions of section 217 (2A) of the Companies Act, 1956 are applicable.

2.13 Earning Per Share:

	31-Dec-13
Particulars	
Net profit after tax available for Equity Shareholders (Rs.) (A)	191,206.31
Weighted Avg.Number Equity Shares outstanding (Nos.) (B)	4,271,250
Dilutive potential Equity Shares (Nos.)	0
Dilutive shares outstanding (Nos.) (C)	4,271,250
Nominal value per Equity Shares (Rs./ Share)	10
Basic Earnings per share (Rs./ Share) (A) / (B)	0.04
Diluted Earnings per share (Rs./ Share) (A) / (C)	0.04

As per our report of even date attached.

**SHOBHIT BANSAL & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.021322N

For LEGACY MERCHANTILE LIMITED

CA. Priya Jain  
(Partner)  
M.No.500847

Director  
Anil Kumar Talwar

Director  
Saurabh Sharma

Place : Delhi  
Date :

**LEGACY MERCANTILE LIMITED**

**Cash Flow Statement**

<b>For the Year Ending 31-December-2013</b>	<b>Amounts Rs.</b>	<b>Amounts Rs.</b>
	<b>As at 31st December 2013</b>	<b>As At 31st March 2013</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</b>		
1. Net profit before tax	273,784.31	186,236.56
2. <b>Adjustment for:</b>		
Add: Depreciation & Amortisation Expenses	88,462.69	-
<b>Operating Profit before Working capital changes</b>	<b>362,247.00</b>	<b>186,236.56</b>
3. <b>Working Capital Changes:</b>		
Decrease (Increase) in Trade & Other Receivables	(937,000.00)	(66,647,305.00)
Decrease (Increase) in Inventories	-	(5,477,808.00)
Decrease (Increase) in Other Current Assets	-	-
Decrease (Increase) in Preliminary Expenditure	-	-
Increase (Decrease) in Trade & Other Payables	(27,250,000.00)	65,777,852.00
Increase (Decrease) in Other Current Liabilities	(899,180.00)	881,346.00
Increase (Decrease) in Other Liabilities	-	-
<b>Net Changes in Working Capital</b>	<b>(29,086,180.00)</b>	<b>(5,465,915.00)</b>
<b>Cash Generated from Operations</b>	<b>(28,723,933.00)</b>	<b>(5,279,678.44)</b>
<b>Adjustment of Taxes</b>	57,548.00	23,344.00
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(28,781,481.00)</b>	<b>(5,303,022.44)</b>
<b>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1,072,560.00)	-
(Increase) Decrease in Other Non Current Assets	-	-
(Increase) Decrease in Long Term Loans & Advances	-	-
(Increase) Decrease in Short Terms Loans & Advances	(7,472,286.00)	-
Decrease (Increase) in Current Investments	-	-
Decrease (Increase) in Non Current Investments	-	(15,600,000.00)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(8,544,846.00)</b>	<b>(15,600,000.00)</b>
<b>(C.) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of share capital	37,600,000.00	-
Increase in Other Long Terms Borrowings	-	-
Increase in Short Terms Borrowings	-	432,519.00
Increase in Long Terms Borrowings	-	-
Preliminary Expenses incurred	-	-
Proceeds from/(Refund) Share Application Money	-	20,400,000.00
<b>Net Cash Flow from Financing Activities (C)</b>	<b>37,600,000.00</b>	<b>20,832,519.00</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents ( A-B+C )</b>	<b>273,673.00</b>	<b>(70,503.44)</b>
<b>Cash and cash equivalents at the beginning of the year / Period</b>	<b>285,959.00</b>	<b>356,462.44</b>
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>559,632.00</b>	<b>285,959.00</b>
* Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.		

As per our report of even date  
**SHOBHIT BANSAL & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.021322N

FOR LEGACY MERCANTILE LIMITED

**CA. PRIYA JAIN**  
(Partner)  
M.No.500847

Director  
Anil Kumar Talwar

Director  
Saurabh Sharma

Place : Delhi  
Date :

**LEGACY MERCANTILE PRIVATE  
LIMITED**

**ANNUAL REPORT  
FINANCIAL YEAR-2012-2013**



**LEGACY MERCHANTILE PRIVATE LIMITED**  
**119,M J SHOPPING CENTER 3 VEERSAVARKAR BLOCK, SHAKARPUR DELHI-110092**

---

**NOTICE**

Notice is hereby given that the Annual General Meeting of the members of the Company will be held on 30<sup>th</sup> September 2013 at 11.00 A.M, at the registered office of the Company at **119,M J SHOPPING CENTER 3 VEERSAVARKAR BLOCK, SHAKARPUR DELHI-110092** to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & loss Account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To re-appoint SHOBHIT BANSAL & ASSOCIATES Chartered Accountants of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

**By order of the Board**  
**LEGACY MERCHANTILE PRIVATE LIMITED**

Date: 02/09/2013  
Place: New Delhi

Sd/-	Sd/-
[Director]	[Director]
Anil Kumar Talwar	Lalit Kumar

Note:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

## LEGACY MERCHANTILE PRIVATE LIMITED

119,M J SHOPPING CENTER 3 VEERSAVARKAR BLOCK, SHAKARPUR DELHI-110092

---

### DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Annual Report together with Audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March, 2013.

<b>FINANCIAL RESULT</b>	<b>2012-13</b>	<b>2011-12</b>
Total income	223,523,089.00	24,295,000.00
Profit before Tax	186,236.56	75,546.44
Provision for Income Tax	57,548.00	23,344.00
Profit after tax	128,688.56	52,202.44
Profit adjusted	0.00	0.00
Profit carried to Balance Sheet	128,688.56	52,202.44

### **DIRECTORS**

Mr. Lalit Kumar has been appointed as a Director of the Company during the year.

### **AUDITORS**

M/s SHOBHIT BANSAL & ASSOCIATES Chartered Accountants, has been re- appointed as the auditor of the company to hold the office from conclusion of this AGM until the conclusion of next annual general meeting on such remuneration as decided by the Board of Director.

### **AUDITORS OBSERVATIONS/ QUALIFICATIONS**

The Auditors' Observation and/or Qualifications are detailed in the Auditors' Report annexed hereto and are self explanatory and be read together with the notes to the Accounts in the Schedules annexed to the Account.

Contd...2

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The Company is neither engaged in manufacturing activity nor has required any technology for absorption. During the year the Company has not earned or used any Foreign exchange. Hence there is nothing to be disclosed under Section 217 (1) (e) of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

There were no employees in the Company employed throughout the year or employed part of the year and nil receipt of remuneration respectively. So no information is required to be furnished under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended up to date.

## **DIRECTORS' RESPONSIBILITY STATEMENTS**

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;
- (ii) That the directors had selected Mercantile accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year;
- (iii) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

## **ACKNOWLEDGEMENT**

Your Directors would like to place on record with appreciation the continued assistance and co-operation extended by Company's bankers.

**By order of the Board  
LEGACY MERCHANTILE PRIVATE LIMITED**

**Date: 02/09/2013  
Place: New Delhi**

Sd/- [Director] Anil Kumar Talwar	Sd/- [Director] Lalit Kumar
---	-----------------------------------

**SHOBHIT BANSAL & ASSOCIATES**  
(Chartered Accountants)  
4254/P, Cross Road,  
Ambala Cantt.

To the Members,  
Legacy Merchantile Private Limited.

#### Report on the Financial Statements

We have audited the accompanying financial statements of Legacy Merchantile Private Limited which comprise the balance sheet as at 31 March 2013 and the statement of profit and loss for the year ended on that date annexed thereto.

#### Management's Responsibility for the Financial Statements:

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

#### Auditor's Responsibility

We conducted our audit in accordance with the auditing standards generally acceptable in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;

- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies Auditor's Report Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Shobhit Bansal & Associates**

Chartered Accountants

Firm's registration number: 021332N



**PRIYA JAIN**

Partner

Membership number: 500847

**HARYANA**

**02/09/2013**



**SHOBHIT BANSAL & ASSOCIATES**  
(Chartered Accountants)  
4254/P, Cross Road,  
Ambala Cantt.

**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of the Legacy Merchantile Private Limited to the year ended 31 March 2013. We report that:

- a) The company has no Fixed Assets so this clause is not applicable.
- b) The company has no Inventory so this clause is not applicable.
- c) The company has not taken any unsecured loan so this clause is not applicable.
- d) 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.
- e)
  - a) According to the information and explanations given to us, we are in the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
  - b) In our opinion, and according to the information and explanation given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered, and the transaction have been made at price which are reasonable with regard to the prevailing market prices at the relevant time.
- f) The Company has not accepted any deposits from the public & consequently, the directives issued by the Reserve Bank of India, the provisions of section 58-A and 58-AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- g) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- h) 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.



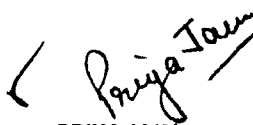
**SHOBHIT BANSAL & ASSOCIATES**  
(Chartered Accountants)  
4254/P, Cross Road,  
Ambala Cantt.

- i)
- 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, 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 of 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.
- j) The Company has no accumulated losses at the end of the financial year.
- k) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any dues to a financial institution, bank or debenture holders.
- l) 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.
- m) 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.
- n) 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.
- o) 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.



- p) Since the company has not taken any term loan so this clause is not applicable.
- q) 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
- r) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- s) The company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
- t) The company has not raised any money by public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
- u) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of audit.

For Shobhit Bansal & Associates  
Chartered Accountants  
Firm's registration number: 021332N



PRIYA JAIN  
Partner  
Membership number: 500847

HARYANA  
02/09/2013



**LEGACY MERCHANTILE PRIVATE LIMITED**  
**119, M J SHOPPING CENTRE 3 VEERSAVARKAR BLOCK, SHAKARPUR**  
**DELHI-110092**

Balance Sheet As at March 31, 2013

(Rupees in)

PARTICULARS	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
a. Share Capital	2.1	3,170,000.00	3,170,000.00
b. Reserves & Surplus	2.2	27,770,891.00	27,642,202.44
<b>(2) Share application pending allotment</b>			
		20,400,000.00	
<b>(3) Current Liabilities</b>			
a. Short-term loan & advances	2.3	432,519.00	
b. Trade payables	2.4	89,281,762.00	23,503,910.00
c. Other current Liabilities	2.5	945,000.00	63,654.00
d. Short-Term Provisions	2.6	57,548.00	23,344.00
<b>Total</b>		<b>142,057,720.00</b>	<b>54,403,110.44</b>
<b>II. ASSETS</b>			
<b>(1) Non- Current Assets</b>			
a. Non-current investments	2.7	45,000,000.00	29,400,000.00
<b>(2) Current Assets</b>			
a. Trade receivables	2.8	81,267,305.00	14,620,000.00
b. Cash and cash equivalents	2.9	285,959.00	356,462.44
c. Other current assets	2.10	15,504,456.00	10,026,648.00
<b>Total</b>		<b>142,057,720.00</b>	<b>54,403,110.44</b>

See accompanying notes forming part of the financial statements

1&2

In terms of our report attached  
**SHOBHIT BANSAL & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.021322N

*Priya Jain*  
CA. PRIYA JAIN  
(Partner)  
M.No.500847

Place : Haryana  
Date : 02/09/2013



For LEGACY MERCHANTILE PRIVATE LIMITED

*Anil Kumar Talwar*  
Director  
Anil Kumar Talwar

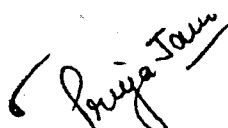
*Lalit Kumar*  
Director  
Lalit Kumar

**LEGACY MERCHANTILE PRIVATE LIMITED**  
**119, M J SHOPPING CENTRE 3 VEERSAVARKAR BLOCK, SHAKARPUR**  
**DELHI-110092**

**Statement of Profit and Loss For The Year Ended 31 March, 2013**

PARTICULARS	Note No.	Figures for the current reporting period.	Figures for the previous reporting period
I. Revenue from Operations	2.11	205,264,850.00	24,295,000.00
II. Other Income	2.12	18,258,239.10	
<b>II. Total Revenue</b>		<b>223,523,089.10</b>	<b>24,295,000.00</b>
<b>III. Expenses</b>			
Consumption of material		215,264,589.00	
Purchase of Stock-In-Trade		7,000,000.00	
Employee benefits expense	2.13	969,332.00	331,350.00
Other Expenses	2.14	102,931.54	23,888,103.56
<b>IV. Total Expenses</b>		<b>223,336,852.54</b>	<b>24,219,453.56</b>
<b>V. Profit before tax</b>		<b>186,236.56</b>	<b>75,546.44</b>
<b>VI. Tax expense:</b>			
(1) Current tax		57,548.00	23,344.00
(2) Deferred tax			
<b>VII. Profit for the period</b>		<b>128,688.56</b>	<b>52,202.44</b>
<b>VIII. Earnings per equity share:</b>	2.15		
(1) Basic		0.41	0.16
(2) Diluted		0.41	0.16

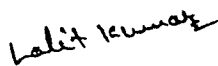
In terms of our report attached  
**SHOBHIT BANSAL & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.021322N

  
**CA. PRIYA JAIN**  
(Partner)  
M.No.500847



For LEGACY MERCHANTILE PRIVATE LIMITED

  
Director  
Anil Kumar Talwar

  
Director  
Lalit Kumar

Place : Haryana  
Date : 02/09/2013

**LEGACY MERCHANTILE PRIVATE LIMITED**  
**119, M J SHOPPING CENTRE 3 VEERSAVARKAR BLOCK, SHAKARPUR**  
**DELHI-110092**

The Previous period figures have been regrouped/reclassified, wherever necessary to confirm to

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<b>2.1 SHARE CAPITAL</b>		
Authorised Capital 350000 Equity Share of Rs. 10 each	3,500,000.00	3,500,000.00
Issued, Subscribed and Paid-up Capital 317000 Equity Shares of Rs. 10 each	3,170,000.00	3,170,000.00
<b>TOTAL</b>	<b>3,170,000.00</b>	<b>3,170,000.00</b>

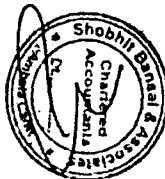
The Company has only one class of share referred to as equity shares having a par value of Rs. 10/- . Each holder of equity share is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below.

PARTICULARS	As at March 31, 2013		As at March 31, 2012	
	No.	Amt	No.	Amt
Number of shares at the beginning	317000	3170000		
Add: Shares issued during the year		-	317000	3170000
Less: Shares bought back during the year		-		
Shares outstanding at the end of the year	<b>317000</b>	<b>3170000</b>	<b>317000</b>	<b>3170000</b>

Details of shares held by each shareholder holding more than 5% shares:

PARTICULARS	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% Hold	No. of Shares	% Hold
<u>Name of Shareholder</u>				
Direct Mercantile Co.Pvt Ltd	35000	11.04	35000	11.04
Kabir Enterptises Pvt Ltd	50000	15.77	50000	15.77
Nachiketa Agrotech Pvt. Ltd	50000	15.77	50000	15.77
Ram Rahim Trading Co. Pvt.Ltd	25000	7.89	25000	7.89
Rockhard Infrastruicture Pvt.Ltd	50000	15.77	50000	15.77
Satkar Finlease Pvt.Ltd	50000	15.77	50000	15.77
Direct Trading Co. Pvt .Ltd	27000	8.52	27000	8.52
Domain Enterprises Pvt .Ltd	37500	11.83	37500	11.83



**2.2 RESERVES & SURPLUS**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Opening balance	27,642,202.44	
Add: Surplus for the year as per statement of Profit and Loss	128,688.56	52,202.44
Less: Miscellaneous expenditure	-	27,630,000.00
Closing Balance	27,770,891.00	40,000.00
		27,642,202.44

**2.3 Trade Payables**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Trade payables	89,281,762.00	23,503,910.00
<b>TOTAL</b>	<b>89,281,762.00</b>	<b>23,503,910.00</b>

**2.4 Short-term loans & Advances**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Duties & taxes	82,519.00	-
Short-term loans	350,000.00	-
<b>TOTAL</b>	<b>432,519.00</b>	<b>-</b>

**2.5 OTHER CURRENT LIABILITIES**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Salary Expenses Payable	945,000.00	63,654.00
<b>TOTAL</b>	<b>945,000.00</b>	<b>63,654.00</b>

**2.6 Short Term Provision**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Audit fees	-	-
Provision for Tax 2011-12	-	23,344.00
Provision for Tax 2012-13	57,548.00	-
<b>TOTAL</b>	<b>57,548.00</b>	<b>23,344.00</b>

PARTICULARS	As at March 31, 2013	As at March 31, 2012
<b>2.7 Non-Current Investments</b>	<b>45,000,000.00</b>	<b>29,400,000.00</b>
<b>TOTAL</b>	<b>45,000,000.00</b>	<b>29,400,000.00</b>



**2.8 Trade Receivables**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Secured ,Considered good-trade receivable	81,267,305.00	14,620,000.00
<b>TOTAL</b>	<b>81,267,305.00</b>	<b>14,620,000.00</b>

**2.9 Cash and cash equivalents**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Balances with Banks		
Axis Bank	10,631.00	7,092.44
Cash in hand	275,328.00	349,370.00
<b>TOTAL</b>	<b>285,959.00</b>	<b>356,462.44</b>

**2.10 short-term loan & advances**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
short term loan	15,471,292.00	10,026,648.00
tds receivable 2012-13	33,164.00	-
<b>TOTAL</b>	<b>15,504,456.00</b>	<b>10,026,648.00</b>

**2.11 Revenue**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Sale of Services	130,935,000.00	24,295,000.00
Sale of products	74,329,850.00	-
<b>TOTAL</b>	<b>205,264,850.00</b>	<b>24,295,000.00</b>

**2.12 Other Incomes**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Interest on loan	364,808.00	-
Rebate	17,893,431.10	-
<b>TOTAL</b>	<b>18,258,239.10</b>	<b>-</b>

**2.13 Employee benefits expense**

PARTICULARS	As at March 31, 2013	As at March 31, 2012
Salary & Wages	945,000.00	320,000.00
Staff Welfare expenses	24,332.00	11,350.00
<b>TOTAL</b>	<b>969,332.00</b>	<b>331,350.00</b>





2.14 Other expenses

PARTICULARS-	As at March 31, 2013	As at March 31, 2012
Telephone Expenses	12,329.00	12,500.00
conveyance	10,998.00	-
Accounting charges	-	-
Office Repair & Maintenance	-	-
Printing & stationery	5,580.00	4,580.00
Office expenses	18,000.00	16,000.00
Rent	24,000.00	40,000.00
Travelling charges	6,788.00	-
Business promotion	-	-
Handling expenses	-	23,779,500.00
Electricity Exps	7,756.00	-
Audit Fees	5,000.00	16,854.00
Bank Charges	6,980.54	8,669.56
Filing Fee	5,500.00	-
Professional charges	-	-
Preliminary expenses Written off	-	10,000.00
<b>TOTAL</b>	<b>102,931.54</b>	<b>23,888,103.56</b>

2.15 EARNING PER SHARE (EPS)

i.) Net Surplus as per Statement of Profit and Loss Account attributable to Equity Shareholders. (Rs.)	128,688.56	52,202.44
Net Surplus after Extra Ordinary Items		
ii.) Weighted Average Number of Equity Shares used as denominator for calculating EPS	317,000	317,000
iii.) Basic and Diluted Earning Per Share (Rs.)	0.41	0.16
iv) Face Value per Equity Share (Rs.)	10	10

As per our report of even date attached.

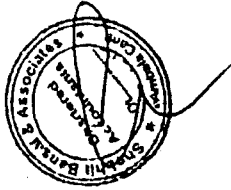
SHOBHIT BANSAL & ASSOCIATES

Chartered Accountants

Firm Reg. No.021322N

*Priya Jain*

CA. PRIYA JAIN  
(Partner)  
M.No.500847



For LEGACY MERCHANTILE PRIVATE LIMITED

*A.K.*  
Director  
Anil Kumar Talwar

*Lalit Kumar*  
Director  
Lalit Kumar

Place : Haryana  
Date : 02/09/2013