



INFORMATION MEMORANDUM

OF

ADARSH
MERCANTILE
LIMITED

PURPOSE OF INFORMATION MEMORANDUM

The entire Equity Share Capital of the Company is currently listed on The U.P. Stock Exchange Ltd.

The Company intended to make an application to Bombay Stock Exchange Ltd. (BSE) for the listing of its entire Equity Share Capital. The Company proposes to list and trade the entire equity of the company on the Bombay Stock Exchange Limited (BSE).

For this purpose the company is submitting this Information Memorandum, for listing of Equity Shares under new norms of direct listing for companies already listed on other Recognized Stock Exchange.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Adarsh Mercantile Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Adarsh Mercantile Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

LEGAL RISK

The legal risk depends on the involvement of the Company in the legal proceedings. So far there are no cases either criminal or civil or under any other applicable laws lodged against the Company. The Company is also regular in the recoveries from the clients. There are no cases lodged by the Company against any person(s), Companies, Body Corporate, firms etc.

RESPONSIBILITY OF COMPANY

Adarsh Mercantile Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Adarsh Mercantile Limited which is material, that the information contained in the Information Memorandum 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 this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CAUTIONARY STATEMENT :

This Information Memorandum includes forward-looking statements that reflect Company's current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to the Bonanza Industries Limited These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of places throughout this Information Memorandum and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, prospects, growth, strategies, impact of regulatory initiatives, capital resources, and the industry trends and developments. Readers are cautioned that forward-looking statements are not guarantees of future performance and that the actual financial condition, operating results and liquidity of the Company.

COMPANY PROFILE

Adarsh Mercantile Limited was incorporated under the provision of The Companies Act, 1956 as Public limited Company in the name of “**Adarsh Mercantile Limited**” vide **Company Incorporation No. L51109WB1992PLC055082** dated 7th December, 1984 issued by ROC Kanpur at Uttar Pradesh. The company has subsequently obtained the Certificate for Commencement of Business on 8th December, 1984. The registered office of the Company was subsequently shifted to the State of West Bengal and a fresh certificate of incorporation was issued by ROC Kolkata at West Bengal on 1st April, 1992.

The company Adarsh Mercantile Limited (AML) was incorporated on 7th December, 1984 under the Companies Act, 1956 in the State of Uttar Pradesh with an object to carry on the business of trading in commodities, commission agents, to construct, purchase, acquire properties and carry on the business of financing Industrial Enterprises by way of lending and advancing money.

The main business activities of the Company have been trading in commodities, and investment in properties and securities.

The Company’s management team has extensive experience in dealing with commodities with inroads in the realty sector as well and financial services industry, leading the company with a vision and willingness to take it to the next big level.

The company currently dwells in the following business verticals:

- **Property Investments**
- **Trading in Commodities**
- **Investment / Trading in Shares & Securities,**
- **Investment in Mutual Funds**
- **Corporate Loans**
- **Personal Loans**

The current list of some of the clients and the interest rate charged to them is as follows:

<u>Particulars</u>	<u>Details</u>
<u>To Bodies Corporate</u>	<u>Rate of Interest</u>
BCCO Holdings Pvt. Ltd	10%
<u>To Others</u>	<u>Rate of Interest</u>
Aditya Kumar	24%
Ratul Sood	10%

The company as of today has no subsidiaries.

There are no group companies of the said company.

The company currently does not have any patents, copyrights, etc.

No cash bonuses have been paid by the company till date.

No material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents (except those entered into in the ordinary course of business carried on or intended to be carried on by the company) have been entered into by the company till date

Never any commission, brokerage, discount, or other special terms including an option for the issue of any kind of securities granted to any person has been undertaken by the said company.

The company is listed entity and is listed on the following stock exchange:

1. The U.P. Stock Exchange Ltd.

Scrip Code: A00039

Date of Listing: 20.04.1985

The entire capital of the company is listed on the U.P. Stock Exchange Limited.

All the equity shares of the company are pari passu and have the same voting rights. As of today the company does not have any outstanding debentures, warrants, etc.

The company has connectivity with both the participants i.e. National Securities Depository Limited (NSDL) as well as Central Depository Services Limited (CDSL). The agreement with NSDL has been signed on 17th March 2003 and with CDSL has been signed on 28th January 2014. The ISIN no. of the company is **INE673E01018**.

VISION:

To become one of the most respected and preferred dealers in commodities & properties and Financial Services Organization through innovative products enabling wealth creation for all our stakeholders.

MISSION:

To provide personalized, fast, reliable, quality-driven, convenient, and cost effective solutions to our clients through Innovative Product Structure, Personalized Approach & Services, Effective Cost Management, Ethical and transparent Practices and delivering what we promise.

LINE OF BUSINESS:

The main business activities of the Company include trading in commodities & investment in property and securities.

CAPITAL STRUCTURE

Sr. No	Share Capital	As on 31.03.2013 (Amount in Rs.)
1	AUTHORISED CAPITAL 4,000,000 equity shares of Rs. 10/- each.	Rs. 40,000,000 /-
2	<u>ISSUED SUBSCRIBED AND PAID UP</u> 3,675,000 equity shares of Rs. 10/- each.	Rs. 36,750,000/-

DETAILS OF EVOLUTION OF AUTHORISED CAPITAL OF THE COMPANY

DATE	No. of Shares	Cumulative No. Of Shares	AMT.OF CAP.INCREASED (Rs.)	Cumulative Capital (Rs.)	Face Value (Rs.)
Since Incorporation	245,000	245,000	2,450,000	2,450,000	10/-
15.07.1988	755,000	1,000,000	7,550,000	10,000,000	10/-
25.07.2002	100,000	1,100,000	1,000,000	11,000,000	10/-
20.03.2007	2,900,000	4,000,000	29,000,000	40,000,000	10/-

DETAILS OF EVOLUTION OF ISSUED AND PAID UP CAPITAL OF THE COMPANY

DATE	No. of Shares	Cumulative No. Of Shares	AMT.OF CAPITAL INCREASED (Rs.)	Cumulative Capital (Rs.)	Reason of Allotment	Face Value (Rs.)
07.12.1984	70	70	700	700	Subscription to Memorandum	10/-
09.01.1985	94,930	95,000	949,300	950,000	Preferential Allotment	10/-
11.02.1985	150,000	245,000	1,500,000	2,450,000	Preferential Allotment	10/-
09.01.1989	735,000	980,000	7,350,000	9,800,000	Rights Issue	10/-
14.08.2002	70,000	1,050,000	700,000	10,500,000	Preferential Allotment	10/-
30.03.2007	2,625,000	3,675,000	26,250,000	36,750,000	Shares issued on amalgamation	10/-

Note:-

All the above shares have been issued at face value. None of the above shares have been issued either at premium or at discount. Also, never has any of the above mentioned equity shares of the company been either forfeited or reissued.

SHAREHOLDING PATTERN AS ON 30TH JUNE 2014 IS AS FOLLOWS :

Sr. No.	Category	No. Of Shares Held	% of Shares Held
1	Promoters Holding		
a.	Individual / HUF / Directors	60,075	1.64 %
b.	Bodies Corporate	1,493,130	40.63 %
	Sub Total	1,553,205	42.27 %
2	Non Promoters Holding		
a.	Banks / Financial Institutions	NIL	NIL
b.	Insurance Companies	NIL	NIL
c.	Foreign Institutional Investors	NIL	NIL
d.	Bodies Corporate	897,600	24.42 %
e.	Indian Public and Others	1,224,195	33.31 %
	Sub Total	2,121,795	57.73 %
	Grand Total	3,675,000	100 %

TOP 10 SHAREHOLDERS AS ON 30TH JUNE 2014 IS AS FOLLOWS :

Sr. No.	Particulars	No. Of Shares Held	% of Shares Held	Category
1.	Avon Credit Private Limited	1,493,130	40.63 %	Promoter
2.	Winy Commercial & Fiscal Services Limited	315,000	8.57%	Public
3.	Krishnendu Maity	180,825	4.92%	Public
4.	Spectra Vanijya Private Limited	180,000	4.90%	Public
5.	Ratan Kumar Seal	175,000	4.76%	Public
6.	Hemangi Viniyog Private Limited	170,000	4.63%	Public
7.	Elegant Vinimoy Private Limited	160,000	4.35%	Public
8.	Raj Kumar Shah HUF	96,050	2.61%	Public
9.	Sujoy Kumar Mondal	82,500	2.24%	Public
10.	Nirmala Singh	75,000	2.04%	Public

DETAILS OF PROMOTERS

Sr. No.	Name of Promoter	Details	Name of other companies in which they are Directors/Promoter
1	Avon Credit Private Limited	PAN : AACCA2524Q DOB: 18.01.1989 No of Shares : 1,493,130 Address: 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700 027	NA
2	Ashish Chhawchharia	PAN : ABXPC9071D DOB: 16.04.1973 No of Shares : 30,075 Address: 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700 027	<ul style="list-style-type: none"> • BCCO Consultants Private Limited • BCCO Commodities Private Limited
3	Kshitiz Chhawchharia	PAN : ACTPC3218K DOB: 28.08.1975 No of Shares : 30,0000 Address: 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata – 700 027	<ul style="list-style-type: none"> • Avon Credit Private Limited • BCCO Consultants Private Limited • BCCO Commodities Private Limited • BCCO Holdings Private Limited

The total number of shareholders as per the Clause 35 of the Listing Agreement for the quarter ended 30th June 2014 is 521.

Of the total equity of the company, 71.92 % of the total shares are in Demat form.

CORPORATE GOVERNANCE

Adarsh Mercantile Limited's corporate governance philosophy is based on the principles of equity, fairness, transparency, spirit of law and honest communication. The Company believes that sound corporate governance is necessary to retain stakeholders' trust and ensures efficient working and proper conduct of the business of the company with integrity. Development of Corporate Governance guidelines is a continuous process, which evolves over a period of time and undergoes changes to suit the changing times and needs of the business, society and the nation.

COMPOSITION OF BOARD

The composition of the Company's Board of Directors is in compliance with Clause 49 of the Listing Agreement. In general terms, a member of the board of directors may be defined as independent when the individual in question has no business, family or other relationships that might be assumed to affect his or her views and decisions.

The formation of Board has been done in compliance with clause 49 of the Listing Agreement, comprising of 3 members in which two are independent Directors. The brief details of the same stands as below:

Sr. No.	Name	Designation
1	Mrs. Suchita Chhawchharia	Executive Director
2	Mr. Pothera Narayanan	Non- Executive Independent Director
3	Mr. Gautam Agarwala	Non- Executive Independent Director

1. Mrs. Suchita Chhawchharia

Executive Director

Smt. Suchita Chhawchharia, aged about 35 years, has completed her MBA in Marketing from Pune and has good experience in the commodity & financial sectors. She is also the member of the Audit Committee and the Shareholders Grievance Committee. She has gained experience in the field of Accounts, Finance, Investment and Fund Management. With the experience earned in the varied facets of business activities and strategic planning, she is well placed in taking up the Company to growth and success.

PAN : ACVPA2961R
DOB : 19.01.1979
DIN : 00044063
Add. : 8A & 8B, Satyam Towers, 3, Alipore Road, Kolkata –700027

2. Mr. Pothera Narayanan

Non-Executive Independent Director

Shri Pothera Narayanan, aged about 62 years, is an Independent Director of the Company. He is also the Chairman of the Audit Committee and a member of the Shareholders Grievance Committee. He has rich and varied experience in the field of financial matters and corporate laws. With his experience in the business activities and strategic planning, he is helpful in decision taking in the business of the Company.

PAN : AENPP3688N
DOB : 16.02.1952
DIN : 01245854
Add. : 5/1, S M Nagar Housing Estate, Phase II, BBT Road, P.O. Sarkarpool, Kolkata – 700 143

3. Mr. Gautam Agarwala

Non-Executive Independent Director

Shri Gautam Agarwala, aged about 37 years, is an Independent Director of the Company. He is also a member of the Audit Committee and the Chairman of the Shareholders Grievance Committee. He has rich and varied experience in trading in merchandise, Accounts, Finance, Investment and Fund Management, which has been quite helpful in the business activities of the company.

PAN : ADDPA3539J
DOB : 15.01.1977
DIN : 00791678
Add. : 33, Raja Santosh Road, Mangalam Apartments, Flat 1C,
Kolkata – 700 027

AUDIT COMMITTEE:

The Board constituted an Audit Committee represented by 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement.

The Audit Committee stands as follows:

Sr. No.	Name of the Director	Category
1	Mr. Pothera Narayanan	Chairman
2	Mr. Gautam Agarwala	Member
3	Mrs. Suchita Chhawchharia	Member

INVESTOR GRIEVANCE COMMITTEE :

The Investor grievances are resolved by the Shareholders/ Investor Grievance Committee who operates subject to the overall supervision of the Board. The Committee meets on the requirement basis during the financial year to monitor and review the matters relating to investor grievances which comprise of:

- The transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder(s) and investor(s) complaints like transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate /split / consolidated share certificate;
- Allotment and listing of shares;
- The movement in shareholdings and ownership structure
- Ensuring proper and timely attendance and redressal of investor queries and grievances.
- Ensuring proper controls at Registrar and Share Transfer Agent;

The Investor Grievance committee stands as follows:

Sr. No.	Name of the Director	Category
1	Mr. Gautam Agarwala	Chairman
2	Mr. Pothera Narayanan	Member
3	Mrs. Suchita Chhawchharia	Member

CORPORATE GOVERNANCE REPORT

Enclosed here the Corporate Governance Report of the company for the Quarter Ended 31st March 2014:-

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49 (I)		
(A) Composition of Board	49 (1 A)	YES	
(B) Non-executive Directors' compensation & Disclosures	49 (1 B)	NA	
(C) Other provisions as to Board and Committee	49 (1 C)	YES	
(D) Code of Conduct	49 (1 D)	YES	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (II A)	YES	
(B) Meeting of Audit Committee	49 (II B)	YES	
(C) Powers of Audit Committee	49 (II C)	YES	
(D) Role of Audit Committee	49 (II D)	YES	
(E) Review of information by Audit Committee	49 (II E)	YES	
III. Subsidiary Companies	49 (III)	NA	

IV. Disclosures	49 (IV)		
(A) Basics of related party transactions	49 (IV A)	YES	
(B) Board Disclosures	49 (IV B)	YES	
(C) Proceeds from public issues, rights issues, Preferential issues etc.	49 (IV C)	NA	
(D) Remuneration of Directors	49 (IV E)	NA	
(E) Management	49 (IV F)	YES	
(F) Shareholders	49 (IV G)	YES	
V. CEO/CFO Certification	49 (V)	YES	In The Annual Report of March 2013
VI. Report on Corporate Governance	49 (VI)	YES	In The Annual Report of March 2013
VII. Compliance	49 (VII)	YES	

CODE OF CONDUCT

The code of conduct has been laid down by the Board with a view to promote good corporate governance and exemplary personal conduct. It is applicable to all directors and senior managerial personnel of the company. The Board of Directors has also approved a separate code of corporate disclosure practices for prevention of insider trading.

FINANCIAL PERFORMANCE

(Figures In Rupees)

Particulars	Year ended on 31st March 2014 (Audited)	Year ended on 31st March 2013 (Audited)	Year ended on 31st March 2012 (Audited)
Sales & Other Income	5,081,093	13,047,827	38,840,107
Total Expenditure	4,755,145	13,024,234	38,319,321
Profit After Tax	295,948	23,594	420,671
Non Current Assets	38,462,498	24,544,274	29,892,941
Current Assets	26,978,960	46,623,000	38,067,265
Equity (Paid-up)	36,750,000	36,750,000	36,750,000
Reserve & Surplus	19,032,358	18,743,096	18,719,503
Dividend (%)	Nil	Nil	Nil
EPS (%)	0.081	0.006	0.114

FUTURE PROSPECTS

The main focus of the company is in commodity trading and investment/dealing in real estate. The opportunities are in plenty for trading in commodities since with the gradual increase in the per capita income of the citizens of the country, the consumption and its pattern are also growing. With the economic growth of the country and opening of FDI in retail sector, it is expected that very many opportunities in different commodities mainly consumables shall be opening up. Similarly, the Realty sector has seen quite a glooming period in last few years, but with the prices having come down and stabilized at an affordable level for the ultimate consumers, it is expected that this sector will also have immense gradual growth. Further, with the economic growths of the country there will be additional impetus in the financial sector, it is where your company can also look for bigger share for themselves.

OTHER SHAREHOLDERS RELATED INFORMATION

Name of Company	Adarsh Mercantile Limited
Registered office address	8A & 8B, Satyam Towers, 3 Alipore Road, Kolkata 700027, West Bengal
Telephone no:	+91 33 24791951
E-mail id	adarshmercantile@gmail.com

Name of the Registrar & Share Transfer Agent	Niche Technologies Private Limited
Address	D-511, Bagree Market, 71, B.R.B.B. Road, 5th Floor, Kolkata-700001
Contact Person	Mr. S. Abbas
Telephone no.	+91 33 2235 7270/7271
E-mail id	nichetechpl@nichetehpl.com

Name and contact details of Company Secretary	Ms. Kalpana Tekchandani
Address	8A & 8B, Satyam Towers, 3 Alipore Road, Kolkata – 700027, West Bengal
Contact	+91 33 24791951
E-mail id	adarshmercantile@gmail.com

Name and contact details of Auditors	M/s. Ray & Co.
Address	21A, Shakespeare Sarani, Flat 8C, 8 th Floor, Kolkata – 700 017
Contact	Mr. Subroto Roy
E-mail id	caskroy@gmail.com

Name and contact details of Director	Mrs. Suchita Chhawchharia
Address	8A & 8B, Satyam Towers, 3 Alipore Road, Kolkata 700027, West Bengal
Contact	+91 33 24791951
E-mail id	suchita1901@gmail.com

Name and contact details of Compliance Officer	Ms. Kalpana Tekchandani
Address	8A & 8B, Satyam Towers, 3 Alipore Road, Kolkata – 700027, West Bengal
Contact	+91 33 24791951
E-mail id	adarshmercantile@gmail.com

DECLARATION

I, **Suchita Chhawchharia**, Director of **M/s. Adarsh Mercantile Limited**, hereby declare that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be.

Place: Kolkata

Date: 1st July 2014

Mrs. Suchita Chhawchharia

Director

Adarsh Mercantile Limited