

# ***EMERALD COMMERCIAL LIMITED***

CIN: L65909WB1981PLC033333

## ***35th ANNUAL REPORT***

*www.emeraldcommercial.in*

*emerald.com@gmail.com*



***2016-2017***

# Corporate Information

## **Board Of Directors**

Mr.Indrajit Sett, Chairman  
Mr. Biki Ray, Director  
Mr. Shekhar Agarwal, Director  
Mrs. Anita Bajrang Agarwal, Director

## **Key- Managerial Personnel**

Ms. Anisha Agarwal, Company Secretary  
Mr. Sushil Gupta, CFO

## **Bankers**

HDFC Bank Ltd

## **Statutory Auditor**

M/s SHAH RAVI &CO  
Chartered Accountant

## **Registrar & Transfer Agent**

Maheshwari Datamatics Private Limited  
Email: mdpl@cal.vsnl.net.in  
Tel.No: 033-2243-5809-/2243-5029

## **Registered Office**

18 Rabindra Sarani, Poddar Court  
Gate No.4, 4th Floor, And Room No.4  
Kolkata-700001

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# Committee Information

## **Audit Committee**

Mr. Shekhar Agarwal, Chairman  
Mr. Biki Ray, Member  
Mr. Indrajit Sett, Member  
Mrs. Anita Bajrang Agarwal, Member

## **Nomination & Remuneration Committee**

Mr. Biki Ray, Chairman  
Mr. Shekhar Agarwal, Member  
Mrs. Anita Bajrang Agarwal, Member  
Mr. Indrajit Sett, Member

## **Stakeholder Relationship Committee**

Mr. Shekhar Agarwal, Chairman  
Mr. Biki Ray, Member  
Mrs. Anita Bajrang Agarwal, Member  
Mr. Indrajit Sett, Member

## **LISTED**

The Calcutta Stock Exchange (CSE)  
The Metropolitan Stock Exchange Of  
India Limited (MCX)

## **ISIN:**

INE162D01014

Venue of AGM: 18, Rabindra Sarani, Gate no.4,  
4th Floor, Room No.4,  
Kolkata-700 001

Date: 18<sup>th</sup> September, 2017

Time: 11.00 A.M.

Day : Monday

# **EMERALD COMMERCIAL LIMITED**

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of the **EMERALD COMMERCIAL LIMITED** will be held at the Registered office of the Company at "Poddar Court" 18, Rabindra Sarani, Gate no.4, 4<sup>th</sup> Floor, Room No.4, Kolkata-700 001 on Monday, 18<sup>th</sup> September, 2017 at 11.00 AM. to transact the following business.

### **ORDINARY BUSINESS:**

**Item No. 1:** To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.

**Item No. 2:** To appoint a Director in place of Mr. Indrajit Sett who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3:** To appoint M/s. PRAKASH PATWARI & Co, Chartered Accountants as Statutory auditors of the Company, in the place of M/s. SHAH RAVI & CO. Chartered Accountants and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. PRAKASH PATWARI & Co. Chartered Accountants, Kolkata (FRN - 325639E), in place of M/s. SHAH RAVI & CO. Chartered Accountants, Kolkata (FRN - 328384E), have offered themselves for their appointment and have confirmed their eligibility to be appointed as Auditor, in terms of provisions of section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for the Company's financial year 2017-18, to hold office from the conclusion's of this Annual General meeting until the conclusion of the next Annual general Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors.

By Order of the Board  
For Emerald Commercial Limited

Sd/-  
Anisha Agarwal  
Company Secretary

Place : Kolkata  
Date : 12.08.2017

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** *The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.*

*Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith*

2. *The Register of Members and Equity Share Transfer Registers will remain closed from 12<sup>th</sup> September, 2017 to 18<sup>th</sup> September, 2017 (both days inclusive).*
3. *Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.*
4. *Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.*
5. *Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.*
6. *In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote*
7. *The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents (M/s.Maheshwari Datamatics Private Limited.)*
8. *As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.*

9. *Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s.Maheshwari Datamatics Private Limited, Share Transfer Agents of the Company for their doing the needful.*
10. *Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.*
11. *In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.*
12. *In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form*
13. *Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.*
14. *Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members*
15. *Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.emeraldcommercial.in](http://www.emeraldcommercial.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: emrald.com@gmail.com,*
16. *Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/S. Maheshwari Datamatics Private Limited**, Share Transfer Agents of the Company for their doing the needful.*

17. *Voting through electronic means*

*Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 11.09.2017, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 15<sup>th</sup> of September, 2017 and will end at 5.00 p.m. on 17<sup>th</sup> of September, 2017. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. Akhil Agarwal Practicing Company*

Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

**The Instructions for E-Voting are as under:**

- a. Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- b. Click on "Shareholders" tab
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip along with "**EMERALD COMMERCIAL LIMITED**" from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip) :
  - VII.** For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- j. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN "**EMERALD COMMERCIAL LIMITED**" for which you choose to vote.
- m. On the voting page, you will see "**Resolution Description**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- s. **For Non – Individual Shareholders and Custodians:**
- t.
  - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval I accounts they would be able to cast their vote.

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

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

**III.** Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.

**IV.** If a person became the member of the company after the dispatch of notice, then such member may contact the company for Login ID and other e-voting related details.

**V.** The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the **cut-off/entitlement date of 11.09.2017.**

**VI.** Mr. Akhil Agarwal, a Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**VII.** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Results shall be declared after the 35<sup>th</sup> Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be communicated to **CDSL and The Calcutta Stock Exchange Limited and The Metropolitan Stock Exchange Of India Limited** on or after 18<sup>th</sup> September 2017.

**By Order of the Board**  
For Emerald Commercial Limited

Sd/-  
Anisha Agarwal  
Company Secretary

Place : Kolkata

Date : 12.08.2017



# CHAIRMAN'S STATEMENT

**Dear Shareholders,**

*Company Performance Overview*

*I am happy to share in brief the highlights of your Company's performance during 2016-17.*

*Each of our businesses had an important role to play in delivering these strong results. It gives me great pleasure to share with you an update on the overall performance of your Company in 2016-17. We grew strongly in the fast emerging e-commerce channel even as we adopted sophisticated IT solutions to improve our reach and service to millions of small retailers across the length and breadth of India. It was yet another difficult year for the global economy, characterised by low growth and geopolitical uncertainties. The overall market showed signs of recovery in the latter half of the year but faced a temporary slowdown in November due to demonetisation. In this challenging business environment, Emerald Commercial Limited (ECL) delivered a resilient performance in 2016-17. This was enabled by our 4G model of growth - consistent, competitive, profitable and responsible growth. We believe that this model, particularly in times of uncertainty, is in the best long-term interest of all our stakeholders and a good indication of a robust strategy.*

*In India, rural demand continued to be sluggish in the early part of the year on the back of two consecutive poor monsoons. One of the major strengths of your Company is the relentless focus on execution and productivity and this helped us to sustain brand investments at competitive levels, while significantly improving margins. Our 'Winning in Many Indias' (WIMI) organisational initiative has made us even more agile and responsive to a rapidly evolving marketplace with intensified competition, channel fragmentation and an increasingly segmented consumer base.*

*The proposed implementation of the Goods and Services Tax (GST), with effect from 1st July 2017, is expected to transform the indirect tax landscape in the country and accelerate economic growth in the long run by simplifying the tax structure, enhancing tax compliance. Technology and mobile connectivity are rapidly changing consumer behaviour and business processes... Technology is also enabling us to better understand our consumers. For instance, our Consumer and Market Insights group has created a People Data Centre that analyses trends from social media, consumer care-lines and digital marketing to turn millions of 'conversations' into business decisions that optimise sales and revenue.*

*I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business.*

*Best Regards,  
Sd/-  
Indrajit Sett  
Chairman*

# EMERALD COMMERCIAL LIMITED

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

## DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 35<sup>th</sup> Annual Report on the business and operations of the company and the accounts for the financial Year ended March 31, 2017.

### 1. FINANCIAL PERFORMANCE OF THE COMPANY

Particulars	Amount (Rs.)	
	2016-2017	2015-2016
Total Income	89294166	62464312
Total Expenditure	87595133	59142036
Profit before exceptional items	<b>1699033</b>	<b>3322276</b>
Less : Exceptional Items	-	-
Profit before Tax	<b>1699033</b>	<b>3322276</b>
Less : Provision for Current Tax	525000	1052980
Add/ (Less) : Deferred Tax Assets/ (Liability)	-19739	-17620
Net Profit after tax	<b>1193772</b>	<b>2286916</b>

### 2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

The Company has earned profit after tax of Rs. 1193772/- during the current financial year as against Rs. 2286916/- earned during the previous financial year.

### 3. DIVIDEND

In view of the carry forward losses incurred in the current year and pursuant to section 123 of the Companies Act, 2013, the board regrets its inability to declare any dividend for the year under review.

### 4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There were no changes in the nature of business of the company during the year.

## **5. CHANGE IN SHARE CAPITAL**

The paid-up Equity Share Capital of the Company as at 31<sup>st</sup> March, 2017 stood at 4359.88 lacs. During the year under review, the Company has not issued any further shares.

## **6. BOARD MEETINGS**

The board of Directors of the Company met 6 times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013(hereinafter "the Act").

## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same. Subsection (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Further, according to Sub-section (11) of Section 149, no independent director shall be eligible for appointment for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The Company had the following KMPs:

1. Ms. Anisha Agarwal - Company Secretary.
2. Mr. Sushil Gupta - Chief Financial Officer (CFO)

## **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

### **1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

### **2. Terms and References:**

2.1 "**Director**" means a director appointed to the Board of a Company.

2.2 "**Nomination and Remuneration Committee**" means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

2.3 "**Independent Director**" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

### **3. Policy:**

#### **Qualifications and criteria**

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **3.2 criteria of independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors "as specified in Schedule IV to the companies Act, 2013.

### **3.3 Other Directorships/ Committee Memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The HRNR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve an indecent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

### **Remuneration policy for Directors, key managerial personnel and other employees**

#### **1. Scope:**

1. This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

#### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 **"Director"** means a Director appointed to the Board of the company.

2.2 **"key managerial personnel"** means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The chief finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

#### **3. Policy:**

3.1 Remuneration to Executive Director and Key Managerial Personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### 3.2 **Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3.3. **Remuneration to other employees**

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received a declaration from Mr. Shekhar Agarwal, Mr. Biki Ray And Ms. Anita Bajrang Agarwal, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

## **9. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Board of the Company has adopted Governance Guidelines on Board Effectiveness. In compliance with SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with CSE Limited and MCX Limited and framed the following policies which are available on Company's website i.e. [www.emeraldcommercial.in](http://www.emeraldcommercial.in)

### **i. Board Diversity Policy**

### **ii. Policy on preservation of Documents**

### **iii. Risk Management Policy**

## **10. AUDIT COMMITTEE**

The Audit committee comprises of four members, out of whom three are Non Executive Director and one is Executive Director. The Committee met 4 (Four) times during the year. The details of the meetings of the committee are provided in the Corporate Governance Report. The terms of reference of the Committee is in accordance with that specified in Regulation 27(2) of the Listing Agreement with Stock Exchanges and also confirms to the requirements of provision of Section 177 of the Companies Act, 2013

## **11. NOMINATION AND REMUNERATION COMMITTEE**

*The objective of Nomination and Remuneration Committee is to assess the remuneration payable to our Director; sitting fee payable to our Non Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives. The Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission. During the financial year 2016-17, no remuneration has been paid to any of the Director of the Company.*

## **12. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

*In compliance with the requirements of Section 177 of the Companies Act, 2013 and revised Clause 49 of Listing Agreement with the Stock Exchanges, your Company has established a vigil mechanism for the Directors and Employees of the Company through which genuine concerns regarding various issues can be communicated. The Company had adopted a Code of conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern their actions. Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company and should be brought to the attention of the concerned.*

## **13. DIRECTORS' RESPONSIBILITY STATEMENT**

*The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—*

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

## **14. STATUTORY COMPLIANCE:**

*The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects*

## **15. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

*The Company does not have any subsidiaries, associates and joint ventures*

## **16. EXTRACT OF THE ANNUAL RETURN**

*The extract of Annual Return in Form No. MGT – 9 as per section 134(3)(a) of the Companies Act, 2013 read with Rule 8 of Companies Act(Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 as on the financial year ended on 31.03.2017, is annexed herewith the annual report. **ANNEXURE B***

## **17. STATUTORY AUDITORS**

*M/s. Shah Ravi & Co, Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.*

*The Board recommends the re-appointment of M/s. Shaḥ Ravi & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.*

## **18. SECRETARIAL AUDIT REPORT**

*In terms of the provisions of Section 204 of the Companies Act, 2013 and Rules framed there under, a Secretarial Audit Report in the prescribed format, obtained from a Company Secretary in practice, is required to be annexed to the Board's Report. In view thereof, The Board has appointed **Mr. Akhil Agarwal**, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Auditor's Report, in the prescribed format, for the period ended March 31, 2017 is annexed to this Directors' Report and forms part of the Annual Report. **Annexure A***

## **19. QUALIFICATIONS IN AUDIT REPORTS:**

*Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—*

### **(a) Statutory Auditors Report:**

*The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2017 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust capital market in the coming years.*

### **(b) Secretarial Audit Report:**

*The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.*

## **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

*The required information as per rule 8(3) of the companies (Accounts) Rules, 2014 is provided hereunder:*

### **A. Conservation of Energy:**

*Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.*



## ***B. Technology Absorption:***

- 1. Research and Development (R&D) : NIL*
- 2. Technology absorption, adoption and innovation: NIL.*

## ***C. Foreign Exchange Earnings and Out Go:***

- 1. Foreign Exchange Earnings: NIL*
- 2. Foreign Exchange Outgo: NIL*

## **21. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

Your Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

## **22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

*During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.*

## **23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

*Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.*

## **24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

*The company has not given loans, Guarantees or made any investments during the year under review.*

## **25. CREDIT & GUARANTEE FACILITIES:**

*The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from HDFC Bank Ltd.*

## **26. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

*In accordance with the requirements of the provisions of section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.*

*Since your Company do not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.*

## **27. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.emeraldcommercial.in](http://www.emeraldcommercial.in)

## **28. PERFORMANCE EVALUATION:**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 26.03.2017 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 1 (One) non-independent directors namely:

i.) Mr. Indrajit Sett – Non- Independent & Executive

The meeting was recognized for shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

**The meeting also** reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Mr. Indrajit Sett, chairman of the company has performed exceptionally well by attending board meetings regularly, by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

## **29. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

### **30. LISTING AGREEMENT:**

The Securities and Exchange Board of India(SEBI), on September 2, 2015, issued SEBI(Listing Obligations and Disclosure Requirements)Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital Markets to ensure better enforceability. The said regulations were effective December1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The company entered into Listing Agreement with CSE Limited and MCX Limited.

### **31. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to The Calcutta Stock Exchange Limited and The Metropolitan Stock Exchange Of India Limited where the Company's Shares are listed.

### **32. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI. A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Statutory Auditor regarding compliance of condition of Corporate Governance is annexed to the said Report.

### **33. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY**

The Company is an NBFC company therefore all the provisions of the RBI act is complied during the year under review.

### **34. SECRETARIAL STANDARDS**

#### **EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

### **35. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **36. CEO/ CFO CERTIFICATION**

The CFO have issued certificate pursuant to the provisions of Regulation 27(2) of the listing agreement certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs and the same forms a part of this report.

### **37. EMPLOYEE RELATIONS:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company. None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

### **38. PARTICULARS OF EMPLOYEES REMUNERATION**

The Disclosure pertaining to remuneration and other details as required under the provisions of section 197 (12) of the companies act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of the Annual Report.

During the period under review no employee of the company drew remuneration in excess of the limits specified under the provisions of section 197 (12) of the companies act, 2013. The Particulars of Remunerations in the prescribed format, for the period ended March 31, 2017 is annexed to this Directors' Report and forms part of the Annual Report. **Annexure-“C”**.

### **39. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

### **40. OTHER DISCLOSURES**

During the year under review, the company has not obtained any registration/ license/authorization, by whatever name called from any other financial sector regulators.

### **41. ACKNOWLEDGEMENTS:**

The Directors express their sincere gratitude to the Reserve Bank Of India, SEBI, BSE, NSE, MCX, NSDL, CDSL, HDFC Bank, ROC, MCA and other regulatory authorities, lender, financial institutions etc. for their ongoing support for the growth of the Company.

The Director also wish to place on record their appreciation for the contribution made by the stakeholder and employees at all levels and the trust reposed by them in your company. The Directors sincerely appreciate the commitment displayed by the employees of the company and its subsidiaries across all levels, resulting in successful performance during the year.

By Order of the Board  
For Emerald Commercial Limited

Place: Kolkata  
Date: 12.08.2017

Sd/-  
Indrajit Sett  
Director

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

*The shareholders*

*I, Indrajit Sett, Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.*

**For and on behalf of the Board**

*For Emerald Commercial Limited*

*Place: Kolkata  
Date: 12.08.2017*

*Sd/-  
Indrajit Sett  
Director*

**ANNEXURE "A" TO DIRECTOR'S REPORT**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

*For The Financial Year Ended 2017*

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To

*The Members,*

**EMERALD COMMERCIAL LIMITED**

*18 Rabindra Sarani, Poddar Court Gate No.4,  
4th Floor, Room No.4 Kolkata -700001*

*I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. EMERALD COMMERCIAL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.*

*Based on my verification of the **M/s. EMERALD COMMERCIAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:*

**1.** *I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. EMERALD COMMERCIAL LIMITED** ("The Company") for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:*

- i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12<sup>th</sup> September, 2013 and sections and Rules notified and came in to effect from 1<sup>st</sup> April, 2014;*
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;*
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.*
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;*
- v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')*

**2.** *Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2016-17.*

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 : Not Applicable.*

- ii. *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable*
  - iii. *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.*
  - iv. *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable.*
  - v. *The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable.*
  - vi. *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not Applicable.*
  - vii. *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable.*
  - viii. *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure, 2015 and displayed the same on the Company's Website i.e. [www.emeraldcommercial.in](http://www.emeraldcommercial.in) and all the required disclosures from time to time as and when applicable Ire complied with.*
  - ix. *The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Ire complied with to the extent applicable and*
    - *The Company has signed uniform listing agreement with CSE Limited and MCX Limited;*
    - *The Company has framed the policies as mentioned below and displayed the same on the Company's Website i.e. [www.emeraldcommercial.in](http://www.emeraldcommercial.in)*
      - *Board Diversity Policy*
      - *Policy on preservation of Documents*
      - *Risk Management Policy*
- 3.** *During the year the Company has conducted Four Board meetings including 4 Audit committee meetings, Two meeting of Nomination & Remuneration Committee and Two meeting of Stakeholders Relationship Committee meeting. I have also examined compliance with the applicable clauses of the following:*
- i. *Secretarial Standards issued by the Institute of Company secretaries of India and*
  - ii. *The Listing Agreements entered into by the Company with CSE Limited and MCX Limited;*
- 4.** *During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;*

**OBSERVATIONS:**

(a) *As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that*

(i) *the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:*

- *External Commercial Borrowings are not attracted to the Company under the financial year under report;*
- *Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;*
- *Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.*

(ii) *As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.*

**(b) I further report that:**

(i) *The Company has the Company Secretary namely Ms. Anisha Agarwal and CFO namely Mr. Sushil Gupta.*

(ii) *The Company is regular in deducting and paying TDS under the Income Tax Act.*

(iii) *The Company has not paid PF and ESI to the respective authorities.*

(iv) *The Company also has collected stamp duty and service tax on behalf of the client and paid to the respective authorities.*

(v) *The Company is a registered member of NSE, BSE and MCX-SX apart from having DP connectivity with CDSL. From time to time there are inspections of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.*

Place: Kolkata

Date: 25.05.2017

Akhil Agarwal  
Practicing Company Secretaries  
Membership No.:35073  
C.P.No: 16313



**Annexure B**

**Annexure to Secretarial Auditors' Report**

To

The Members of

M/s. EMERALD COMMERCIAL LIMITED

Our Secretarial Audit Report for the financial year 31st March, 2017 is to be read along with this letter.

**Management's Responsibility**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Auditor's Responsibility**

2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

6. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Place: Kolkata

Date: 25.05.2017

Akhil Agarwal  
Practicing Company Secretaries  
Membership No.:35073  
C.P.No: 16313

## **Annexure- C to the Director's Report**

### **Details under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules 2014**

Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the year 2016-17

*(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)*

S.NO	Name of Employee	Designation	Ratio of Remuneration of each Director to median employee	% increase in Remuneration
1	ANISHA AGARWAL	COMPANY SECRETARY	N.A	12.5

1. No remuneration is paid to Non Executive Director
2. The Company has 8 permanent employees including Executive Directors.
3. Relationship between average increase in remuneration and Company's performance: The remuneration/policy of the Company Employees is based on the philosophy to reward and drive performance culture. Every year the salary increases are decided to provide reward on the basis of market opportunity determined by benchmarking the rewards with similar profile organizations. Variable component is an important criterion which is dependent of individual performance rating, business performance and market competitiveness of the Company.
4. Comparison of the remuneration of the key managerial personnel against the performance of the Company: As per the policy increases are dependent on actual performance rating as well as the business performance and increase in scope of work entrusted.
5. The average percentage increased in remuneration of employees other than Directors during the year is 87.37%.
6. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year – NA
7. The remuneration is paid as per the remuneration policy of the Company.

**To**  
**The Board of Directors**

**Dear Sirs,**

*As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:*

*1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2017 and to the best of our knowledge and belief;*

*a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and*

*b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.*

*2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or volatile of the company's code of conduct.*

*3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,*

*4. That we have informed the auditors and the audit committee of:*

*a) Significant changes in the internal control during the year;*

*b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and*

*c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.*

**For and on behalf of the Board**  
**Emerald Commercial Limited**

**Sd/-**  
**Sushil Gupta**  
**CFO**

# EMERALD COMMERCIAL LIMITED

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

## CORPORATE GOVERNANCE REPORT

### (Pursuant to Regulation 27(2) of the LODR)

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Our Board of Directors has the responsibility towards our shareholders to ensure the sound running of the Company. This can only be achieved if supported by appropriate and well managed Corporate Governance Processes. We believe that there are a number of key elements which are essential for an effective board and good governance. The Governance process should ensure that these resources are utilized in a manner that meets stakeholder's aspirations and societal expectations. At Emerald Commercial Limited, Corporate Governance practices are based on the principles of adoption of transparent procedures and practices and complete and timely disclosures of corporate, financial and operational information to its stakeholders.

#### 2. COMPOSITION OF BOARD MEETING:

The Company has a adequate composition of Board of Directors along with Women Director.

SR. NO.	NAME OF DIRECTORS	DESIGNATION	CATEGORY
1	Shekhar Agarwal	Director	Independent Director
2	Indrajit Sett	Director	Executive Director
3	Biki Ray	Director	Independent Director
4	Anita Bajrang Agarwal	Director	Independent Director

#### **Meetings and attendance during the year**

The Company has conducted 4 Meetings of the Board of Directors were held during the financial year 2016-2017 i.e. on 30/05/2016, 30/06/2016, 12/08/2016, 28/10/2016, 11/11/2016, 14/02/2017 and 23/03/2017. As is evident, the maximum time gap between any two Board Meetings was not more than four months.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorship and Committee Membership / Chairmanship held by them in other Companies are given below :-

<b>Name of Director</b>	<b>Category</b>	<b>No. of Board Meetings attended</b>	<b>Whether last AGM Attended</b>
Mr. Indrajit Sett	Executive Director/ Non - Independent	7	Yes
Mr. Biki Ray	Independent Director /Non - Executive	7	Yes
Mr. Shekhar Agarwal	Independent Director /Non - Executive	7	Yes
Mrs. Anita Bajrang Agarwal	Independent Director /Non - Executive	7	Yes

**COMPENSATION:** - No Director is entitled to any Salary or Compensation except directors fees for attending the meeting of the Board/ Committee which have been waived by them.

### **1. AUDIT COMMITTEE**

#### **(a) Composition:**

The Audit Committee of the Board is entrusted with the oversight of financial reporting with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting. The role & terms of reference of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. At present the committee comprises of four members.

The Committee met 4 (Four) times during the year i.e. on 30/05/2016, 12/08/2016, 11/11/2016 and 14/02/2017. The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The composition of the Committee and the attendances of the members at the Committee meetings held during the financial year 2016-17 are as follows:

<b>Sl. No.</b>	<b>Name</b>	<b>Status</b>	<b>No. of Meetings</b>
1	Mr. Shekhar Agarwal (Chairman)	Independent Director	4
2	Mr. Biki Ray (Member)	Independent Director	4
3	Mr. Indrajit Sett (Member)	Non-Independent Director	4
4	Mrs. Anita Bajrang Agarwal (Member)	Independent Director	4

#### **(b) Terms of Reference:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:

- a) *Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.*
  - 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 financial statements.*
  - f) *Disclosure of any related party transactions.*
  - g) *Qualifications in the draft audit report.*
- *Review and monitor the auditor's independence and performance, and effectiveness of audit process.*
  - *Approval or any subsequent modification of transactions of the company with related parties.*
  - *Evaluation of internal financial controls and risk management systems.*
  - *Reviewing, with the management, the quarterly financial statements before submission to the board for approval liabilities as at the end of the half-year and/or as at the end of the financial year.*
  - *Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, private placement etc.).*
  - *Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.*
  - *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.*
  - *Discussion with internal auditors of any significant findings and follow up there on.*
  - *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.*
  - *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.*
  - *To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.*
  - *To review the functioning of the Whistle Blower Mechanism, in case the same is existing.*
  - *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 qualification, experience & background, etc. of the candidate.*
  - *To evaluate valuation of undertakings or assets of the Company, wherever necessary.*
  - *To scrutinize inter-corporate loans and investments to be undertaken by the Company*
  - *Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.*

*Furthermore the Audit committee has been authorised to invite the statutory auditors, any outsiders with relevant expertise, if it thinks necessary, to attend the meetings.*

## **NOMINATION AND REMUNERATION COMMITTEE**

- *Nomination & Remuneration Policy*

*In terms with the provisions of the Section 178 and all other sections, if applicable, of the Companies Act, 2013 read with relevant Rules framed there under and SEBI (LODR) Regulations, 2015 entered with the Stock Exchanges Emerald Commercial Ltd. ('The Company') on the recommendation of the Nomination & Remuneration Committee of the Board laid down a policy for:*

- *Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.*
- *The criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.*
- *Lay down criteria for evaluation of Directors (including both Executive and Non-executive Directors) and the Board.*

- *Devise a policy on Board diversity.*

**(a) Composition of the Committee:**

*The Nomination and Remuneration Committee comprises of:*

<b>Sl. No.</b>	<b>Name</b>	<b>Status</b>	<b>No of meetings attended</b>
1	<i>Mr. Biki Ray (Chairman)</i>	<i>Independent Director</i>	1
2	<i>Mr. Shekhar Agarwal (Member)</i>	<i>Independent Director</i>	1
3	<i>Mr. Indrajit Sett (Member)</i>	<i>Non-Independent Director</i>	1
4	<i>Mrs. Anita Bajrang Agarwal (Member)</i>	<i>Independent Director</i>	1

*During the year, one meeting of the Remuneration Committee was held as on 12.02.2017.*

**(b) Terms of Reference:**

*The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013, the Rules made there under and SEBI (LODR) Regulations.*

**(c) Remuneration Policy:**

*Pursuant to provisions of the Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and senior management. The Company has paid remuneration by way of salary perquisites and allowances to its Managing Directors in line with the Nomination & Remuneration policy of the Company, current industry practice, the statutory limits and is being approved by the Board and Shareholders of the Company.*

**2. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

*The Board has constituted Stakeholders Relationship Committee in terms of the Companies Act, 2013, rules made there under and SEBI (LODR) Regulations, 2015.*

*During the year, a meetings of the Stakeholders Relationship Committee of the Company were held i.e. 13.02.2017.*

*The term of reference of the Committee is as follows:*

- *To approve transfer/transmission of shares*
- *To readdress the investors' and shareholders' grievance relating to non-receipt of annual report, declared dividends, transfer of shares, etc.*
- *To approve issue of duplicate share certificates as requested, if any.*
- *To review Dematerialization/ Rematerialization of shares.*
- *To review the work of Registrar and Transfer agent of the Company.*
- *Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.*

*The Committee comprises of:*

<b>Sl. No.</b>	<b>Name</b>	<b>Status</b>
1	Mr. Shekhar Agarwal (Chairman)	Independent Director
2	Mr. Biki Ray (Member)	Independent Director
3	Mr. Indrajit Sett (Member)	Non-Independent Director
4	Mrs. Anita Bajrang Agarwal (Member)	Independent Director

### **GENERAL BODY MEETINGS:**

#### **Location and time for last three Annual General Meetings were:**

<i>Financial Year</i>	<i>Date of AGM</i>	<i>Venue</i>	<i>Time</i>
2015-2016	28-09-2016	18,Rabindra Sarani, Poddar Court, Gate No.4, 4 <sup>th</sup> floor, Room No.4, Kolkata- 700 001	11.00 P.M
2014-2015	29-09-2015 (AGM)	18,Rabindra Sarani, Poddar Court, Gate No.4, 4 <sup>th</sup> floor, Room No.4, Kolkata- 700 001	2:30 P.M
2013-2014	30-09-2014 (AGM)	18,Rabindra Sarani, Poddar Court, Gate No.4, 4 <sup>th</sup> floor, Room No.4, Kolkata- 700 001	11.00 A.M.

***There is no immediate proposal for passing of any resolution through Postal Ballot.***

### **3. MEANS OF COMMUNICATION:**

*The quarterly, half-yearly and annual financial results are published in English & Vernacular newspaper and are also furnished to the Stock Exchange with whom the Company has listed. The Managing Discussion & Analysis, forms part of the Directors Report is covered in the Annual Report.*

### **4. CFO CERTIFICATION:**

*As required under LODR, Chief Finance Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.*

### **5. GENERAL SHAREHOLDERS INFORMATION**

❖ *CIN* : L29299WB1983PLC036040

❖ *Annual General Meeting*

*Date* : 18th September, 2017

*Time* : 11.00 AM

*Venue* : 18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No.4, Kolkata- 700001

❖ *Financial Year* : Year ended March 31, 2017.



❖ *Dates of Book Closure* : 12<sup>th</sup> Sept.2017 to 18th Sept. 2017

*(Both Days Inclusive)*

❖ *Dividend Payment Date*

*The Company has not declared any dividend for the Financial Year ended 31st March, 2017*

### *Financial Calendar*

*Financial Year 2016-17  
(Tentative schedule subject to change)*

*First Quarter Results*

*Second Quarter and Half-Year Results*

*Third Quarter Results*

*Within 45 days of the end of Quarter.*

*Fourth Quarter and Annual Results*

*Within 60 days of the end of Financial Year.*

❖ *Listing of Shares on Stock Exchanges with Stock Code:*

*The Calcutta Stock Exchange Ltd. (Stock code: 32075)*

*7, Lyons Range, Kolkata 700 001.*

*The Metropolitan Stock Exchange Of India Limited*

*Vibgyor Towers, 4th floor, Plot No C 62, G - Block,  
Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098*

*The Company has paid the listing fee to The Calcutta Stock Exchange Ltd. and The Metropolitan Stock exchange Of India Limited for the year 2016-2017.*

❖ *Stock Market Price for the Financial Year 2016-2017:*

<i>Month</i>	<i>CSE</i>			<i>MCX</i>		
	<i>High (Rs.)</i>	<i>Low (Rs.)</i>	<i>Monthly Close</i>	<i>High (Rs.)</i>	<i>Low (Rs.)</i>	<i>Monthly Close</i>
<i>April, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>461.50</i>	<i>461.00</i>	<i>461.50</i>
<i>May, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>461.00</i>	<i>461.00</i>	<i>461.00</i>
<i>June, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>462.00</i>	<i>461.00</i>	<i>462.00</i>
<i>July, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>457.50</i>	<i>457.00</i>	<i>457.35</i>
<i>August, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>458.00</i>	<i>457.00</i>	<i>458.00</i>
<i>September, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>455.00</i>	<i>454.50</i>	<i>454.85</i>
<i>October, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>455.00</i>	<i>455.00</i>	<i>455.00</i>
<i>November, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>455.00</i>	<i>455.00</i>	<i>455.00</i>
<i>December, 2016</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>454.00</i>	<i>454.00</i>	<i>454.00</i>
<i>January, 2017</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>453.00</i>	<i>453.00</i>	<i>453.00</i>
<i>February, 2017</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>450.50</i>	<i>450.00</i>	<i>450.50</i>
<i>March, 2017</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>Not Traded</i>	<i>447.10</i>	<i>447.00</i>	<i>447.10</i>

- **Registrar & Share Transfer Agent :**

**M/S. MAHESHWARI DATAMATICS PVT. LTD.**

6, Mangoe Lane, 2nd Floor, Kolkata-700001, West Bengal

Phone Nos. (033) 2243-5029/5809, 2248-2248, Fax. : (033) 22484787

Email: mdpl@cal.vsnl.net.in

**Share Transfer System:**

Share transfers in physical form are generally registered within 15 days from the date of receipt provided the documents are found to be in order. Stakeholders Relationship Committee considers and approves the transfer proposals.

All requests for dematerialisation of shares, which are found to be in order, are generally processed within 15 days and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- **Distribution of shareholding & shareholding pattern:**

Distribution of shareholding as on 31.03.2017

<b>Ordinary Shares held</b>	<b>Number of shareholders</b>	<b>% of shareholders</b>	<b>Number of shares held</b>	<b>% of shares held</b>
Upto 500	77	1.57	29008	0.06
501-1000	233	4.77	213702	0.49
1001-2000	886	18.17	1583980	3.63
2001-3000	292	5.98	786175	1.80
3001 -4000	1015	20.81	3663777	8.40
4001-5000	218	4.47	1013640	2.32
5001-10000	1145	23.48	7883130	18.08
10001 and above	1010	20.71	28425425	65.19
<b>Total</b>	<b>4876</b>	<b>100.00</b>	<b>43598837</b>	<b>100.00</b>

**Shareholding Pattern as on 31.03.2017**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	10,45,100	2.40
2	Public - Bodies Corporate	39,21,577	8.99
3	Public - Indian public	3,86,31,210	88.61
4	Public - Others	950	0.00
	<b>TOTAL</b>	<b>4,35,98,837</b>	<b>100.00</b>

- *Dematerialisation of shares and liquidity*  
*Shares held in dematerialised and physical form as on 31st March, 2017.*

<i>Status of Dematerialisation</i>	<i>No. of Shares</i>	<i>% of total shares</i>
<i>Share held in Dematerialised form - NSDL</i>	<i>2,07,94,496</i>	<i>47.70</i>
<i>Share held in Dematerialised form - CDSL</i>	<i>1,32,63,894</i>	<i>30.42</i>
<i>Share held in Physical form</i>	<i>95,40,447</i>	<i>21.88</i>
<i>Total</i>	<b><i>4,35,98,837</i></b>	<b><i>100.00</i></b>

*The shareholders may address their communications/suggestions/grievances/queries to:*

*Emerald Commercial Limited  
CIN- L29299WB1983PLC036040  
18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Room No. 4,  
Kolkata-700 001  
Email Id- emerald.com@gmail.com*

*Address for matters related to shares, any correspondence:*

***M/S. MAHESHWARI DATAMATICS PVT. LTD.***  
*6, Mangoe lane, 2nd Floor, Kolkata-700 001, West Bengal  
Phone Nos. (033) 2243-5029/5809, 2248-2248, Fax. : (033) 22484787  
Email: [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)*

## **6. CODE OF CONDUCT**

*The Company's Code of Conduct has been complied with by all the members of the Board and select employees of the Company.*

*The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.*

## **7. DECLARATION**

*As provided under Regulation 27(2) of the LODR with the stock exchanges, the Board of Directors and Senior Management Employees have confirmed Compliance with the Company's code of conduct*

*For and on behalf of the Board of Directors*

*Sd/-  
(Indrajit Sett)*

*Director*

*DIN - 03581182*

*Place: Kolkata*

*Dated: 12.08.2017*

# **EMERALD COMMERCIAL LIMITED**

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

## **MANAGEMENT DISCUSSION ANALYSIS REPORT**



### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

*The Company's main object is Non-banking Finance activities. The market for this activity offers high potential for growth. The Company is giving loan & Inter Corporate Deposit to the corporate clients. There have been a number of causes behind growth of Indian economy in last couple of years. A number of market reforms have been instituted by Indian government and there has been significant amount of foreign direct investment made in India. Much of this amount has been invested into several businesses including knowledge process outsourcing industries. India's foreign exchange reserves have gone up in last few years. Real estate sector as well as information technology industries of India have taken off. Capital markets of India are doing pretty well too. All these factors have contributed to growth of Indian economy.*

### **BUSINESS SCENARIO:**

*Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system because of their complementary as well as competitive role. They act as a critical link in the overall financial system catering to a large market of niche customers. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises in the rural and semi urban area. However, as a result of consolidation and restructuring in the financial sector and liberalization and globalization of markets only few strong NBFCs now remain in business.*

*On the regulatory front, NBFCs are regulated by the Reserve Bank of India (RBI) almost at par with banks. All the prudential norms for asset classification, income recognition, provisioning etc., are applicable to NBFCs in India. Given the continuously high levels of inflation through FY 13, the Reserve Bank of India (RBI) has no option but tighten monetary policies. This has resulted in an increase in domestic interest rates. The environment of high*

interest rates has a negative impact on sentiments of industries. During 2013, global financial conditions broadly improved, amid lingering vulnerabilities, equity markets rose, risk spreads continued to tighten and bank lending conditions in major advanced economies even for small and medium-sized firms. Measures of risk aversion have not risen, though equity markets in most regions have posted significant gains and financial stresses have been limited.

### **GOODS AND SERVICE TAX**

Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribute to the Prime Minister's mission of 'Make in India'. Your Company has been preparing for migrating to GST for the past year; changes across IT systems, Supply Chain and operations have been made keeping in mind the sweeping changes that GST would bring in. While there are a few areas that need to be addressed, the Government has announced an intention to go live on GST on 1st July, 2017 and your Company will be ready for this transformative reform.

### **OUR PEOPLE**

Great Brands and Great People are our biggest assets. Sustainable, profitable growth can only be achieved in an organization that focuses on performance-culture and where employees are engaged and empowered to be the best they can be. Success in the future will depend on being lean, agile and competitive in a resource-challenged world. We are working towards creating a simpler, diverse and agile organisation that will help us move faster, innovate better and leverage our global scale.

### **OPPORTUNITIES AND RISKS:**

Your Company being an investment and financial Company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The Company is engaged in investment activities and other financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.

### **FUTURE OUTLOOK:**

For several years, NBFCs have rapidly emerged as an important segment of the Indian Financial System. The sector is now being recognized as complementary to the banking sector due to the implementation of innovative marketing strategies, introduction of tailor made products, customer-oriented services, attractive rates of return on deposits and simplified procedures. In fact, NBFCs have emerged as a powerful force for financial inclusion in India, serving the bottom of the pyramid rural clients.

NBFCs are characterized by their ability to provide niche financial services in the Indian economy. Because of their relative organizational flexibility leading to a better response mechanism, they are often able to provide tailor-made services relatively faster than banks. This enables them to build up a clientele that ranges from small

borrowers to established corporates. NBFCs have often been leaders in financial innovations, which are capable of enhancing the functional efficiency of the financial system.

RBI's report titled "Report on trends on progress of banking in India" observes:

"Non-Banking Financial Institutions (NBFI)s are playing pivotal role in broadening access to financial services, enhancing competition and diversification of the financial sector. They are increasingly being recognized as complementary to the banking system capable of absorbing shocks and spreading risk mitigation at the times of financial distress", further "NBFCs perform a diversified range of functions and offer various financial services to individual, corporate and institutional clients.

NBFC's are governed and are required to be registered with RBI, follow stringent prudential norms prescribed by RBI in the matters of capital adequacy, credit investment norms, asset-liability management, income recognition, accounting standards, asset classification, provisioning for NPA and several disclosure requirements. Besides this, RBI also supervises the functioning of NBFCs by conducting annual on-site audits through its officials. Such a rigorous regulatory framework ensures that NBFCs function properly and follow all the guidelines of RBI. Thus in all respect the monitoring of NBFCs ensures that NBFCs function properly and follow all the guidelines of RBI. Thus in all respect the monitoring of NBFCs is similar to banks.

#### **RISKS AND CONCERNS:**

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization, with increasing integration of markets, newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organizations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.

#### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The Company has adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets, financing loans & advances and interest there upon and for the sale of goods (and/ services).

**DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

*The Company has closed last financial year with decreased income, but the profit got increased correspondingly. The Company plans to further strengthen the areas where more opportunities exist. The ongoing investments are making the company ready for the future.*

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

*The Company continues to give its high attention to its Human Resources. Various initiatives were successfully implemented during the year. Industrial relations continue to be cordial.*

**CAUTIONARY STATEMENT:**

*The Management Discussions and Analysis Statement made above are on the basis of available data as well as certain assumptions as to the economic conditions, applicable laws and other economical and political factors. The Management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed and implied therein.*

**For Emerald Commercial Limited**

**Place: Kolkata**  
**Date 12.08.2017**

**Sd/-**  
**Indrajit Sett**  
**Director**  
**DIN NO. 0358118**







b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	17206345	6949316	24155661	55.40	16438838	6872916	23311754	53.47	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	12874656	2587900	15462556	35.46	12778356	2541100	15319456	35.14	0
c) Others									
1. Body Corporate	2590214	126431	2716645	6.23	3201995	126431	3328426	7.63	-
2. NRI	0	0	0	0	0	0	0	0	
3. Clearing Members	217925	0	217925	0.49	593151	0	593151	1.36	
4. Trusts	950	0	950	0.00	950	0	950	0.00	
Sub-total (B)(2):-	32890090	9663647	42553737	97.60	33013290	9540447	42553737	97.60	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>32890090</b>	<b>9663647</b>	<b>42553737</b>	<b>97.60</b>	<b>33013290</b>	<b>9540447</b>	<b>42553737</b>	<b>97.60</b>	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	<b>33935190</b>	<b>9663647</b>	<b>43598837</b>	<b>100</b>	<b>34058390</b>	<b>9540447</b>	<b>43598837</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

S.No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	Subhlabh Tradevin Private Limited	900000	0	900000	2.06	900000	0	900000	2.06	Nil
2	Supreme Telefilms Limited	25000	0	25000	0.06	25000	0	25000	0.06	Nil
3	Arena Infotech Ltd.	25000	0	25000	0.06	25000	0	25000	0.06	Nil
4	Arena. Com	25100	0	25100	0.06	25100		25100	0.06	

·	Ltd						0			Nil
5	Webtech Softwares And Services Ltd.	25000	0	25000	0.06	25000	0	25000	0.06	Nil
6	Classic Media Makers Ltd.	25000	0	25000	0.05	25000	0	25000	0.05	Nil
7	Webcom Softwares And Services Ltd.	20000	0	20000	0.04	20000	0	20000	0.04	Nil

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change): No changes**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the End of the year				

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

Sl. No	Shareholder Name	Date	Reason	Shareholding at the beginning of the year		No. of shares	Cumulative Shareholding during the year
				No. of shares	% of total shares of The company		
<b>1.</b>	<b>ERI TECH LIMITED</b>						
	At the beginning of the year	01.04.2016	Opening balance	216000	0.50		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	216000	0.50
<b>2.</b>	<b>MODERN MALLEABLES LIMITED</b>	01.04.2016	Opening balance	216000	0.50		

	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	216000	0.50
<b>3.</b>	<b>HELOT PROPERTIES PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2016	Opening balance	333000	0.76		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	333000	0.76
<b>4.</b>	<b>DHANSAKTI DISTRIBUTORS PRIVATE LIMITED</b>						
	At the beginning of the year	01.04.2016	Opening balance	540000	1.23		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	540000	1.23
<b>5.</b>	<b>KAPIL AGARWAL</b>						
	At the beginning of the year	01.04.2016	Opening balance	312500	0.72		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	312500	0.72
<b>6.</b>	<b>JAGDISH PRASAD AGARWAL (HUF)</b>						
	At the beginning of the year	01.04.2016	Opening balance	225000	0.52		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	225000	0.52
<b>7.</b>	<b>KAPIL AGARWAL (HUF)</b>						
	At the beginning of the year	01.04.2016	Opening balance	225000	0.52		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	225000	0.52
<b>8.</b>	<b>ARCHIT KAMAL JAJOO</b>						
	At the beginning of the year	01.04.2016	Opening balance	223200	0.521		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	223200	0.521
<b>9.</b>	<b>SUBHLABH TRADEVIN PRIVATE LIMITED.</b>						
	At the beginning of the year	01.04.2016	Opening balance	900000	2.06		
	<b>Changes during the year</b>						
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	900000	2.06
<b>10.</b>	<b>SUBHLABH INVESTMENT CONSULTANT PRIVATE LIMITED</b>						

	At the beginning of the year	01.04.2016	Opening balance	198400	0.45		
	<b>Changes during the year</b>	<b>29.04.2016</b>	<b>Transfer</b>	162000	0.37		
		<b>03.06.2016</b>	<b>Transfer</b>	50000	0.11		
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	410400	0.94
<b>11.</b>	<b>SURENDRA SHARMA</b>						
	At the beginning of the year	01.04.2016	Opening balance	468000	-		
	<b>Changes during the year</b>	29.04.2016	Transfer	36000	0.08		
		13.05.2016	Transfer	14400	0.03		
		10.06.2016	Transfer	46800	0.10		
		17.06.2016	Transfer	7200	0.01		
		24.06.2016	Transfer	3600	0.00		
		30.06.2016	Transfer	14400	0.03		
		08.07.2016	Transfer	64800	0.14		
		15.07.2016	Transfer	21600	0.04		
		27.07.2016	Transfer	43200	0.09		
		29.07.2016	Transfer	14400	0.03		
		12.08.2016	Transfer	7200	0.02		
		28.10.2016	Transfer	21600	0.04		
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	763200	1.75
<b>12.</b>	<b>SELVA RATHNAM SARAVANA ARUL</b>						
	At the beginning of the year	01.04.2016	Opening balance	253400			
	<b>Changes during the year</b>	29.04.2016	Transfer	-93400	0.21		
		30.06.2016	Transfer	40700	0.09		
		08.07.2016	Transfer	-100000	0.22		
		24.02.2017	Transfer	22500	0.05		
		24.03.2017	Transfer	-2200	0.00		
	<b>At the End of the Year</b>	31.03.2017	Closing Balance	-	-	121000	0.27
<b>13.</b>	<b>R K STOCK HOLDING PRIVATE LTD</b>						
	At the beginning of the year	01.04.2016	Opening balance	185900	0.42		
		29.04.2016	Transfer	44350	0.10		
		06.05.2016	Transfer	4500	0.01		
		13.05.2016	Transfer	10700	0.02		
		20.05.2016	Transfer	9800	0.02		
		27.05.2016	Transfer	11700	0.02		
		03.06.2016	Transfer	9200	0.02		
		10.06.2016	Transfer	21300	0.04		
		17.06.2016	Transfer	115300	0.03		

		08.07.2016	Transfer	2550	0.00		
		15.07.2016	Transfer	10100	0.02		
		22.07.2016	Transfer	6750	0.01		
		29.07.2016	Transfer	23400	0.05		
		05.08.2016	Transfer	19400	0.04		
		12.08.2016	Transfer	14300	0.03		
		19.08.2016	Transfer	6975	0.01		
		26.08.2016	Transfer	22800	0.05		
		02.09.2016	Transfer	850	0.00		
		09.09.2016	Transfer	-12300	0.02		
		16.09.2016	Transfer	21400	0.04		
		23.09.2016	Transfer	8801	0.02		
		30.09.2016	Transfer	14150	0.03		
		07.10.2016	Transfer	17900	0.04		
		14.10.2016	Transfer	7700	0.01		
		21.10.2016	Transfer	18800	0.04		
		28.10.2016	Transfer	-1600	0.00		
		04.11.2016	Transfer	1700	0.00		
		11.11.2016	Transfer	700	0.00		
		18.11.2016	Transfer	-2000	0.00		
		30.12.2016	Transfer	1600	0.00		
		06.01.2017	Transfer	1000	0.00		
		13.01.2017		700	0.00		
		20.01.2017		2000	0.00		
		27.01.2017		700	0.00		
		03.02.2017		1100	0.00		
		17.02.2017	30100	30100	0.06		
		24.02.2017	Transfer	10400	0.02		
		03.03.2017		12600	0.02		
		10.03.2017		1800	0.00		
		17.03.2016		2000	0.00		
		24.03.2017		16000	0.00		
	<b>At the End of the Year</b>	31.03.2017	Closing Balance			24800	0.05

**(v) Shareholding of Directors and Key Managerial Personnel: Nil**

Sl. No.	For Each of the Directors	Shareholding at the beginning of the year	Cumulative Shareholding during the year
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<b>and KMP</b>					
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
At the End of the year					

#### **V. INDEBTEDNESS**

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

<b>Indebtedness at the beginning of the financial year</b>	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	0	0	0	0
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	0	0	0	0
Change in Indebtedness during the financial year	0	0	0	0
Addition				

Reduction				
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0	0	0	0
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	0	0	0	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Managing Director				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	00	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - Others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
6.	Total (A)	0	0	0	0	0

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration					

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			ANISHA		



			AGARWAL		
1.	Gross salary (a) Salary as per (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	105000	0	105000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	105000	-	105000

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

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

## **INDEPENDENT AUDITORS' REPORT**

TO,  
THE MEMBERS OF **EMERALD COMMERCIAL LIMITED**

### *Report on the Financial Statements*

We have audited the financial statements of **EMERALD COMMERCIAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.*

## **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, subject to Note No 1 para x.1) and 2) of the Notes to the financial statements regarding non-provision of gratuity and leave encashment which are treated on cash basis, a true and fair view in conformity with the accounting principles generally accepted in India;*

- a) In the case of the Balance Sheet , of the state of affairs of the Company as at March 31, 2017; and*
- b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.*
- c) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.*

## **Report on Other Legal and Regulatory Requirements**

*1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.*

*2. As required by section 143 (3) of the Act, we report that:*

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;*
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;*
- (c) The Balance Sheet, the Statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;*
- (d) In our opinion, the financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;*
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act; and*
- (f) With respect of the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure -B' and*
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:*
  - i. The company does not have any pending litigations which would impact on its financial positions in its financial statements.*
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For Shah Ravi & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration: 328384E**

**Sd/-**  
**Ravi Kumar Shah**  
**Partner**  
**Membership Number: 302019**  
**Place of Signature: Kolkata**  
**Date: 30/05/2017**

## **Annexure A to the Auditor's Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of ARC Finance. Limited for the year ended 31<sup>st</sup> March 2017)**

- (i) *In respect of its Fixed Assets:*
  - a) *The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
  - b) *The company has regular programme of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.*
  - c) *According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.*
- (ii) *In respect of its Inventory:*
  - a) *The physical verification of inventory has been conducted at reasonable intervals by the management which in our opinion, having regard to the nature and location of stock, frequency of verification is reasonable.*
  - b) *In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.*
  - c) *In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.*
- (iii) *The Company has not granted any loans, secured or unsecured to any companies, firms, Limited Liabilities partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii)(a) to (C ) of the Order is not applicable to the company in respect of repayment of the principal amount and overdue interest.*
- (iv) *In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, Investments made.*
- (v) *The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions*

*of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.*

- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, in respect of the activities carried on by the company.*
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, sales tax/ value added tax, service tax , wealth tax , duty of customs, duty of excise, cess and other material statutory dues has been regularly deposited during the year by the company with appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.*
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax. duty of custom, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.*
- b) According to the information and explanations given to us there are no material dues of Provident fund, sales tax, wealth tax, income tax, service tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.*
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.*
- (ix) The company is did not raise money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.*
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.*
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company , the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.*
- (xii) In our opinion and according to explanations and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.*

*(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.*

*(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.*

*(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.*

*(xvi) The company has obtained registration under section 45-1A of the Reserve Bank of India Act, 1934.*

***For Shah Ravi & Co.  
Chartered Accountants  
ICAI Firm Registration: 328384E***

***Sd/-  
Ravi Kumar Shah  
Partner  
Membership Number: 302019  
Place of Signature: Kolkata  
Date: 30/05/2017***

## **Annexure B to the Auditors' Report:**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **ARC Finance Limited** (the Company') as of 31 March 2017 in conjunction 'with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the



assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

*In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.*

*For Shah Ravi & Co.  
Chartered Accountants  
ICAI Firm Registration: 328384E*

*Sd/-*  
\_\_\_\_\_  
*Ravi Kumar Shah  
Partner  
Membership Number: 302019  
Place of Signature: Kolkata  
Date: 30/05/2017*

**EMERALD COMMERCIAL LIMITED**

(CIN- L29299WB1983PLC036040)

**Balance sheet as at 31st March, 2017**

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016
			Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	43,59,88,370	43,59,88,370
	(b) Reserves and surplus	4	29,20,69,832	29,04,31,170
			72,80,58,202	72,64,19,540
<b>2</b>	<b>Non Current Liabilities</b>			
	(a)Deferred Tax Liabilities		-	16,283
	(b)Long term provisions		11,70,022	16,14,912
			11,70,022	16,31,195
<b>3</b>	<b>Current liabilities</b>			
	(b) Trade Payables	5	1,24,57,100	34,08,600
	(c) Other Current Liabilities	6	9,11,883	3,62,000
	(d) Short-term provisions	7	15,69,880	10,44,880
			1,49,38,863	48,15,480
	<b>TOTAL</b>		<b>74,41,67,087</b>	<b>73,28,66,215</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	(a)Fixed Assets	8	1,07,071	2,07,341
	(b)Non Current Investments	9	7,88,49,300	6,00,15,300
	(c) Deferred Tax Assets	-	3,456	-
			7,89,59,827	6,02,22,641
<b>2</b>	<b>Current assets</b>			
	(a)Inventories	10	5,12,07,345	14,85,900
	(b)Trade Receivables	11	6,91,433	1,01,36,472
	(c) Cash and cash equivalents	12	65,84,570	1,19,81,549
	(d) Short Term Loans & Advances	13	60,67,23,913	64,90,39,653
			66,52,07,260	67,26,43,574
	<b>TOTAL</b>		<b>74,41,67,087</b>	<b>73,28,66,215</b>
	See accompanying notes forming part of the financial statements	1-29		

In terms of our report attached.

**For SHAH RAVI & CO**

**Firm Registration No: 328384E**

Chartered Accountants

Sd/-

[ (CA RAVI KUMAR SHAH) ]

**Partner**

ICAI Membership No. 302019

Place : Kolkata

Date : The 30th Day of May, 2017

(0)

For and on behalf of the Board of Directors

Sd/-

**Shekhar Agarwal**

**Director**

[DIN-05253193 ]

Sd/-

**Indrajit Sett**

**Director**

[DIN-03581182]

Sd/-

**Anisha Agarwal**  
**Company Secretary**

**Sd/-**  
**Sushil Gupta**  
**Chief Financial Officer**

**EMERALD COMMERCIAL LIMITED**  
**Statement of Profit and Loss for the year ended 31st March 2017**

Particulars		Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
			Rs.	Rs.
<b>1</b>	<b>Revenue</b>			
1.a	Revenue from operations	14	4,47,03,008	1,56,00,000
1.b	Other Income	15	4,45,91,158	4,68,64,312
<b>2</b>	<b>Total revenue</b>		<b>8,92,94,166</b>	<b>6,24,64,312</b>
<b>3</b>	<b>Expenses</b>			
	(a) Purchase of Stock in Trade	16	12,27,97,596	5,38,15,722
	(b) Changes in Inventories	17	(4,97,21,445)	7,52,100
	(c) Employee Benefit Expense	18	18,67,584	19,22,500
	(d) Payment To Auditors	19	40,000	40,000
	(e) Finance Cost	20	31,617	842
	(f) Depreciation and amortisations	21	1,00,270	1,17,084
	(g) Other expenses	22	1,24,79,511	24,93,788
	<b>Total expenses</b>		<b>8,75,95,133</b>	<b>5,91,42,036</b>
<b>4</b>	<b>Profit / (Loss) before tax (2 - 3)</b>		<b>16,99,033</b>	<b>33,22,276</b>
<b>5</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		5,25,000	10,44,880
	(b) Deferred tax expense for current year		(19,739)	(17,620)
	(c) Income tax expense for prior year		-	8,100
			<b>5,05,261</b>	<b>10,35,360</b>
<b>6</b>	<b>Profit / (Loss) for the year (4 - 5)</b>		<b>11,93,772</b>	<b>22,86,916</b>
<b>7</b>	<b>Earnings per share (of Rs. 10/- each):</b>	28		
	(a) Basic		0.03	0.05
	(b) Diluted		0.03	0.05
	<b>See accompanying notes forming part of the financial statements</b>	1-29		

In terms of our report attached.

**For SHAH RAVI & CO**  
**Firm Registration No: 328384E**  
**Chartered Accountants**

Sd/-  
**[ (CA RAVI KUMAR SHAH) ]**  
**Partner**  
**ICAI Membership No. 302019**

Place : Kolkata

Date : The 30th Day of May, 2017

For and on behalf of the Board of Directors

Sd/-  
**Shekhar Agarwal**  
**Director**  
**[DIN-05253193 ]**

Sd/-  
**Indrajit Sett**  
**Director**  
**[DIN-03581182]**

Sd/-  
**Anisha Agarwal**  
**Company Secretary**

Sd/-  
**Sushil Gupta**  
**Chief Financial Officer**

**EMERALD COMMERCIAL LIMITED**  
Notes forming part of the financial statements

**Note 3: Share capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares		Number of shares	
<b>(a) Authorised</b>				
Equity shares of Rs. 10/- each with voting rights	4,45,00,000	44,50,00,000	4,45,00,000	44,50,00,000
	4,45,00,000	44,50,00,000	4,45,00,000	44,50,00,000
<b>(b) Issued</b>				
Equity shares of Rs. 10/- each with voting rights	4,35,98,837	43,59,88,370	4,35,98,837	43,59,88,370
	4,35,98,837	43,59,88,370	4,35,98,837	43,59,88,370
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs. 10/- each with voting rights	4,35,98,837	43,59,88,370	4,35,98,837	43,59,88,370
<b>Total</b>	<b>4,35,98,837</b>	<b>43,59,88,370</b>	<b>4,35,98,837</b>	<b>43,59,88,370</b>

Refer Notes (i) to (ii) below

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
<b>Issued, Subscribed and Fully Paid-up</b>				
<i>Equity shares with voting rights</i>				
year ended 31st March, 2017				
- Number of shares	4,35,98,837	-	-	4,35,98,837
- Amount (Rs.)	43,59,88,370	-	-	43,59,88,370
year ended 31st March, 2016				
- Number of shares	4,35,98,837	-	-	4,35,98,837
- Amount (Rs.)	43,59,88,370	-	-	43,59,88,370

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

Class of shares / Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
(As per List Attached)		-		-
<b>Total</b>	-	-	-	-

EMERALD COMMERCIAL LIMITED  
Notes forming part of the financial statements

**Note 4: Reserves & Surplus**

Particulars	As at 31-Mar-17	As at 31-Mar-16
	-	-
<b>(a) Securities premium account</b>		
Opening balance	28,85,65,109	28,85,65,109
Add : Premium on shares issued during the year	-	-
	28,85,65,109	28,85,65,109
Less : Utilised during the year for:	-	-
Closing balance	<b>28,85,65,109</b>	<b>28,85,65,109</b>
<b>(b) Statutory Reserve (As Per R.B.I. ACT For NBFC)</b>		
At The Beginning Of The Year	11,63,595	7,06,212
Addition During The Year (Transfer From Surplus)	2,38,750	4,57,383
At The End Of The Year	<b>14,02,345</b>	<b>11,63,595</b>
<b>(c) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	7,02,466	(6,81,869)
Add: Profit / (Loss) for the year	11,93,772	22,86,916
Less : Transfer to Statutory Reserve @20%	2,38,750	4,57,383
Less: Contingent Provision Against Standard Assets	(4,44,890)	4,45,198
Closing balance	<b>21,02,378</b>	<b>7,02,466</b>
<b>Total</b>	<b>29,20,69,832</b>	<b>29,04,31,170</b>

**Note 5: Trade Payables**

Particulars	As at 31-Mar-17	As at 31-Mar-16
	-	-
Sundry Creditors	1,24,57,100	34,08,600
<b>Total</b>	<b>1,24,57,100</b>	<b>34,08,600</b>

**Note 6: Other Current Liabilities**

Particulars	As at 31-Mar-17	As at 31-Mar-16
	-	-
T.D.S. Payable	2,31,931	2,500
Expenses Payable	6,79,952	3,59,500
	<b>9,11,883</b>	<b>3,62,000</b>

**Note 7: Short Term Provisions**

Particulars	As at 31-Mar-17	As at 31-Mar-16
	-	-
Provision for Income Tax	15,69,880	10,44,880
Less: paid/adjusted	-	-
<b>Total</b>	<b>15,69,880</b>	<b>10,44,880</b>

**Note 9: Non Current Investments**

Particulars	As at	As at
	31-Mar-17	31-Mar-16
	-	-
Trade Investments In Unquoted equity shares (fully paid-up) (valued at cost) (As per list attached)	7,88,49,300	6,00,15,300
<b>Total</b>	<b>7,88,49,300</b>	<b>6,00,15,300</b>

**Note 10: Inventories**

Particulars	As at	As at
	31-Mar-17	31-Mar-16
	-	-
Closing Stock	5,12,07,345	14,85,900
<b>Total</b>	<b>5,12,07,345</b>	<b>14,85,900</b>

**Note 11: Trade Receivables**

Particulars	As at	As at
	31-Mar-17	31-Mar-16
	-	-
Sundry Debtors Over Six Months	-	5,56,472
Others	6,91,433	95,80,000
<b>Total</b>	<b>6,91,433</b>	<b>1,01,36,472</b>

**Note 12: Cash and Cash Equivalents**

Particulars	As at	As at
	31-Mar-17	31-Mar-16
	-	-
Balances with banks In current accounts	60,63,999	84,58,552
Cash in hand	5,20,571	35,22,997
<b>Total</b>	<b>65,84,570</b>	<b>1,19,81,549</b>

**Note 13: Short Term Loans & Advances**

Particulars	As at	As at
	31-Mar-17	31-Mar-16
	-	-
Loans (including interest)	59,42,77,392	64,04,37,508
Advances (Advance recoverable in cash)	36,97,000	36,97,000
Tax Deducted at Sources	87,49,521	49,05,145
<b>Total</b>	<b>60,67,23,913</b>	<b>64,90,39,653</b>

**EMERALD COMMERCIAL LIMITED**  
**Notes forming part of the financial statements**

**Note 14 : Revenue from operations**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
Sale of Textile Goods	3,95,73,280	-
Sale of Shares	51,29,728	1,56,00,000
<b>Total</b>	<b>4,47,03,008</b>	<b>1,56,00,000</b>

**Note 15 : Other Income**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
Other Income	-	5,61,800
Interest received	4,45,91,158	4,63,02,512
<b>Total</b>	<b>4,45,91,158</b>	<b>4,68,64,312</b>

**Note 16: Purchase of Stock in Trade**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
Purchase of textile goods	5,69,87,700	-
Purchase of shares	6,58,09,896	5,38,15,722
<b>Total</b>	<b>12,27,97,596</b>	<b>5,38,15,722</b>

**Note 17: Changes in Inventories**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
Opening Stock	14,85,900	22,38,000
Less: Closing Stock	5,12,07,345	14,85,900
<b>Total</b>	<b>(4,97,21,445)</b>	<b>7,52,100</b>

**Note 18: Employee Benefit Expenses**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
Salaries & Wages	18,67,584	19,22,500
Staff Welfare Expenses	-	-
<b>Total</b>	<b>18,67,584</b>	<b>19,22,500</b>

**Note 19: Payment To Auditors**

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	\	\
As Statutory Audit Fees	25,000	30,000



As Tax Audit Fees	15,000	10,000
<b>Total</b>	<b>40,000</b>	<b>40,000</b>

**Note 20: Finance Cost**

Particulars	For the	For the
	year ended	year ended
	31-Mar-17	31-Mar-16
Interest on loan	-	842
Demat charges & Income Tax Payable	31,617	-
<b>Total</b>	<b>31,617</b>	<b>842</b>

**Note 21: Depreciation and amortisations**

Particulars	For the	For the
	year ended	year ended
	31-Mar-17	31-Mar-16
Depreciation Expenses	1,00,270	1,17,084
Amortisation Expenses	-	-
<b>Total</b>	<b>1,00,270</b>	<b>1,17,084</b>

**Note 22 : Other expenses**

Particulars	For the	For the
	year ended	year ended
	31-Mar-17	31-Mar-16
Bank Charges	6,593	22,882
Commission Payable	46,38,580	-
Profit & Loss on sale of Shares	18,660	-
General Expenses	53,875	19,935
Printing & Stationary Expenses	43,356	45,350
Travelling and Conveyance Expenses	1,82,537	42,525
Listing & Depository Fee	3,19,363	2,73,512
Repair & Maintenance Expenses	1,300	12,395
Legal & Professional Fees	1,05,000	5,24,831
Telephone Expenses	41,302	38,022
Postage, Telegram & Courier Charges	87,885	82,129
Filing Fees	9,100	15,600
Office Rent	79,500	90,000
Bad Debt	58,68,517	6,37,922
Interest Paid	75	1,866
Registrar Fees	61,749	17,100
Advertisement Expenses	26,914	79,652
Software & IT Services	13,975	
Secreterial Fees	10,830	8,500
Business Promotion Expensees	9,10,400	5,79,067
Professional Tax	-	2,500
<b>Total</b>	<b>1,24,79,511</b>	<b>24,93,788</b>

**EMERALD COMMERCIAL LIMITED**  
**Notes forming part of the financial statements**

**1. Corporate information**

M/s EMERALD COMMERCIAL LIMITED (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Being a Public Limited Company its shares are listed on CSE & MCX. The company does not cater to domestic markets only.

**2. Significant accounting policies**

**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Indian Accounting Standards Rules), 2015 read with Rule 3(2) thereof and the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The company is a small and medium-sized company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the company has complied with the Accounting Standards as applicable to an SMC. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. There are no changes in any accounting policies during the year.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.3 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**2.4 Other Income**

Interest income is accounted on accrual basis.

**2.5 Cash Flow Statement**

Cash flow statement is applicable as the company is not a small company as per provisions of section 2(85) of Companies Act, 2013.

## **EMERALD COMMERCIAL LIMITED**

### **Notes forming part of the financial statements**

#### **2.6 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### **2.7 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. "

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

#### **2.8 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**EMERALD COMMERCIAL LIMITED**  
**Notes forming part of the financial statements**

**Note 23: Contingent Liabilities and Commitments to the extent not provided for**

Amount (₹)

	As at 31st March, 2017	As at 31st March, 2016
(a) Contingent Liabilities		
Security given by the company in respect of loans taken by other companies	Nil	Nil
(b) Commitments	Nil	Nil

**Note 24: Earning and Expenditure in Foreign Currency**

Amount (₹)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Earnings	Nil	Nil
Expenditures	Nil	Nil

**Note 25: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The Company has no dealing with any party registered under the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 26:**

In the opinion of the Board, the current assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

**Note 27: Related Parties, Related Party Transactions & Balances receivable/payable as at the end of the year**

**27.a: Related Parties**

Description of relationship	Names of related parties
<b>(a) Enterprises under the same management</b>	
(i) Ultimate Holding Company	Nil
(ii) Holding Company	Nil
(iii) Subsidiaries	Nil
(iv) Fellow Subsidiaries	Nil
<b>(b) Associates and Joint Ventures</b>	Nil
<b>(c) Key Management Personnel (KMP)</b>	Nil
	Nil
<b>(d) Relatives of KMP</b>	Nil
<b>(e) Company in which KMP / Relatives of KMP can exercise significant influence</b>	

**27.b: Related Party Transactions**

Amount (₹)

Particulars of Related Party	Nature of Transactions	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Nil	Nil

**EMERALD COMMERCIAL LIMITED**

**Notes forming part of the financial statements**

**27.c: Balances receivables/(payable) as at the end of the year**

Amount (₹)

Particulars of Related Party	As at 31st March, 2017	As at 31st March, 2016
Receivable	Nil	Nil
Payable	Nil	Nil

**Note 29: Specified Bank Notes Disclosures (SBN'S)**

During the year the company had Specified Bank Notes as defined in MCA notifications G.S.R.308(E) dated March 31,2017.

The Details of Specified Bank Notes(SBN) held and transacted during the period from November 8,2016 to December 30,2016 is given below:

Particulars	SBN's	Other Denomination Notes	Total
<b>Closing Cash balance at 8 November, 2016</b>	-	-	-
<b>Transaction Between 9 November 2016 and 30 December 2016 is given below</b>			
Add:Withdrawal from Bank Accounts	-	-	-
Add:Receipts for permitted transactions	-	-	-
Add:Receipts for non permitted transactions(if any)	-	-	-
Less:Paid for permitted transactions	-	-	-
Less:Paid for non permitted transactions	-	-	-
Less:Deposited in Bank Accounts	-	-	-
<b>Closing Cash balance at 30 December, 2016</b>	-	-	-

**Note 28: Earning Per Shares**

**year ended 31st March, 2017**

Amount (₹)

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit/Loss	1193772	1193772	1193772	1193772	0	0	0	0	1193772	1193772	1193772	1193772
Weighted Average No. of Shares	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837
EPS (Rs.)	0.03	0.03	0.03	0.03	0.00	0.00	0.00	0.00	0.03	0.03	0.03	0.03

**year ended 31st March, 2016**

Amount (₹)

	Continuing Operations				Discontinuing Operations				Total Operations			
	Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items		Before Extraordinary and Exceptional Items		After Extraordinary and Exceptional Items	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Face Value of Shares	10	10	10	10	10	10	10	10	10	10	10	10
Profit/Loss	2286916	2286916	2286916	2286916	0	0	0	0	2286916	2286916	2286916	2286916
Weighted Average No. of Shares	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837	43598837
EPS (Rs.)	0.05	0.05	0.05	0.05	0.00	0.00	0.00	0.00	0.05	0.05	0.05	0.05

**Note 29: Figures for the previous year**

The figures for the previous year have been regrouped and/or rearranged wherever found necessary to make those comparable with the figures for the current year.

**In terms of our report attached**

**For and on behalf of the Board of Directors**

**For SHAH RAVI & CO**  
**Firm Registration No: 328384E**  
 Chartered Accountants

Sd/-  
**SHEKHAR AGARWAL**  
 Director [DIN-05253193 ]

Sd/-  
 [ (CA RAVI KUMAR SHAH)]  
 Partner  
 ICAI Membership No. 302019  
 Place : Kolkata  
 Date : The 30th Day of May, 2017

Sd/-  
**INDRAJIT SETT**  
 Director [DIN-03581182]

Sd/-  
**ANISHA AGARWAL**

**EMERALD COMMERCIAL LIMITED**  
**Notes forming part of the financial statements**

**Company Secretary**

Sd/-

**SUSHIL GUPTA**  
**Chief Financial Officer**

**EMERALD COMMERCIAL LIMITED-Standalone****CIN NO. L29299WB1983PLC036040**

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2017

	For the year ended 31st March 2017 (Rupees)	For the year ended 31st March 2016 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra-ordinary items (As per profit & loss account)	16,99,033	33,22,276
Adjustments for non Cash Items (Fixed Assets W/o.)	1,00,270	1,17,084
Adjustments for non Cash Items (Depreciation)	-	-
Operating Profit before working capital changes	17,99,303	34,39,360
Working capital adjustments: -		
(Increase)/ decrease in current loans and advances	4,23,15,741	(17,81,52,084)
(Increase)/ decrease in Trade receivables	94,45,039	(90,06,532)
(Increase)/ decrease in inventories	(4,97,21,445)	7,52,100
Increase/ (decrease) in Trade Payable	90,48,500	30,89,582
Increase/ (decrease) in current liabilities	5,49,883	1,82,371
Cash generated from operations	1,34,37,021	(17,96,95,203)
Direct Taxes Paid	-	(12,53,554)
<b>Net cash flow from operating activities (A)</b>	<b>1,34,37,021</b>	<b>(18,09,48,757)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/ decrease in investments	(1,88,34,000)	18,84,42,000
Expenses for capital expenses	-	-
Purchase of fixed assets	-	-
<b>Net cash flow from investing activities (B)</b>	<b>(1,88,34,000)</b>	<b>18,84,42,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	-	-
Securities Premium	-	-
Capital Reserve (Merger)	-	-
Increase/ (decrease) in share application money	-	-
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(53,96,979)</b>	<b>74,93,243</b>
Add: Opening cash and cash equivalents	1,19,81,549	44,88,306
<b>Closing cash and cash equivalents</b>	<b>65,84,570</b>	<b>1,19,81,549</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	5,20,571	35,22,997
Deposit with banks in current accounts	60,63,999	84,58,552
<b>Toal cash and cash equivalents (note 8)</b>	<b>65,84,570</b>	<b>1,19,81,549</b>
	0	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For SHAH RAVI & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm's Regn. No. 328384E

Sd/-  
**(CA RAVI KUMAR SHAH)**  
**PARTNER**  
 M. NO. 302019

Place : Kolkata  
 Date: 30/05/2017

**For and on behalf of the Board of Directors of**

Sd/-  
 INDRAJIT SETT  
 Director  
 DIN No. 03581182

Sd/-  
 ANISHA AGARWAL  
 Company Secretary

Sd/-  
 SHEKHAR AGARWAL  
 Director  
 DIN No. 03369945

Sd/-  
 SUSHIL GUPTA  
 Chief Financial Officer



**EMERALD COMMERCIAL LIMITED**  
**CIN: L29299WB1983PLC036040**

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017**  
**AND STATEMENT OF PROFIT & LOSS FOR THE YEARENDED ON THAT DATE.**  
**DEPRECIATION ON FIXED ASSETS AS PER COMPANIES ACT 2013**

**Note:9 : Fixed Assets (Tangible Assets)**

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		Balance as on 31.03.2016	Addition/ Deletion	Balance as on 31.03.2017	Balance as on 31.03.2016	During the year	Balance as on 31.03.2017	WDV balance as on 31.03.2017	WDV balance as on 31.03.2016
<b>1</b>	<b>OFFICE EQUIPMENT</b>								
	PRINTER	48,510	-	48,510	21,932	21,812	43,744	4,766	26,578
<b>2</b>	<b>COMPUTER &amp; ACCESSORIES</b>	14,90,935	-	14,90,935	14,67,393	23,542	14,90,935	-	23,542
<b>3</b>	<b>FURNITURE &amp; FIXTURE</b>	2,71,167	-	2,71,167	1,13,946	54,916	1,68,862	1,02,305	1,57,221
	<b>TOTAL</b>	<b>18,10,612</b>	-	<b>18,10,612</b>	<b>16,03,271</b>	<b>1,00,270</b>	<b>17,03,541</b>	<b>1,07,071</b>	<b>2,07,341</b>

**NOTES**

(i) There is no asset which is jointly owned by the Company.

(ii) All above assets are freehold assets.

(iii) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Depreciation on Computer has not been provided as residual value is more than WDV shown in the books.

(iv) WDV of assets shown above is 5% of residual value of assets.

**For SHAH RAVI & CO**

Firm Registration No: 328384E  
Chartered Accountants

**For EMERALD COMMERCIAL LIMITED**

Sd/-  
**[ (CA RAVI KUMAR SHAH) ]**  
Partner  
ICAI Membership No. 302019  
Place: Kolkata  
Date: 30th May, 2017

Sd/-  
SHEKHAR AGARWAL  
Director  
DIN:03369945  
Sd/-  
ANISHA AGARWAL  
Company Secretary

Sd/-  
INDRAJIT SETT  
Director  
DIN:03581182  
Sd/-  
SUSHIL GUPTA  
Chief Financial Officer

# **EMERALD COMMERCIAL LIMITED**

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

**Form No. MGT-11**

**Proxy form**

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

CIN : L29299WB1983PLC036040

Name of the company : EMERALD COMMERCIAL LIMITED

Registered office : 18, Rabindra sarani, Poddar Court , Gate No.4, 4th Floor, R/No.4,  
Kolkata-1

E- mail :

Website :

Name of the member (s) :

Registered Address :

E-mail Id :

Folio No/ Client ID :

DP ID :

I/ We, being the member of ----- equity shares of the above named company, hereby appoint

Name :

Address :

E-mail id :

Signature :., or failing him

Name :

Address :

E-mail id :

Signature ;, or failing him

Name :

Address :

E-mail id :

Signature :

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the 35<sup>th</sup> Annual General Meeting of the company, to be held on the 18<sup>th</sup> day of September, 2017 At 11.00 AM at 18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, room No.4, Kolkata-700001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

Sl. No.	Resolution	Optional	
		For	Against
1.	Adoption of Financial Statement of Accounts for the year ended on 31st March, 2017.		
2.	Reappointment of Mr. Indrajit Sett, Director, retire by rotation for the year ended on 31st March, 2017.		
3.	Appointment of PRAKASH PATWARI & Co Chartered Accountants, Kolkata (FRN - 325639E) in place of M/s. SHAH RAVI & CO. Chartered Accountants, Kolkata (FRN - 328384E), as a Statutory Auditor and fixing their remuneration		

Signed this.....day of..... 2017

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s)\_\_\_\_\_

Please  
Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A Proxy need not be member of the Company.

# EMERALD COMMERCIAL LIMITED

18, Rabindra Sarani, Poddar Court, Gate No.4, 4<sup>th</sup> Floor, Room No. 4, Kolkata-700 001  
Phone: 033 -22495083, Email: [emerald.com@gmail.com](mailto:emerald.com@gmail.com), Website: [www.emeraldcommercial.in](http://www.emeraldcommercial.in)  
CIN No. : L29299WB1983PLC036040

## ATTENDANCE SLIP

<i>Regd. Folio / DP ID &amp; Client ID</i>	
<b>Name and Address of the Shareholder</b>	
/	/
/	/
/	/
/	/

1. I hereby record my presence at the 35<sup>th</sup> Annual General Meeting of the Company being held on 18<sup>th</sup> September, 2017 at 11.00 A.M at the Registered Office of the Company at "PODDAR COURT" 18, Rabindra Sarani, Gate No. 4, 4<sup>th</sup> Floor, Room no.4, Kolkata-700001

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2. Signature of the Shareholder/Proxy Present
3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

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

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**ELECTRONIC VOTING PARTICULARS**

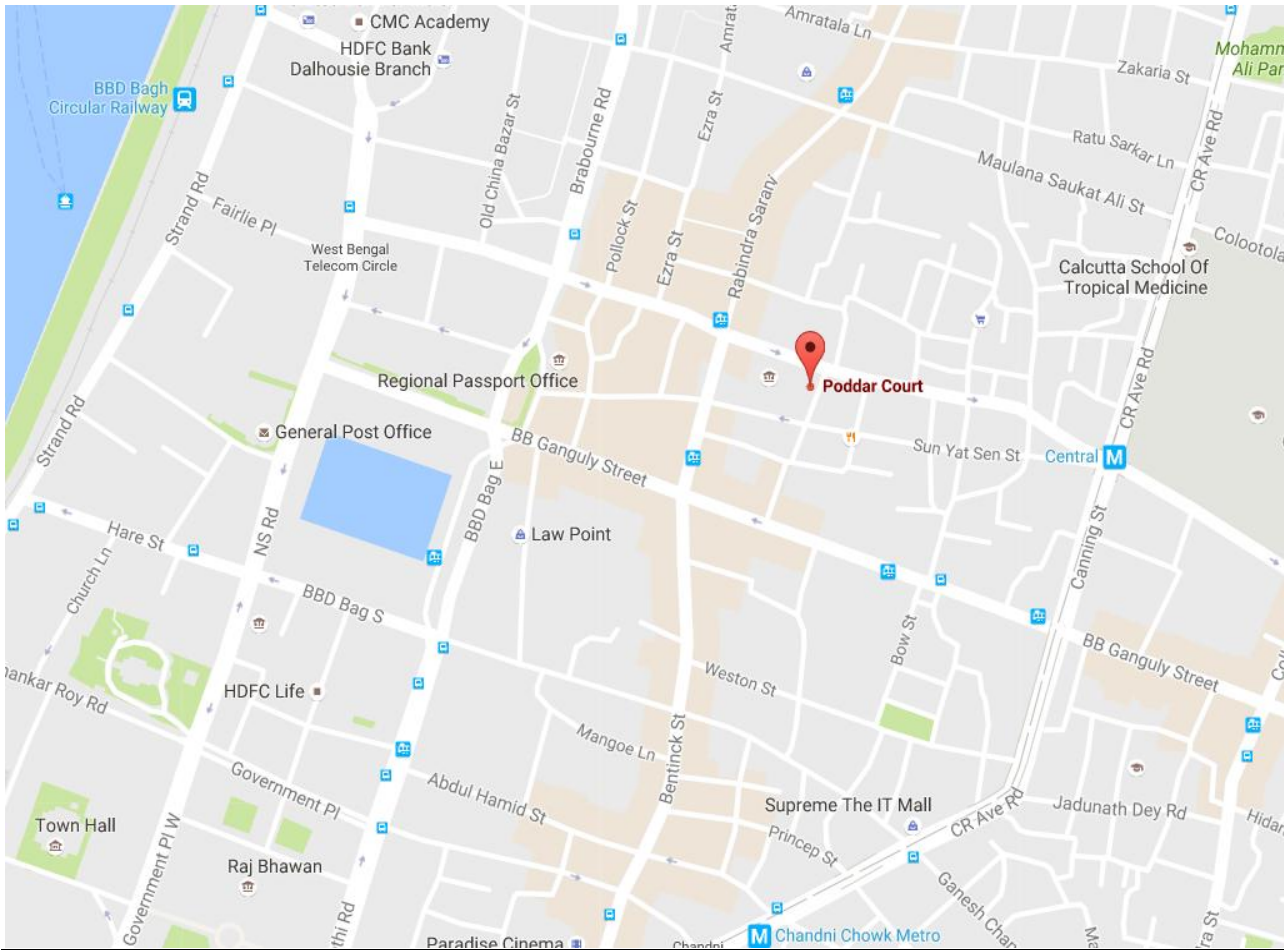
<b>(1) EVSN (E-Voting Sequence No.)</b>	<b>(2) USER ID.</b>	<b>(3) PAN or Relevant No.as under</b>	<b>(4) Bank Account No.</b>
			<i>(See Note No. 1)</i>

*Notes:*

(1) Where Bank Account Number is not registered with the Depositories or Company please enters your User Id. as mentioned in column (2) above.

(2) Please read the Instructions printed under the Note No. 17 to the Notice dated 12<sup>th</sup> August, 2017 of the 35th Annual General Meeting. The e-voting period starts from 09.00 A.M. on 15.09.2017 and ends at 5.00 P.M. on 17.09.2017, the e-voting module shall be disabled by CDSL for voting thereafter.

## **ROAD MAP TO AGM VENUE**



**18 RABINDRA SARANI, PODDAR COURT GATE NO.4, 4TH FLOOR,  
ROOM NO.4, KOLKATA-700001**

**IF UNDELIVERED, PLEASE RETURN TO:-**

**EMERALD COMMERCIAL LIMITED**

**CIN: L29299WB1983PLC036040**

**Regd. Off.:** 18, Rabindra Sarani, Poddar Court, Gate no.4, 4<sup>th</sup> Floor, Room No.4, Kolkata-700001

**E-Mail ID:** emerald.com@gmail.com