

GAURAV MERCANTILES LIMITED

CIN No.L74130MH1985PLC176592

310, Gokul Arcade B, Subhash Road, Vile Parle (E), Mumbai - 400 057.

Tel.: 6692 4459 • Fax : 6694 9916 • E-mail : info@gmlmumbai.com • Website : www.gmlmumbai.com

4th October, 2016

To,

The Secretary
BSE Ltd.
Corporate Relationship Dept.
14th Floor, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001

Security Code: 539515

Dear Sirs/Madam,

Sub: Submission of Annual report under Regulation 34 of the Listing Regulations, 2015

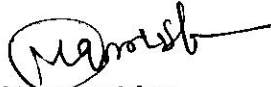
This is to inform you that the 31st Annual General Meeting (AGM) of the Gaurav Mercantiles Limited was held on Friday, 30th September, 2016 at 310, Gokul Arcade, B, Subhash Road, Vile Parle – East, Mumbai-400 057.

Further, please find herewith enclosed the Annual Report for the financial year 2015-2016 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013

You are requested to kindly take the same on your record.

Yours faithfully,

Gaurav Mercantiles Limited



Mamta Mishra
Company Secretary

Encl: As above



GAURAV MERCANTILES LTD.



**31st ANNUAL REPORT
2015 - 2016**

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BOARD OF DIRECTORS:-

Mr. Pratap Singh Bohra -Director
Mr. Kamal Singh Baid - Independent Director
Mr. Tarun Pratap Bohra - Director
Mr. Jagdishchandra Hansraj Ghumara - Independent Director
Mr. Dilip Trilokchand Bohra - Whole-time Director
Mrs. Rachana Tiwari - Independent Director

COMPANY SECRETARY

Ms. Mamta Mishra (w.e.f 28th May, 2016)
Mr. Subhash J. Purohit (resigned w.e.f 14th February, 2016)

STATUTORY AUDITOR:-

M/s. G.P. Agrawal & Co.
Chartered Accountants
Mumbai

BANKERS:-

Oriental Bank of Commerce
Kotak Mahindra Bank

REGISTRAR AND SHARE TRANSFER AGENTS:-

M/s. System Support Services

Gala No. 209, Shivai industrial Estate, Andheri Kurla Road,
Sakinaka, Andheri (East), Mumbai – 400 072,
Tel. No. 28500835, Email: syss72@yahoo.com
Website: www.sysss.com

REGISTERED OFFICE:-

Gaurav Mercantiles Limited,
310 Gokul Arcade-B, Subhash Road
Vile Parle (East), Mumbai 400 057
Phone No. 022 – 65726780 Fax No. 6694 9916,
Email: cs@gmlmumbai.com
Website: www.gmlmumbai.com

GAURAV MERCANTILES LIMITED

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of **GAURAV MERCANTILES LIMITED** (CIN: L74130MH1985PLC176592) will be held on Friday, the 30th day of September, 2016 at 3.00 PM at 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai - 400 057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016, together with the Reports of the Board of Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. Pratap Singh Bohra (DIN: 00122472) who retires by Rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors of the Company and their remuneration fixed at the Twenty Ninth Annual General Meeting of the Company held on September 30, 2014 and in this regard to consider if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the first proviso to section 139(1) of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the appointment of M/s. G. P. Agrawal & Co., Chartered Accountants (Firm Registration No. 302082E) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company to be held for the F.Y ended 31.03.2016 on such remuneration as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 if applicable (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), a new set of Articles of Association be and is hereby approved and adopted as the “Articles of Association” of the Company in total exclusion, substitution and supersession of the existing Articles of Association of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

“RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and article of association of the Company, subject to the consent of the members of the Company, the approval of board members be and is hereby accorded to borrow any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether, movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 15,00,00,000/- (Rupees Fifteen Crores only).”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

RESOLVED THAT pursuant to provision of section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the consent of the members of the Company, the approval of board members be and is hereby accorded for creation of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any indian rupee or foreign currency loans, debentures, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of Rs. 15,00,00,000/- (Rupees Fifteen Crore only) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, Company, insurer or to the general public.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

7. To obtain Members’ approval under Section 186 and in that regard to consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

“**RESLOVED THAT** subject to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to (a) give any loan to anybody corporate(s)/ person(s); (b) give any guarantee or provide security in connection with a loan to anybody corporate(s)/ person(s); and (c) acquire by way of subscription, purchase or otherwise, securities of anybody corporate(s) up to an aggregate amount not exceeding Rs. 15 Crores outstanding at any point of time on such terms and conditions as the Board may think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

Regd. Office:
310, Gokul Arcade-B
Subhash Road, Vile Parle (E),
Mumbai – 400 057

By Order of the Board
For **Gaurav Mercantiles Limited**

Date: 2nd September, 2016
Place: Mumbai

Mamta Mishra
Company Secretary

Notes:

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

GAURAV MERCANTILES LIMITED

The instrument(s) appointing the proxy, if any, shall be deposited at the registered office of the Company 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai – 400 057 not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.

A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than Ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 23.09.2016 to Friday 30.09.2016 (both days inclusive) in connection with the Annual General Meeting.
4. Members are requested to intimate the Registrar and Share Transfer Agent of the Company – System Support Services, Gala No. 209, Shivai industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
5. 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 Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrars and Share Transfer Agent of the Company.
7. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. Accordingly, as a part of the Green Initiative, electronic copy of the Annual Report for FY 2015-16 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 physical copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the physical copies of Annual Report is being sent through permitted mode to all other members who have not registered their email address (es). Members may also note that the Annual Report for FY 2015-16 will also be available on the Company's website www.gmlmumbai.com for download.
8. The Company is providing facility for voting by electronic means. The business set out in the Notice can be transacted through such voting. The facility for voting through polling paper would also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting.
9. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
10. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to System Support Services a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
11. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, Members have been provided with the facility to cast their vote electronically through the e-voting services provided by System Support Services, on all resolutions set forth in this Notice.

Notice of the 31st Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the

same. For members who have not registered their email address, physical copies of the Notice of the 31st Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The instructions for e-voting are as under:

- (i) The e-voting period commences on, Tuesday, 27th September, 2016 (10:00 am IST) and ends on Thursday 29th September, 2016 (5:00 pm IST), the cut-off date of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by System Support Services for voting thereafter. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “Gaurav Mercantiles Limited” from the drop down menu and click on “SUBMIT”
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to enter default PAN No SYSSS1234G
DOB #	Enter the Date of Birth as recorded in your demat account maintained with the DP registered with CDSL.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or with the company, otherwise enter account no as SYSSUP123

Please enter any one of the details in order to login.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the relevant EVSN for “Gaurav Mercantiles Limited” on which you choose to vote.
- (xiii) 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.

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- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) A person whose name is recorded in the register of members as on the cut-off date i.e. Friday 23rd September, 2016 only shall be entitled to avail the facility of e-voting /Poll.
- (xx) The results of e-voting will be placed by the company on its website www.gmlmumbai.com Within 2 days of AGM and also communicated to the stock exchanges where the share of the company are listed. The resolution proposed will be deemed to have been passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
- (xxi) Mr. Mukesh Saraswat, Practising Company Secretaries, (Membership No. A28618) has been appointed as the scrutinizer to scrutinize the e-voting process.
- (xxii) **Note for Institutional Shareholders**
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
13. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company’s Registered Office at 310, Gokul Arcade B, Subhas Road, Vile parle (E), Mumbai- 400057 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
14. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
15. Route map giving directions to the venue is annexed to this Notice.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The existing regulations of Articles of Association (AoA) are based on the erstwhile Companies Act, 1956. With the coming into force of the new Companies Act, 2013 with effect from 1st April, 2014, various clauses in the existing Articles of Association necessitate amendment and/or alteration in order to incorporate inter-se, various new provisions and rules framed under new Act and hence it is proposed to wholly replace the existing Articles of Association by new set of Articles.

The new Articles of Association is based on Table F of the Companies Act, 2013 which sets out model Articles of Association for a Company limited by shares.

As per the provisions of Section 14 of the Companies Act, 2013, alteration in Articles of Association of the Company require prior approval of the shareholders of the Company by the way of a Special Resolution.

Your Board recommends passing of this Special resolution for adoption of a new set of Articles of Association.

None of Directors, Key Managerial Personnel, or their Relatives is concerned or interested in the above resolution except to the extent of shares that they may be holding in the share capital of the Company.

Accordingly, the resolution has been put up for your approval.

Item No. 5 & 6

The Companies Act, 2013 has been notified to become effective from April 01, 2014. The provisions of the Section 180 (1)(c) of the Companies Act, 2013 provides that the board of directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Company by way of a special resolution.

It is, therefore, proposed to seek the approval of the shareholders to borrow (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) up to a limit of Rs. 15,00,00,000/- (Rupees Fifteen Crores only) by way of special resolution.

Similarly, pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules laid there under, consent of the shareholders by way of special resolution is require along with the approval of the Board of Directors to create mortgage/ charge/lien in order, over the present or future assets/movable/ immovable properties of the Company to secure the borrowings up to a limit of Rs. 15,00,00,000/- (Fifteen Crores only).

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 & 6 of the Notice.

The Board recommends these resolutions for approval by the members of the Company.

None of the Directors of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 and 6

Accordingly, the resolution has been put up for your approval.

Item No. 7

As per Section 186 of the Companies Act, 2013, the Board of Directors of a Company has been permitted to advance loans, give guarantees, provide securities and to make investments in the securities of other bodies corporate to the extent of 60% of Company's paid-up share capital and free reserves and securities premium account or 100% of Company's free reserves and securities premium account, whichever is higher.

GAURAV MERCANTILES LIMITED

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the members of the Company is required by way of a special resolution.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, the Company hereby seeks your approval by way of a special resolution for an authority to make loans, investments or provide guarantees or security to other body corporate(s) and other person(s) over a period of time up to an aggregate limit of Rs. 15 Crores outstanding at any point of time.

None of the Directors of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

Accordingly, the resolution has been put up for your approval.

Regd. Office:

310, Gokul Arcade-B
Subhash Road, Vile Parle (E),
Mumbai – 400 057

Date: 2nd September, 2016
Place: Mumbai

By Order of the Board
For **Gaurav Mercantiles Limited**

Mamta Mishra
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 31st Annual Report on the business and operations of your Company for the year ended 31st March, 2016 together with the audited accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS:

The financial results of the Company are summarized as under:

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Income:		
Revenue from Operations	-	7,723,007
Other Income	4,191,645	5,427,062
Total Revenue (A)	4,191,645	13,150,069
Expenditure:		
Cost of Materials Consumed	-	7,395,924
Changes in Inventories of Finished goods	-	-
Employee Benefits Expenses	1,085,625	894,420
Finance Costs	39,452	16
Depreciation and Amortization Expenses	572,482	606,781
Operating & Other Expenses	1,673,618	1,990,776
Total Expenses (B)	3,371,177	10,887,917
Profit Before Tax (A-B)	820,468	2,262,152
Tax Expenses:		
(1) Current Tax	197,626	430,813
(2) Deferred Tax	(123,501)	(124,770)
Profit for the year	746,344	1,956,109
Appropriated as under:		
Dividend proposed	-	-
Tax on Proposed Dividend	-	-
General Reserve	-	-
Balance carried to Balance sheet	746,344	1,956,109
Earnings per Equity Share		
(1) Basic	0.37	0.98
(2) Diluted	0.37	0.98

DIVIDEND:

The Directors have decided not to recommend any dividend for the year, so as to create sufficient reserves for future expansion of the Company.

RESERVES:

The Company has not created any specific reserve for the year under review.

GAURAV MERCANTILES LIMITED

OPERATIONS:

During the year under review, the company has not carried any business and the total income was Rs.41.92 lakh. After accounting for expenses, the Company has earned a net profit of Rs.7.46 lakh during the year under review as against a profit of Rs.19.56 lakh in previous year. Your Directors hope to do better and starts its operations in the current year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company is engaged in the business of ship breaking activities for several years. However, there has been no change in the business of the Company during the financial year ended 31st March, 2016.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Pratap Singh Bohra (DIN: 00122472), retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment. The Board of Directors recommends his appointment.

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.

However, Subhash J. Purohit, the Company Secretary & Compliance officer of the Company has resigned on w.e.f. 14th February, 2016 and in place of him Ms. Mamta Mishra has been appointed w.e.f 28th May, 2016.

BOARD MEETINGS:

During the financial year Six (6) Board Meeting were convened i.e. 28.05.2015, 23.07.2015, 14.08.2015, 13.10.2015, 13.11.2015 and 12.02.2016. The intervening gap between the Meeting was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (listing Obligation and Disclosure Requirements) Regulation, 2015.

BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

CONSOLIDATED FINANCIAL STATEMENTS

Your Company doesn't have any subsidiaries. Therefore, compliance of preparing Consolidated financial statement for the F. Y. 2015-16 does not arise.

SHARE CAPITAL:

The paid up equity share capital as on March 31, 2016 was Rs. 2,00,00,000/- (Rupees Two Crores Only) comprising 20,00,000 equity share of Rs. 10 each. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity hence, there was no change in the Company's share capital during the year under review.

DEPOSITS:

During the financial year your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are annexed herewith as Annexure "A". However, the Company has not given any guarantees during the year under review.

INTERNAL FINANCIAL CONTROL:

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to company's corporate governance framework. Some significant features of internal control system are:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the company.

- !• Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- !• Ensuring the integrity of the accounting system; proper and authorised recording and reporting of all transactions.
- !• Ensuring reliability of all financial and operational information.

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This framework provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The framework ensures that the Company has policies and procedures for ensuring orderly and efficient conduct of the business, safeguarding of assets of the Company, prevention and detection offrauds, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Company has also developed and implemented a framework for ensuring internal controls over financial reporting. There have been no significant changes in the Company's internal financial controls during the year.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provision of section 135 is not applicable to the company. Hence, the compliance of the same does not arise.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, are as follows:

a) Conservation of Energy-NOT APPLICABLE

(i)	the steps taken or impact on conservation of energy	
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	

b) Technology absorption – NOT APPLICABLE

(i)	the efforts made towards technology absorption	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

c) Foreign exchange earnings and Outgo:

Foreign exchange Earnings – NIL

Foreign exchange Outgo – Rs. 359722 (Pervious year: Nil)

(Travelling Expenses)

INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

GAURAV MERCANTILES LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134 sub section 3(c) and sub-section 5 of the Companies Act, 2013, your Directors hereby would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2016 and of the Company's profit or loss for the year ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual financial statements have been prepared on a going concern basis.
- v) That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS:

There were no material Related Party Transactions entered during the FY 2015-16. The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website www.gmlmumbai.com. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

SUBSIDIARY//JOINT VENTURES AND ASSOCIATE :

The Company does not have any Subsidiary, Joint Venture or Associate Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. The Board of Directors comprises of 6 Directors, including 1 woman director as on 31st March, 2016. The number of Independent Directors is 3, which is one half of the total number of Directors. The policy of the Company on directors' appointment, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination Policy read with Company's policy on appointment/reappointment of Independent Directors.

INDEPENDENT DIRECTORS DECLARATION:

The Company has received the necessary declaration from all Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 as well as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules, Regulations or amendments made there under respectively.

INDIAN ACCOUNTING STANDARDS (IND AS)

As per the roadmap announced by the Ministry of Corporate affairs, the Company will comply with the new Accounting Standards, IND AS in preparation of its financial statements for accounting periods beginning on April 1, 2016, along with the comparatives for the period ending March 31, 2016. Hence the Company would prepare and report results/ financial statements under INDAS from April 1, 2016,

CORPORATE GOVERNANCE

In pursuant to Regulation 15 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of - (a) the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees

twenty five crore, as on the last day of the previous financial year. Therefore a report on the Corporate Governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof are not given as an annexure to this report.

PARTICULARS OF EMPLOYEES

Pursuant to Section 197(12) read with Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there is no such employees drawing salary of Rs. 500,000/- or more per month.

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. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2015-16.

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any. Vigil Mechanism Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Details of the same is available on the company's website: www.gmlmumbai.com

RISK MANAGEMENT POLICY

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders interest, to achieve its business objectives and enable sustainable growth. The Company has laid down a comprehensive Risk Assessment and Minimization Strategy which is reviewed by the Board from time to time. These Strategies are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance. The Policy is available on the company's website: www.gmlmumbai.com

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The Board of Directors and the designated employees have confirmed compliance with the Code.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant or material orders passed by the Regulators/ Courts/ Tribunals which could impact the going concern status of the Company and its future operations.

AUDITORS AND AUDITOR'S REPORT

1. STATUTORY AUDITORS

At the Company's 29th Annual General Meeting (AGM) held on September 30, 2014, M/s. G. P. Agrawal & Co., Chartered Accountants (Firm Registration No. 302082E), Mumbai, were appointed as the Company's Statutory Auditors from the conclusion of the 29th AGM till the conclusion of the 34th AGM of the Company to be held in the year 2019. In terms of Section 139 (1) of the Companies Act, 2013, the appointment of the statutory auditors to hold office from the conclusion of this AGM until the conclusion of next AGM, is placed for your ratification. The Auditors Report to the shareholders for the year under review does not contain any qualification. No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report. The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory

GAURAV MERCANTILES LIMITED

and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

2. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. M.K Saraswat & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed herewith as Annexure "B".

The following qualifications were observed by the Secretarial Auditor in their Report to which the Board has shared the following explanations:

Qualification 1: Non appointment of CFO as at 31st March 2016.

Response: In complying with the provisions of Section 203 of the Companies Act 2013 regarding appointment of CFO, your company is in the process of identifying a suitable person.

Qualification 2: The Company had not paid Sitting Fees to Directors as per AOA of the Company.

Response: Due to inadvertence, sitting fees was not paid to the Directors for attending Board Meetings and Committee Meeting. There has been no malafide intention in not paying the sitting fees to the Directors. However, the Company has taken steps to pay the sitting fees to all the Directors in toto.

EXTRACT OF ANNUAL RETURN:

In accordance with the provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT-9 is annexed (Annexure "C") hereto and forms a part of this report.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report

OTHER DISCLOSURES / REPORTING

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government, the financial institutions, banks and the shareholders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company

For and on behalf of the Board of Directors

Place: Mumbai

Date: 28th May, 2016

Pratap Singh Bohra
Chairman

DIN: 00122472

4 Devpark, Smt Manikbai Patil Marg,
Juhu Mumbai - 400049

ANNEXURE-"A"

Loans & Advances (Asset)

Particulars	Opening Balance	Transactions		Closing Balance
		Payments	Received	
ANWIN BUILDING TECHNOLOGIES PVT. LTD.	7331392.00 Dr	743905.00	7784818.00	290479.00 Dr
CRYSTAL IMPEX LTD.	4200000.00 Dr	5148385.00	9348385.00	0.00
KEVAL VISION CORPORATION	0.00	43400822.00	30090082.00	13310740.00 Dr
NATIONAL BUILDING CORPORATION	0.00	4029589.00	4029589.00	0.00
REZCOM REALTY PVT. LTD.	0.00	10000000.00	0.00	10000000.00 Dr
SAHIL PACKAGING	0.00	1581986.00	1581986.00	0.00
SIMMI ENTERPRISE	5072493.00 Dr	40305521.00	45378014.00	0.00
SPECTRA MOTORS LTD.	0.00	10035507.00	10035507.00	0.00
SPECTRAWORLD HOUSING AND INFRA LLP	0.00	10000000.00	10000000.00	0.00
S R BUILDCON PVT. LTD.	2287014.00 Dr	157151.00	2444165.00	0.00
S R TRADEX PVT. LTD.	20498000.00 Dr	1052548.00	21550548.00	0.00
Grand Total	39388899.00 Dr	126455414.00	142243094.00	23601219.00 Dr

Investments

Particulars	Opening Balance	Transactions		Closing Balance
		Payments	Received	
HARPRATAP STEEL LTD	20000.00 Dr	0.00	0.00	20000.00 Dr
KAMANWALA HOUSING CONSTRUCTION LTD.	55215.00 Dr	0.00	0.00	55215.00 Dr
MARINITE POLYCAST LTD	15000.00 Dr	0.00	0.00	15000.00 Dr
NAGARJUNA FERT. AND CHEM. LTD. FV Re1	3300.00 Dr	0.00	0.00	3300.00 Dr
PRUDENTIAL MOULI SUGARS LTD	76000.00 Dr	0.00	0.00	76000.00 Dr
REZCOM REALTY P. LTD.	10000000.00 Dr	0.00	10000000.00	0.00
VADILAL DAIRY INTERNA. LTD	6000.00 Dr	0.00	0.00	6000.00 Dr
Grand Total	10175515.00 Dr		10000000.00	175515.00 Dr

For and on behalf of the Board of Directors

Place: Mumbai

Date: 28th May, 2016

Pratap Singh Bohra
Chairman
DIN: 00122472
4 Devpark, Smt Manikbai Patil Marg
Juhu Mumbai - 400049

GAURAV MERCANTILES LIMITED

Annexure B to Boards Report

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2016

(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,

M/S. Gaurav Mercantiles Limited
310, Gokul Arcade B, Subhash Road,
Vile Parle (E), Mumbai – 400 057

CIN : L74130MH1985PLC176592
Authorised Capital: 10,00,00,000
Paid up Capital : 2,00,00,000

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. Gaurav Mercantiles Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Based on our verification of the Company's secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 (audit Period), complied with all 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:

We have examined the secretarial records, documents books, papers, minute books, forms and returns filed and other records maintained by M/S. Gaurav Mercantiles Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(effective from 1st December, 2015) and; Company has made application for equity listing and have complied with the requirements under SEBI (LODR) entered into with BSE Limited and got listed on 18th December, 2015.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable as the Company has not issued and listed any Debt Securities during the Financial year under review]
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and the Company has made Delisting application to Delhi Stock Exchange
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable as the Company has not brought back/ proposed to buy-back during the Financial year under review]
 - (i) Payment of Gratuity Act, 1972, and rules made there under
- (vi) The Management has identified and confirmed the following laws as specially applicable to the Company,
- (j) The Minimum Wages Act, 1948, and rules made there under,
 - (k) The Payment of Bonus Act, 1965, and rules made there under,

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and SEBI (LODR) Regulation, 2015.

The Company has filed all the forms and returns as required under the Companies Act, 2013 and is generally regular in filing the forms and returns within the prescribed time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above with respect to the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report and subject to following laws as they are Specifically not applicable to the Company.

- (a) Factories Act, 1948
- (b) Payment Of Wages Act, 1936, and rules made there under,
- (c) Employees' State Insurance Act, 1948, and rules made there under,
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (e) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (f) Food Safety and Standards Act, 2006, and rules made there under.

During the period under audit the Company has complied with the provisions of the Act, Rules, Regulations, guidelines as mentioned above subject to the following as mentioned below:

GAURAV MERCANTILES LIMITED

- i. We observe that the Company has not appointed the key managerial position of Chief Financial Officer (CFO) during the financial year as per the provisions of Section 203(1) of the Companies Act, 2013, however, the Company has in process to appointment of Chief Financial Officer (CFO);
- ii. The Company had not paid Sitting Fees to Directors as per requirement of Article of Association of the Company.

We further report that the Compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaning participation at the meeting.

The decisions carried through are recorded in the minutes. We did not find any dissenting views recorded in the minutes. It was informed to us that, in absence of any such dissenting views it was not required to record any such views in the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has requisite systems and processes to monitor and ensure compliance with other laws as applicable to the Company.

We further report that during the audit period the Company has following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (1) Company have complied with the requirements under SEBI (LODR) for Equity Listing entered into with BSE Limited.
- (2) The Company has filed the suit against Mehta Developers with respect to Company's property under the control of Mehta Developers as per view of management of the Company.

Mumbai
28.05.2016

Mukesh K. Sarswat
Practising Company Secretary
COP No. :10856

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,

M/S. Gaurav Mercantiles Limited
310, Gokul Arcade B, Subhash Road,
Vile Parle (E), Mumbai – 400 057

Our report of even date is to be read along with this letter.

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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Mumbai
28.05.2016

Mukesh K. Sarswat
Practising Company Secretary
COP No. :10856

GAURAV MERCANTILES LIMITED

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

ANNEXURE "C"

I. REGISTRATION & OTHER DETAILS:

1	CIN	L74130MH1985PLC176592
2	Registration Date	31/05/1985
3	Name of the Company	GAURAV MERCANTILES LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	310 GOKUL ARCADE-B,SUBHASH ROAD, VILE PARLE-E,MUMBAI-400057.
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S SYSTEM SUPPORT SERVICES , Gala No-209, Shivai Industrial Estate,Andheri -Kurla Road, Saki Naka,Andheri East, Mumbai-400 072.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NIL		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	"% of shareheld"	"Applicable Section"
1	NOT APPLICABLE	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

	Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2015]"				"No. of Shares held at the end of the year [As on 31-March-2016]"				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	(1) Indian									
	a) Individual/ HUF	1,106,900	221,400	1,328,300	66.41%	1,314,300	14,000	1,328,300	66.41%	0.00%
	b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) Bodies Corp.	1,200	-	1,200	0.00%	1,200	-	1,200	0.00%	0.00%
	e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
	f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub Total (A) (1)	1,108,100	221,400	1,329,500	66.41%	1,315,500	14,000	1,329,500	66.41%	0.00%
	(2) Foreign									
	a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	TOTAL (A)	1,108,100	221,400	1,329,500	66.41%	1,315,500	14,000	1,329,500	66.41%	0.00%
B.	Public Shareholding									
	1. Institutions									
	a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
	c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
	d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
	g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
	h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
	i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
	2. Non-Institutions									
	a) Bodies Corp.									
	i) Indian	70,200	-	70,200	3.51%	70,230	-	70,230	3.51%	0.04%
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	62,300	403,350	465,650	23.28%	80,555	359,200	439,755	21.99%	-5.56%
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	64,750	69,900	134,650	6.73%	90,615	69,900	160,515	8.02%	19.21%
	c) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
	Sub-total (B)(2):-	197,250	473,250	670,500	33.52%	241,400	429,100	670,500	33.52%	0.00%
	Total Public (B)	197,250	473,250	670,500	33.52%	241,400	429,100	670,500	33.52%	0.00%
	C. Shares held by Custodian for GDRs & ADRs									
		-	-	-	0.00%	-	-	-	0.00%	0.00%
	Grand Total (A+B+C)	1,305,350	694,650	2,000,000	100%	1,556,900	443,100	2,000,000	100%	0.00%

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(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total	
1	BOHRA EXPORTS (P) LTD	1200	0.00%	0	1200	0.00%	0	0.00%
2	GULAB DEVI BOHRA	12400	.62%	0	12400	.62%	0	0.00%
3	NIKHIL BOHRA	195000	9.75%	0	195000	9.75%	0	0.00%
4	PRATAP SINGH BOHRA	566900	28.34%	0	566900	28.34%	0	0.00%
5	TARUN BOHRA	195000	9.75%	0	195000	9.75%	0	0.00%
6	TRILOK CHAND BOHRA	14000	.7%	0	14000	.7%	0	0.00%
7	VIVEK P. BOHRA	345000	17.25%	0	345000	17.25%	0	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	NA	NA	NA	0.00%	NA	0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	TRIACE INFRASTRUCTURE PVT. LTD						
	At the beginning of the year	1/4/2015		70,200	3.51%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		70,200	3.51%	-	0.00%
2	ARUN MANDAVIYA						
	At the beginning of the year	1/4/2015		18,200	0.91%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		18,200	0.91%	-	0.00%

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SN	Shareholding of each Directors and each Key	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	SANJAY KUMAR MUTHA						
	At the beginning of the year	1/4/2015		15,450	0.77%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		15,450	0.77%	-	0.00%
4	ARUN MANDAVIYA - HUF						
	At the beginning of the year	1/4/2015		12,600	0.63%	-	0.00%
	Changes during the year	30/2014	Transfer	2,400	0.12%	-	0.00%
	At the end of the year	31/3/2016		15,000	0.75%	-	0.00%
5	NEERAJ GARG						
	At the beginning of the year	1/4/2015		14,500	0.73%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		14,500	0.73%	-	0.00%
6	KRISHAN KUMAR NAGPAL						
	At the beginning of the year	1/4/2015		14,000	0.70%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		14,000	0.70%	-	0.00%
7	SHAH SATISH CHUNGILAL						
	At the beginning of the year	1/4/2015		14,000	0.70%	-	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31/3/2016		14,000	0.70%	-	0.00%
8	HIMANSHU R BHOSLE						
	At the beginning of the year	1/4/2015		13,000	0.65%	-	0.00%
	Changes during the year				-	-	0.00%
	At the end of the year	31/3/2016		13,000	0.65%	-	0.00%
9	TRUPTI MANDAVIYA						
	At the beginning of the year	1/4/2015		12,600	0.63%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/3/2016		12,600	0.63%	-	0.00%
10	RUCHI SHYAMSUNDER SHARMA						
	At the beginning of the year	1/4/2015	Transfer	12,250	0.61%	-	0.00%
	Changes during the year	20/01/2016		50	-	-	0.00%
		22/01/2016		10	-	-	0.00%
		15/02/2016		5	-	-	0.00%
		16/02/2016		10	-	-	0.00%
		17/02/2016		10	0.00%	-	0.00%
	At the end of the year	31/3/2016	12,165	0.61%	-	0.00%	

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(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Pratap Singh Bohra						
	At the beginning of the year	1/4/2015		566,900	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	
	At the end of the year	31/3/2016		566,900	0.00%	-	0.00%
2	Kamal Singh Baid						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year			-	-	-	0.00%
	At the end of the year	31/3/2016		-	0.00%	-	0.00%
3	Tarun Pratap Bohra						
	At the beginning of the year	1/4/2015		195,000	0.00%	-	0.00%
	Changes during the year		0	-	0.00%	-	0.00%
	At the end of the year	31/3/2016		195,000	0.00%	-	0.00%
4	Jagdishchandra Ghumara						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year		0	-	0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%	-	0.00%
5	Rachana Tiwari						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year		0	-	0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%	-	0.00%
6	Dilip Trilokchand Bohra						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year		0	-	0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%	-	0.00%
7	Subhash J. Purohit						
	At the beginning of the year	1/4/2015		-	0.00%	-	0.00%
	Changes during the year		0	-	0.00%	-	0.00%
	At the end of the year	31/3/2016		-	0.00%	-	0.00%

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	-
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	-	Nil	-
Change in Indebtedness during the financial year				
* Addition	Nil	-	Nil	-
* Reduction	Nil	Nil	Nil	Nil
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	-
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	-	Nil	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Dilip Trilokchand Bohra	(Rs/Lac)
	Designation	Whole Time Director	
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	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

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B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors	Kamal Singh Baid	Jagdishchandra Ghumara	Rachana Tiwari	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Tarun Pratap Bohra	Pratap Singh Bohra		-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name			
				Subhash Jhavarilal Purohit,	
		CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			67,258.00	67,258.00
	(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	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	67,258.00	67,258.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties or punishment has been levied by authority

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai

Date: 28th May, 2016

Pratap Singh Bohra
 Chairman
 DIN: 00122472
 4 Devpark, Smt Manikbai Patil Marg
 Juhu Mumbai - 400049

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Management Discussion and Analysis Report (MDAR) for the year ended 31st March, 2016

– Industry structure and developments

Indian economy is going through a period of rapid 'financial liberalisation'. Today, the 'intermediation' is being conducted by a wide range of financial institutions through a plethora of customer friendly financial products.

Over the years, our company has built a strong presence in the market through its cumulative experience, strong distribution network as well as sound systems and processes.

– Opportunities and threats

Gaurav Mercantiles Limited was earlier engaged in ship breaking, trading and investment. However, with the liberalization of imports, the trading activities were marginalized. The investment portfolio of the Company is also being diluted. Therefore, the company has been concentrating on ship breaking activities for several years now. However, we now propose to diversify to purchase of old factories for dismantling and sale thereof, as mentioned above also. From time to time, we may even undertake import and local trading of scrap and coal, as mentioned above, though this activity has not yet been commenced by us. The same is expected to push up the level of our operations as well as the operating results sizably.

– Segment-wise or product-wise performance

During the year under review, Company has not carried out any business.

– Outlook

The presence of a stable government at the centre will be a major catalyst in taking major decisions which would push forward the pace of reforms and thereby directly improving the macro-economic environment. It is now being forecasted that in the near future, the Indian economy will become the fastest growing emerging market.

The Government is looking at easing investment conditions in India and focusing on project clearances. Also, year 2017 is expected to see a rush of foreign direct investments (FDI) coming into India supported by FII inflows, thanks to liberalising the defence, insurance and construction sectors.

– Risks and areas of concern

Our strength is our determination and team work, weakness is the low equity base, opportunities are multiples and threats are the vibrations in the economy and government policies.

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts.

– Internal control systems and their adequacy

The Company has carried out the internal audit in-house and has ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective. All these measures are continuously reviewed by the management and as and when necessary improvements are effected.

– Discussion on financial performance with respect to operational performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India.

– Material developments in human resources/industrial relations front, including number of people employed.

The company had sufficient numbers of employees at its administrative office. The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company enjoyed excellent relationship with workers and staff during the last year.

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Independent Auditors' Report

To the Members of Gaurav Mercantiles Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Gaurav Mercantiles Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 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 these 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 these 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 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 the 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. An audit also includes evaluating the appropriateness of the 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows 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 section 143(11) 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:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. 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.
 - iii. 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.

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- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors as at 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- vii. 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:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Pradeep Samal)
Partner
Membership No. 61353

Place of Signature: Mumbai
Date: 28th May, 2016

"ANNEXURE A" TO THE AUDITOR'S REPORT

Statement referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Gaurav Mercantile Limited on the financial statements for the year ended 31st March, 2016.

- (I) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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) As explained to us, the company does not have any inventory in the current financial year. As there is no inventory of the company during the year, the procedures of physical verification of inventories is not applicable to the company.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii)(b) of paragraph 3 of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of loans granted and investments.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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- (vii) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employee's state insurance, income tax, TDS, wealth tax, custom duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed arrears of statutory dues which was outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) The According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, cess which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or taken any term loan during the year. Hence, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (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 year.
- (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, the Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order are not applicable to the Company.
- (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 give 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 them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Pradeep Samal)
Partner
Membership No. 61353

Place of Signature: Mumbai
Date: 28th May, 2016

"Annexure B" to the Independent Auditor's Report of Even Date on the Financial Statements of Gaurav Mercantiles Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gaurav Mercantiles Limited ("the Company") as of March 31, 2016 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

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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 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, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 auditor’s judgement, 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.

“Annexure B” to the Independent Auditor's Report (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 ICAI.

**For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. - 302082E**

**(CA. Pradeep Samal)
Partner
Membership No. 61353**

**Place of Signature: Mumbai
Date: 28th May, 2016**

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

Particulars	Note No.	As on 31st March, 2016	As on 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	20,000,000	20,000,000
(b) Reserves and surplus	2	32,725,040	31,978,697
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities (Net)	3	140,760	264,261
(c) Other Long term liabilities	4	60,037	53,197
(d) Long Term Provisions		-	-
4 Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	5	58,147	47,629
(d) Short Term Provisions	6	14,578	33,908
TOTAL		52,998,562	52,377,691
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	7	419,310	1,334,790
(ii) Intangible assets		-	-
(b) Non-current investments	8	175,515	10,175,515
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	9	1,490,857	1,138,912
2 Current assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	10	-	-
(d) Cash and cash equivalents	11	27,161,271	193,591
(e) Short-term loans and advances	12	23,609,219	39,432,899
(f) Other current assets	13	142,390	101,984
TOTAL		52,998,562	52,377,691

Significant Accounting Policies and Notes to Financial Statements 1 to 21

The accompanying Significant Accounting Policies and Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached

For G. P. Agrawal & Co.

Chartered Accountants

For and on behalf of the Board of Directors

CA Pradeep Samal
Partner
Membership No. 061353
Firm Reg. No. 302082E

Pratap Singh Bohra
Director
DIN 00122472

Dilip Trilokchand Bohra
Director
DIN 00286811

Place: Mumbai
Date : 28th May, 2016

GAURAV MERCANTILES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in Rs.)

Particulars	Refer Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I Revenue from operations	14	-	7,723,007
II Other income	15	4,191,645	5,427,062
III Total Revenue (I + II)		4,191,645	13,150,069
IV Expenses:			
Cost of materials consumed	16	-	7,395,924
Changes in inventories of finished goods		-	-
Employee benefits expense	17	1,085,625	894,420
Finance costs	18	39,452	16
Depreciation and amortization expense	7	572,482	606,781
Operating & Other expenses	19	1,673,618	1,990,776
Total expenses		3,371,177	10,887,917
V Profit before exceptional and extraordinary items and tax (III-IV)		820,468	2,262,152
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		820,468	2,262,152
VIII Extraordinary Items		-	-
IX Profit before tax (VII- VIII)		820,468	2,262,152
X Tax expense:			
(1) Current tax		197,626	430,813
(2) Deferred tax		(123,501)	(124,770)
XI Profit (Loss) for the period from continuing operations (IX-X)		746,344	1,956,109
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		746,344	1,956,109
XVI Earnings per equity share:			
(1) Basic	20	0.37	0.98
(2) Diluted	20	0.37	0.98
Significant Accounting Policies and Notes to Financial Statements		1 to 21	

The accompanying Significant Accounting Policies and Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached

For G. P. Agrawal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA Pradeep Samal
Partner
Membership No. 061353
Firm Reg. No. 302082E

Pratap Singh Bohra
Director
DIN 00122472

Dilip Trilokchand Bohra
Director
DIN 00286811

Place: Mumbai
Date : 28th May, 2016

Cash Flow Statement For The Year Ended 31st March, 2016

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Cash Flow from operating activities		
Net profit before taxation	820,468	2,262,152
Adjustments for non cash Expenses and Item shown Separately:		
Depreciation	572,482	606,781
Interest Income	(4,134,644)	(3,326,819)
Interest Expense	39,452	16
Dividend income	-	(1,570)
Retirement Benefit (Gratuity)	6,840	11,015
Profit On sale Of investment	-	(1,907,254)
Profit on sale of Fixed Assets	(57,001)	-
Operating Profit before working capital adjustments	(A)	(2,355,679)
Working Capital Adjustments		
(Increase) / Decrease in Trade Receivables	-	2,187,500
(Increase) / Decrease In Inventories	-	-
(Increase) / Decrease in Short Term Loans & Advances	15,823,680	(17,677,445)
(Increase) / Decrease in Long Term Loans & Advances	-	-
(Increase) / Decrease in other Non Current Assets	(351,945)	98,680
(Increase) / Decrease in other current assets	(40,406)	2,812,752
Increase / (Decrease) In Trade Payables & Other Liabilities	10,518	(97,945)
Increase / (Decrease) In Short term Provisions	(19,330)	30,011
Operating Loss After working capital adjustments	(B)	(12,646,447)
Cash from operations (A+B) =	(C)	(15,002,126)
Taxes Paid	(D)	430,813
Deferred Tax		
Net Cash Flows from Operating Activities (C - D) = (E)	12,472,489	(15,432,939)
Cash Flow From Investing Activities		
Sale of Fixed Assets	507,001	-
Sale of Invesments	10,000,000	2,420,444
Interest Received	4,134,644	3,326,819
Dividend Income	-	1,570
Sale of non current investments	-	-
Net Cash Flows from Investing Activities	(F)	5,748,833
Cash from Financing Activities		
Repayment of Short term Borrowings	-	-
Interest Paid	(39,452)	(16)
Net Cash from Financing activities	(G)	(16)
Net Increase/(decrease) in cash & cash equivalents (E+F+G)	26,967,681	(9,684,122)
Cash & cash equivalents at beginning of the period	193,591	9,877,713
Cash & cash equivalents at end of the period	27,161,271	193,591

As per our report of even date attached
For G. P. Agrawal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA Pradeep Samal
Partner
Membership No. 061353
Firm Reg. No. 302082E

Pratap Singh Bohra
Director
DIN 00122472

Dilip Trilokchand Bohra
Director
DIN 00286811

Place: Mumbai
Date : 28th May, 2016

GAURAV MERCANTILES LIMITED

Notes on Financial Statements For The Year Ended 31st March, 2016

Note 1 Share Capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Shares	Rupees	Shares	Rupees
Authorised				
10,000,000 Equity Shares of Rs.10 each (Previous Year 10,000,000 Equity Shares of Rs.10 each)	10000000	100,000,000	10000000	100,000,000
Issued				
2,000,000 Equity Shares of Rs.10 each (Previous Year 2,000,000 Equity Shares of Rs.10 each)	2000000	20,000,000	2000000	20,000,000
Subscribed & Paid up				
2,000,000 Equity Shares of Rs.10 each (Previous Year 2,000,000 Equity Shares of Rs.10 each)	2000000	20,000,000	2000000	20,000,000
Total	2000000	20,000,000	2000000	20,000,000

Note 1 A Share holders holding more than 5 % of total share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Pratap Singh Bohra	566,900	28.35	566,900	28.35
Mr. Nikhil Bohra	195,000	9.75	195,000	9.75
Mr. Vivek Bohra	345,000	17.25	345,000	17.25
Mr. Tarun Bohra	195,000	9.75	195,000	9.75
TOTAL	1,301,900		1,301,900	

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
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Note 2 RESERVES & SURPLUS

a. General Reserves

Opening Balance	20,000,000	20,000,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	20,000,000	20,000,000

b. Surplus

Opening balance	11,978,696	10,071,136
(+) Net Profit/(Net Loss) For the current year	746,344	1,956,109
(-) Depreciation Adjusted as per Schedule II	-	48,549
Closing Balance	12,725,040	11,978,696

Total	32,725,040	31,978,696
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ANNUAL REPORT 2015-2016

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note - 3 Calculation of Deferred Tax Asset / Liability for Financial year 2015-16		
Statement showing deferred tax Asset / (Liability)		
For Fixed Assets		
Depreciation As per Companies Act	572,482	606,781
Depreciation As per Income Tax Act	179,642	214,008
Difference	(392,840)	(392,773)
Gratuity Provision	(6,840)	(11,015)
Total	(399,680)	(403,788)
Tax @ 30%	(119,904)	(121,136)
Add : Surcharge 5%	-	-
Add : Education Cess 3%	(3,597)	(3,634)
Total Tax	(123,501)	(124,770)
Add: Opening Balance	264,261	389,031
TOTAL	140,760	264,261
Note 4 OTHER LONG TERM NON-CURRENT LIABILITIES		
Gratuity Provision	60,037	53,197
TOTAL	60,037	53,197
Note 5 OTHER CURRENT LIABILITIES		
Other payables		
TDS Payable	1,000	1,685
Professional Tax	800	1,000
Trade Payable-Others	56,347	44,944
TOTAL	58,147	47,629
Note: 6 SHORT TERM PROVISION		
Outstanding Expenses	14,578	33,908
TOTAL	14,578	33,908

Note 7 FIXED ASSETS

Fixed Assets	Gross Block		Accumulated Depreciation				Net Block		
	Balance as at 1 April, 2015 Rupees	Additions/ (Disposals) Rupees	Balance as at 31 March, 2016 Rupees	Balance as at 1 April, 2015 Rupees	Depreciation charge for the period Rupees	Adjusted against Retained Rupees	Adjusted against Disposal Rupees	Balance as at 31 March, 2016 Rupees	Balance as at 31 March, 2015 Rupees
a Tangible Assets									
Buildings	732,885	(450,000)	282,885	229,676	10,441	-	107,001	149,769	503,208
Plant and Machinery	253,836	-	253,836	211,784	3,164	-	-	38,888	42,052
Furniture and Fixtures	136,130	-	136,130	94,637	13,353	-	-	28,140	41,493
Vehicles	2,750,206	-	2,750,206	2,088,968	523,727	-	-	137,511	661,238
Office equipment	342,162	-	342,162	328,872	3,099	-	-	10,191	13,290
Electronic Equipment	71,833	-	71,833	16,342	7,980	-	-	47,511	55,491
Air Conditioners	19,000	-	19,000	8,559	3,141	-	-	7,300	10,441
Computers	25,590	-	25,590	18,013	7,577	-	-	-	7,577
Total	4,331,642	(450,000)	3,881,642	2,996,851	572,482	-	107,001	419,310	1,334,790
Previous Year	4,331,642	-	4,331,642	2,341,522	606,781	48,549	-	1,334,790	1,990,120

ANNUAL REPORT 2015-2016

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 8 NON CURRENT INVESTMENTS		
A. Other Investments (Refer B below)		
(a) Investment in Equity instruments	175,515	10,175,515
Total	175,515	10,175,515
Less : Provision for dimunition in the value of Investments	-	-
TOTAL	175,515	10,175,515

Particulars	2016 Rupees	2015 Rupees
Aggregate amount of quoted investments (Market value of Rs.1,87,179/- (Previous Year Rs.1,85,522-))	55,215	55,215
Aggregate amount of unquoted investments	120,300	10,120,300

B Details of Other Investments	No. of Shares		Amount	
	2016	2015	2016	2015
(a) Investement in Equity Instruments				
Quoted (Fully Paid)				
Kamanwala Housing Construction Ltd.	11,043	11,043	55,215	55,215
Unquoted (Fully Paid)				
Har Pratap Steel Ltd.	2,000	2,000	20,000	20,000
Marnite Polycast Ltd.	1,500	1,500	15,000	15,000
Nagarjuna Fertilizers & Chemicals Ltd.	330	330	3,300	3,300
Prudential Moulisugar Ltd.	1,900	1,900	76,000	76,000
Rezcom Realty Pvt.Ltd.	-	1,000,000	-	10,000,000
Vadilal Dairy Int. Ltd.	200	200	6,000	6,000
TOTAL			175,515	10,175,515

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 9 NON CURRENT ASSETS - OTHER		
a. Others		
Unsecured, considered good	1,440,857	1,088,912
b. Other Bank Balances		
Bank deposits with more than 12 months maturity	50,000	50,000
TOTAL	1,490,857	1,138,912

GAURAV MERCANTILES LIMITED

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 10 TRADE RECEIVABLE		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	-	-
Less: Provision for doubtful debts	-	-
TOTAL	<u>-</u>	<u>-</u>
Note 11 CASH & CASH EQUIVALENTS		
a. Balances with banks	2,136,210	162,776
b. Cash on hand	25,061	30,815
c. Deposits with Bank (Maturity With Less than 3 months)	25,000,000	-
TOTAL	<u>27,161,271</u>	<u>193,591</u>
Note 12 SHORT TERM LOANS & ADVANCES		
Others		
Unsecured, considered good	23,609,219	39,432,899
TOTAL	<u>23,609,219</u>	<u>39,432,899</u>
Note 13 OTHER CURRENT ASSETS		
Other Current Assets		
Kotak Securities Ltd	(290)	(35)
Prepaid Expenses	1,329	8,752
Prepaid Profession Tax	4,000	6,000
Interest Accrued but not due	68,435	18,351
Balance with Excise Department	68,916	68,916
TOTAL	<u>142,390</u>	<u>101,984</u>
Note 14 REVENUE FROM OPERATIONS		
Sale of products	-	7,723,007
TOTAL	<u>-</u>	<u>7,723,007</u>
Note 15 OTHER INCOME		
Interest Income	4,134,644	3,326,819
Dividend Income	-	1,570
Profit on sale of Fixed asset	57,001	-
Net gain/loss on sale of Shares - Long Term	-	1,907,254
Share derivatives A/c	-	71,001
Other non-operating income (net of expenses directly attributable to such income)	-	120,418
TOTAL	<u>4,191,645</u>	<u>5,427,062</u>

ANNUAL REPORT 2015-2016

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Note 16 COST OF MATERIALS		
Opening Stock of Raw Material	-	-
Add : Purchases	-	7,395,924
Less : Closing Stock of Raw Material	-	-
TOTAL	-	7,395,924
Note 17 EMPLOYEE BENEFIT EXPENSES		
Salaries and incentives	1,085,625	894,420
TOTAL	1,085,625	894,420
Note 18 FINANCE COSTS		
Interest expenses	39,452	16
TOTAL	39,452	16
Note 19 OPERATING & OTHER EXPENSES		
Operating Expenses	-	-
Sub Total	-	-
Administrative & Other Expenses		
Auditors Remuneration*	28,625	28,090
Advertisement Charges	56,633	38,145
Bank Charges	5,371	3,574
Conveyance Expenses	11,791	29,716
Demat Charges	1,256	2,733
Donation	41,000	46,100
Electricity Charges	39,240	39,615
Filing Fees	32,400	24,640
Gratuity	6,840	11,015
Insurance Expenses	24,636	25,556
Internet Charges	16,789	17,091
Legal & Professional Fees	223,197	252,249
Listing Fee	251,900	578,654
Maintenance Charges	74,392	82,560
Miscellaneous Expenses	5,128	23,093
Motor Car Expenses	157,205	216,541
Office Expenses	920	8,502
Postage & Courier	324	3,752

GAURAV MERCANTILES LIMITED

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Printing & Stationery	19,859	41,414
Profession Tax	2,000	4,500
Rates & Taxes	1,440	1,440
Rent Paid	72,335	64,727
Share Depository Charges	14,991	37,079
Share Registrar Fee	34,003	20,225
Telephone Expenses	57,147	50,968
Travelling Expenses	489,196	336,395
Vat Expenses	5,000	2,403
Sub Total	1,673,618	1,990,776
Selling & Distribution Expenses	-	-
Sub Total	-	-
TOTAL	1,673,618	1,990,776
*Payment to Auditors		
As Auditors		
Statutory Audit Fee	28,625	28,090
TOTAL	28,625	28,090

Note 20 BASIC AND DILUTED EARNINGS PER SHARE

A	Weighted average number of Equity Shares of Rs 10/- each		
	i Number of shares at the end of the year	2,000,000	2,000,000
	ii Weighted average number of Equity Shares outstanding during the year	2,000,000	2,000,000
B	Net Profit available for Equity shareholders (in Rs.)	746,344	1,956,109
C	Earnings per share (EPS)		
	Basic (in Rs.)	0.37	0.98
	Diluted (in Rs.)	0.37	0.98

Note 21. Figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever necessary, to compare with the figures of the current year.

As per our report of even date attached
For G. P. Agrawal & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA Pradeep Samal
Partner
Membership No. 061353
Firm Reg. No. 302082E

Pratap Singh Bohra
Director
DIN 00122472

Dilip Trilokchand Bohra
Director
DIN 00286811

Place: Mumbai
Date : 28th May, 2016

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2016

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2 USE OF ESTIMATE

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

3 REVENUE RECOGNITION

- a. The Company recognizes revenue on the sale of products, net of discounts, when the products are delivered, risks and rewards of ownership pass to the dealer / customer.
- b. Revenues are recognized when collectability of the resulting receivables is reasonably assured.
- c. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
- d. Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

4 FIXED ASSETS & DEPRECIATION:

a. Fixed Assets - Tangibles

Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

b. Depreciation

Depreciation on the fixed assets has been provided on Straight Line Method basis as per the provision of Section 123 of the Companies Act, 2013, and in the manner specified in Schedule II to the Companies Act 2013.

5 IMPAIRMENT OF ASSETS

The Company assesses fixed assets at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the assets belongs, is less than the carrying amount, carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

6 INVESTMENTS:

These are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

GAURAV MERCANTILES LIMITED

7 INVENTORIES:

a. Raw Material

Inventories are valued at cost.

b. Work in Process

Inventories are valued at cost. The cost of work in process comprises of raw material and other direct cost.

8 RETIREMENT BENEFITS:

a. Gratuity

The liability for the gratuity to employee is determined on the basic of independent actuarial valuation and charged to the profit & loss account.

b. Provident Fund

Since Provident Fund is not applicable, no provision for provident fund liability is required.

c. Leave Encashment / Salary

The company is not required to make provision for leave encashment / salary to the employees as the company is making the leave salary payment during the year itself.

9 TAXES ON INCOME

a. Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

b. Deferred Tax

Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability (Net)		
Deferred Tax Liabilities on account of timing difference		
Difference in Depreciation as per Companies & Income Tax	(392,840)	(392,773)
Add: Gratuity Provision	(6,840)	(11,015)
Total	(399,680)	(403,788)
Tax @ 30%	(119,904)	(121,136)
Education Cess	(3,597)	(3,634)
Add: Opening Balance	264,261	389,031
Total	140,760	264,261

10 EARNING PER SHARE (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic & diluted earning per equity shares are as stated below:

Sr. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I	Profit after Taxation as per statement of Profit & Loss	746,344	1,956,109
II	Weighted average no. of Equity Shares outstanding	2,000,000	2,000,000
III	Basic & Diluted earnings per share (Face Value Rs. 100)	0.37	0.98

11 RELATED PARTY DISCLOSURES

During the financial year, there were no related party transactions.

a. Key Management Personnel & their Relatives

- i. Pratap Singh Bohra
- ii. Tarun Bohra
- iii. Dilip Bohra"

12 DETAIL OF MANAGERIAL REMUNERATION

During the financial year, No Remuneration/Sitting fee paid to any directors of company.

13 AUDITOR'S REMUNERATION

Included under office & administrative Expenditure
(Refer Note No. 19)

Particulars	Current Year	Previous Year
Auditors Remuneration (Including S.T.)	28,625	28,090

14 SEGMENT INFORMATION

The company is involved in the business of ship breaking & old machinery dismantling, which is the only business segment of the company. However in the current year, due to lack of business opportunities no ship was purchased for dismantling and the company has earned interest income. Based on guiding principles given in the AS-17 on segment reporting, as specified in the companies (Accounting standards) Rules, 2006, being only business segment, no segment information thereof is given.

- 15 In the opinion of the Management, the Current Assets, Loans & Advances approximately are of the value stated if realized in the ordinary course of business.
- 16 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

17 PROVISIONS & CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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]

Name of the member (s) : _____
Registered address: _____
E-mail ID: _____ Folio No./ D.P. ID. and Client ID** _____

I/We, being a member (s) of _____ Shares of Gaurav Mercantiles Limited, hereby appoint:

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Thirty First Annual General Meeting** of the Company, to be held on **Friday, the 30th day of September, 2016 at 3.00 PM, at 310, Gokul Arcade B, Subhash Road, Vile Parle (E), Mumbai – 400 0571** and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For*	Against*
1	Adoption of the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Pratap Singh Bohra (DIN: 00122472) as a Director.		
3	Ratification of the Appointment of Auditors to hold office from the conclusion of the 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company.		
4	Approval for adoption of the new set of Articles of Association, primarily based on Table F of Schedule I to the Companies Act 2013		
5	Approval for the limit to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company and free reserves of the Company.		
6	Approval for the limit to create charge/mortgage/ hypothecate the assets of the Company in favour of the banks/financial institution in consideration of the loan to be granted by the banks/financial institution.		
7	Approval the limit for aggregate loans and guarantees to any bodies corporate and persons and investment in securities of any bodies corporate exceeds the limits specified under Section 186 of the Companies Act, 2013		

Signed this _____ day of _____, 2016

Notes : 1. Proxy need not be a member.

2. Proxy form, complete in all respects, should reach the Company's Registered Office 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai - 400 057, not less than 48 hours before the scheduled time of the meeting.

** Applicable only in case of investors holding shares in Electronic form.

* Please tick anyone



Signature of Shareholder

GAURAV MERCANTILES LIMITED

Regd. Office: 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai – 400 057

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21 (1) (c) of the Companies (Management and Administrative Rules, 2014)]

BALLOT FORM

- (1) Name and Registered Address of the Sole / First named Shareholder :
- (2) Name(s) of the Joint Holder(s) (if any) :
- (3) Registered Folio No./ DP ID No. and Client ID No.* (*Applicable to investors holding shares in dematerialized form)
- (4) Number of Share(s) held:
- (5) E-voting Event Number(EVEN) :
- (6) Used ID :
- (7) Password :
- (8) I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice dated 2nd August, 2016 of Gaurav Mercantiles Limited, by sending my/our assent or dissent to the said Resolutions by placing the tick() mark at the appropriate box below :

Item No		No. of Shares Resolution	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (Against)
1.	Adoption of the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.			
2.	Re-appointment of M. Pratap Singh Bohra (DIN: 00122472) as a Director			
3.	Ratification of the Appointment of Auditors to hold office from the conclusion of the 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company			
4.	Approval for adoption of the new set of Articles of Association, primarily based on Table F of Schedule I to the Companies Act 2013			
5.	Approval for the limit to borrow and raise such sum or sums of money from time to time as may be required			
6.	Approval for the limit to create charge/mortgage/ hypothecate the assets of the Company in favour of the banks/financial institution in consideration of the loan to be granted by the banks/financial institution			
7.	Approval the limit for aggregate loans and guarantees to any bodies corporate and persons and investment in securities of any bodies corporate exceeds the limits specified under Section 186 of the Companies Act, 2013			

Place : Mumbai

Signature

Date :

INSTRUCTIONS

- A. This Ballot Form is provided for the Members who do not have access to e-voting facility.
- B. A Member can opt for only one mode of voting, i.e., either through e-voting or by Ballot. If a Member casts votes by both modes, then voting one through e-voting shall prevail and Ballot shall be treated as invalid.
- C. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the Annual General Meeting.
- D. The scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the resolutions forming part of the Notice of the Annual General Meeting.

Process and manner for Members opting to vote using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send so as to reach the scrutinizer Mr.Mukesh Kumar Saraswat (Membership No.A28618), Practicing Company Secretary appointed by the board of Directors of M/s Gaurav Mercantiles Limited, 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai – 400 057.
2. The Form should be signed by the Members as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (130A) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted by a proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (I) mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the paid-up equity share capital of the Company and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than the close of working hours (5.00 p.m. IST) on 29th September, 2016. Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
7. A member may request for a duplicate. Ballot Form, if so required. However, duly filled in and signed duplicate form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizers on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with Scrutinizers Report shall be placed on the Central Depositories Securities Limited within two days of the passing of the Resolutions at the AGM of the Company on Friday, the 30th day of September, 2016 at 3.00 pm and communicated to Bombay Stock Exchange Limited, wherever the shares of the company are listed.

ATTENDANCE SLIP
GAURAV MERCANTILES LIMITED

CIN: L74130MH1985PLC176592

Regd. Office: 310, Gokul Arcade-B, Subhash Road, Vile Parle (E), Mumbai – 400 057

(Please fill the attendance slip and hand it over at the entrance of meeting venue.
Joint shareholders may obtain additional attendance slip on request.)

Ref. Folio

DPID* _____

No. of shares held

Client ID _____

I hereby record my presence at the 31st Annual General Meeting of the Company held on Friday, the 30th day of September, 2016 at 3.00 pm. at the Registered Office of the Company: 310, Gokul Arcade – B, Subhash Road, Vile Parle (E), Mumbai- 400 057.

Name of the Shareholder (In Block Letters) :

Signature of Shareholder :

Name of Proxy (In Block Letters) :

Signature of Proxy :



If undelivered please return to

For GAURAV MERCANTILES LIMITED

310, Gokul Arcade-B,
Subhash Road, Vile Parle (E),
Mumbai - 400 057