

## **DRAFT INFORMATION MEMORANDUM**

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

Dated: 14<sup>th</sup> October, 2014

[In accordance with SEBI (Listing of specified securities on Institutional Trading Platform) Regulations, 2013]



### **ADHIRAJ DISTRIBUTORS LIMITED [CIN: U52190WB2011PLC158320]**

Our Company was incorporated as “Adhiraj Distributors Private Limited” on 1<sup>st</sup> February 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. Our Company was subsequently converted in to a Public Company and consequently name was changed to “Adhiraj Distributors Limited” vide fresh certificate of incorporation dated 28<sup>th</sup> May, 2014 issued by Registrar of Companies, Kolkata, West Bengal.

#### **PROMOTER OF THE COMPANY: M/S. PRANIDHI SALES PRIVATE LIMITED**

**Registered Office:** Central Plaza, 41 B.B. Ganguly Street, 2<sup>nd</sup> Floor, Room No.13B, Kolkata – 700012;  
**Tel:** 91-33- 40006334;**Website:** [www.adhirajdistributors.com](http://www.adhirajdistributors.com); **E-Mail:** [info@adhirajdistributors.com](mailto:info@adhirajdistributors.com)

**Contact Person:** Mr. Srikrishan Churiwala;

**Company Secretary & Compliance Officer:** Ms. Swati Sharma;

**THIS INFORMATION MEMORANDUM IS IN TERMS OF THE CHAPTER XC OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME AND WE PROPOSE TO LIST OUR 1,56,85,000 EQUITY SHARES OF RS. 10/- EACH ON INSTITUTIONAL TRADING PLATFORM (ITP) OF THE BSE SME.**

## Table of Contents

GENERAL .....	1
COMPANY /INDUSTRY RELATED TERMS.....	1
ABBREVIATIONS .....	2
GENERAL INFORMATION .....	5
ELIGIBILITY CRITERIA.....	8
<b>SECTION - I</b> .....	
BUSINESS.....	10
INDUSTRY SEGMENT OVERVIEW.....	13
FINANCIAL INFORMATION .....	17
CAPITAL STRUCTURE .....	34
DESCRIPTION OF PROPERTY .....	41
KEY INDUSTRY REGULATIONS AND POLICIES.....	42
<b>SECTION II - RISK FACTORS</b> .....	45
<b>SECTION III – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</b> .....	50
<b>SECTION IV - OUR MANAGEMENT</b> .....	51
<b>SECTION V – OUR PROMOTERS</b> .....	57
<b>SECTION VI – RELATED PARTY TRANSACTIONS</b> .....	59
<b>SECTION VII – OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS</b> .....	60
<b>SECTION VIII - LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</b> .....	61
<b>SECTION IX – DECLARATION</b> .....	62



## ADHIRAJ DISTRIBUTORS LIMITED

### GENERAL

#### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

#### Company/ Industry related terms

Term	Description
The Company / Company	Adhiraj Distributors Limited
Act/Companies Act	The Companies Act, 1956 or such other replaced provisions under the Companies Act, 2013 as may be applicable.
Articles/Articles of Association	Articles of Association of the Company
Auditor	M/s A. Agarwal & Associates, Chartered Accountants the statutory auditors of our Company.
Board/Board of Directors of the Company	Board of Directors of our Company i.e. Adhiraj Distributors Limited
BSE	BSE Limited
BSE-SME	SME platform of BSE Limited
BSE-SME-ITP / ITP	Institution Trading Platform under SME platform of BSE Limited
Capital/ Share Capital/Equity Share Capital	Equity Share Capital of the Company
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depository	The Depositories Act, 1996 and amendment thereto.
Equity Share(s) or Share(s)	Means the equity shares of the Company having a face value of Rs. 10/- unless specified otherwise in the context thereof.
Equity Shareholder	Means a holder of Equity Shares of Our Company
Financial Year/Fiscal/FY	Period of 12 month ended March 31 of that particular year unless stated otherwise.
ITP	Institutional Trading Platform
Memorandum/Memorandum of Association	Memorandum of Association of the Company
NSDL	National Securities Depository Limited
Promoter(s)	M/s. Pranidhi Sales Private Limited
ROC	Registrar of Companies, Kolkata, West Bengal
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
T.P.	Transfer of Property Act, 1882
SEBI	Securities and Exchange Board of India
SEBI Act,	Securities and Exchange Board of India Act, 1992
Stock Exchange	Shall refer to the BSE Limited where the Shares of the Company proposed to list.



## ADHIRAJ DISTRIBUTORS LIMITED

In this Information Memorandum, unless the context otherwise indicates, all references to “Adhiraj”, “the Company”, “our Company” are to Adhiraj Distributors Limited, a company incorporated in India under the Companies Act, 1956 (the “Companies Act”) with its Registered Office at Central Plaza, 41 B.B. Ganguly Street, 2<sup>nd</sup> Floor, Room No.13B, Kolkata – 700012 Furthermore, all references to the terms “we”, “us” and “our” are to Adhiraj Distributors Limited.

### Abbreviations:

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
Decimal	Unit of measure of land comprising of 1/100 <sup>th</sup> part of an Acre
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FY / Fiscal	Financial Year
GDP	Gross Domestic Product
GRDI	Global Retail Development Index
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
Eqty	Equity
PAN	Permanent Account Number
RoC/Registrar of Companies	Registrar of Company, Kolkata, West Bengal
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America



## **CURRENCY OF PRESENTATION**

In this Draft Information Memorandum, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations. In this Draft Information Memorandum, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding-off.

In this Draft Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

## **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Information Memorandum has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

## **FORWARD LOOKING STATEMENTS**

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the agriculture sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Change in consumer demand;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;



**ADHIRAJ DISTRIBUTORS LIMITED**

- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **GENERAL INFORMATION**

#### **ADHIRAJ DISTRIBUTORS LIMITED [CIN: U52190WB2011PLC158320]**

Our Company was originally incorporated as “Adhiraj Distributors Private Limited” on 1<sup>st</sup> February 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. Our Company was subsequently converted in to a Public Company and consequently name was changed to “Adhiraj Distributors Limited” (ADL) vide fresh certificate of incorporation dated 28<sup>th</sup> May, 2014 issued by Registrar of Companies, Kolkata, West Bengal.

#### **Absolute Responsibility of Adhiraj Distributors Limited**

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

#### **REGISTERED OFFICE:**

Central Plaza,  
41, B.B. Ganguly Street,  
2<sup>nd</sup> Floor, Room No.13B,  
Kolkata – 700012;  
Tel: 91-33-40006334  
Website: [www.adhirajdistributors.com](http://www.adhirajdistributors.com)  
E-Mail: [info@adhirajdistributors.com](mailto:info@adhirajdistributors.com)

**COMPANY REGISTRATION NUMBER:** 158320

**COMPANY IDENTIFICATION NUMBER:** U52190WB2011PLC158320

#### **ADDRESS OF REGISTRAR OF COMPANIES**

Nizam Palace  
II MSO Building, 3rd Floor,  
234/4 A.J.C.Bose Road  
Kolkata-700020  
Phone 033-2470382  
Fax 033-2473795  
Email: [roc.kolkata@mca.gov.in](mailto:roc.kolkata@mca.gov.in)



## ADHIRAJ DISTRIBUTORS LIMITED

### BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Srikrishan Churiwala	Managing Director	02185991	C/O Syndicate Exports, 9, Ganesh Chandra Avenue, Kolkata, 700013
Mr. Sandip Kumar Agarwal	Non Executive Non Independent Director	05166153	Chhatna Bankura, West Bengal - 722132
Mr. Mahesh Kumar	Non Executive Independent Director	06975163	Jagdishpur Road, Near Kali Mandir, P.O. Harharguttu, Jamshedpur Purbi Singhbhum, Jharkhand – 831 002
Mr. Rohit Garodia	Non Executive Independent Director	06976161	Flat No. 4b, Sabita Apartment, Station Road, Lokenath Complex, Jugsalai, Jamshedpur, Jharkhand – 831 006

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 51 of this Information Memorandum.

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Swati Sharma  
Central Plaza,  
41, B.B. Ganguly Street,  
2<sup>nd</sup> Floor, Room No.13B,  
Kolkata – 700012  
Website: [www.adhirajdistributors.com](http://www.adhirajdistributors.com)  
E-Mail: [info@adhirajdistributors.com](mailto:info@adhirajdistributors.com)

### STATUTORY AUDITORS

M/s. A Agarwal & Associates  
Chartered Accountants  
4, Fairlie Place, HMP House,  
3<sup>rd</sup> Floor, Room No. 302  
Kolkata – 700 001  
Contact Person: Mr. Amit Agarwal  
Membership Number: 064726  
Firm Registration No. -326873E





**ADHIRAJ DISTRIBUTORS LIMITED**

**INVESTING VENTURES FUND**

**NEXT ORBIT VENTURES FUND**

Bldg No.52, Room No. 11,  
3rd Marine Street,  
Dhobi Talao, Mumbai-400002  
SEBI Regn. No: IN/VCF/11-12/0232

**REGISTRAR OF THE COMPANY**

**NICHE TECHNOLOGIES PRIVATE LIMITED**

D-511, Bagree Market, 5<sup>th</sup> Floor,  
71, B R B Basu Road,  
Kolkata-700 001  
Tel: +91 33 2235 7270  
Fax: +91 33 2215 6823  
Website: [www.nichetechpl.com](http://www.nichetechpl.com)  
E-mail: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)  
Contact Person: Mr. S. Abbas  
SEBI Registration No: INR000003290

**BANKER OF THE COMPANY**

**Punjab National Bank**

Satish Mukherjee Road  
Kolkata – 700 001  
Tel: +91 33 24632573



**ELIGIBILITY CRITERIA**

We are an unlisted company as on date and we propose to list our Equity Shares on Institution Trading Platform (ITP) of BSE SME In terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that

1. The name of our company, our promoters, any of our group companies or directors do not appear in the wilful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the company that has been admitted by a competent court or a liquidator has been appointed;
3. Our company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on 1<sup>st</sup> February 2011 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rs. One Hundred Crores in any of the previous financial years.
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. We have completed fiscal 2013-14 being one full year of audited financial statements, for the immediately preceding financial year at the time of making listing application;
8. Next Orbit Ventures Fund (A SEBI Registered Ventures Fund) in accordance with Regulation 106 Y (h) (iv) of SEBI (ICDR) Regulations, 2009, as amended has invested a sum of Rs. 50.00 Lacs on dated 25<sup>th</sup> September, 2014 by applying 5,00,000 Equity Shares of our Company at a price of Rs. 10 Each and these shares would be under lock in for a period of three years from the date of listing.
9. In accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoter i.e. M/s. Pranidhi Sales Private Limited has given their consent to lock-in 31,37,000 Equity Share representing 20.00 % of Paid up Capital of the Company.
10. We have entered tripartite depository agreement with CDSL & NSDL.
11. Our Company has Net Tangible Assets of Rs. 557.34 Lacs, which is in excess of Rs. 1 Crore as per the latest audited financial results. Our Net Tangible Assets as on 30<sup>th</sup> September, 2014 are disclosed as under:-



**ADHIRAJ DISTRIBUTORS LIMITED**

(Rs. Lacs)

<b>Particulars</b>	<b>30.09.2014</b>
Fixed Assets- Net Block	2.42
<i>Current Assets, Loans and Advances:</i>	
Inventories	67.32
Trade Receivables	236.69
Cash & Bank Balances	116.70
Short Term Loans & Advances	378.30
Other Current Assets	-
<b>Total Assets (A)</b>	<b>801.42</b>
<i>Less: Current Liabilities &amp; Provisions:</i>	
Trade Payables	241.21
Other Current Liabilities	0.33
Short Term Provisions	2.54
<b>Total Current Liabilities &amp; Provisions (B)</b>	<b>244.08</b>
<b>Net Tangible Assets (A-B)</b>	<b>557.34</b>

12. There has not been any change in promoters of the Company in preceding one year from date of filing the application to BSE for listing under ITP segment.



**SECTION I–BUSINESS**

**Our Business and Operations:**

Our Company was incorporated as “Adhiraj Distributors Private Limited” on 1<sup>st</sup> February 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. Our Company was subsequently converted in to a Public Company and consequently name was changed to “Adhiraj Distributors Limited” (ADL) vide fresh certificate of incorporation dated 28<sup>th</sup> May, 2014 issued by Registrar of Companies, Kolkata, West Bengal.

We have evolved ourselves as textile trading entity. We are currently engaged in the business of trading in all kinds of textile, cotton, synthetic, handloom sarees and silk. We also deals in Garment Fabrics like Denim, Lycra, Poplin, Linen, Cotton, Cambric, all other types of mix shirting as per the demand of our valued clients.

**Main Objects of the Company:-**

To carry on the business as buyers, sellers, trader, merchants, indentors, brokers, agents, commission agents, assemblers, refiners, cultivators, miners, mediators, packers, stockists, distributors, advisors, hire purchasers, multi level marketing of & in all kinds of wood, timber and timber products, gems and jewellery, imitation jewellery, plastics and plastics goods & raw materials thereof, rubberized cloth, food grains, dairy products, soap detergent, biscuits, surgical, diagnostic medical pulses, leather & finished leather goods, leather garments, leather products, all related items in leather, electric and electronics components and goods, iron & steel, aluminum, minerals, ferrous and non-ferrous metal, stainless steel, jute and jute products, textile cotton, synthetic, fibre, silk, yarn, wool and woolen goods, handicrafts and silk artificial synthetics readymade garments, design materials, process, printers in all textiles, timber cosmetics, stationery, tools and hardware and sugar, tea, coffee, paper, packaging material chemicals, cement, spices, grain, factory materials, house equipment, rubber and rubber products, coal, coal products and coaltar, fertilizers, agriculture products, Industrial products, computer data materials, software, paints, industrial and other gases, alcohol, edible and non-edible oil and fats, drugs, plants and machinery goods, engineering goods and equipment, office equipments, hospital equipments, railway accessories, medicine, sugar & sugarcane, automobile parts, building construction & materials fur & fur made items toys, building plans, consumer products, consumer durables, coal and coke, mica and mica products, dry flowers and plants, printing, transportation and all kinds, in India or elsewhere .

**BUSINESS PROCESS:**

**Our flow of business process can be summarized as under:-**

**Identification of current market trend:** Our team headed by our management keeps a close eye on the customer preference and change in the fashion and taste of wide range of customer in textile & garment industry.

**Sourcing the material:** Based on feedback of our team, we explore the various options for sourcing the products. For identifying the vendors, we assess the various possible options on factors such as capacity, credibility in the market, quality awareness and experience. After identifying the vendors for the goods, we place purchase orders.



## **ADHIRAJ DISTRIBUTORS LIMITED**

**Tapping the retailers:** Simultaneously with the sourcing of material, our marketing team constantly keeps in touch with retailers and showcases its samples and collects purchase orders and builds delivery schedule and process to our inventory scheduling team.

### **Competition:**

We operate in an industry which faces intense competition from established as well as unorganized players. Our competition depends on several factors which include quality, price and most importantly our pace in keeping up with the changing trends in fashion industry. Competition emerges from both organized as well as unorganized sector. Our wide range of products and core competencies provide us an edge in the competition. We propose to create awareness of our produce by conducting and participating exhibitions, fairs, education programs.

### **Marketing Arrangement:**

Our Company is primarily focused, predominately in Kolkata and adjacent territories. The marketing strategy of the company is the combination of direct marketing, using the distribution network and sales force. Conversation with retailers on an individual basis, educating them and campaigning for the company's products all the year round is part of the strategy. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings.

### ***COMPETITIVE STRENGTHS:***

We derive our strengths from following factors:

#### **Established operations and proven track record.**

We have established operations in textile and fabric trading operations and in the past we have been successfully served varied range of clientele.

#### **Experienced and Strong Management Team**

The management of our company is well experienced in the textile industry as well as within their respective specialized segments. Our Promoters and management with several years of experience, plays the major role in the growth and development of our business. Our management team possesses an in-depth understanding of the textile and fabric, and is therefore well -positioned to focus on the expansion and growth of our operations.

#### **Diversified Products Range**

We have a comprehensive portfolio of product offerings covering all kinds of textile, cotton, synthetic, handloom sarees and silk. We also deals in Garment Fabrics like Denim, Lycra, Poplin, Linen, Cotton, Cambric, and all other types of mix shirting. We believe our comprehensive range of products in the textile industry enables ourselves to capitalize on such growth opportunities in the textile industry.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **OUR PRODUCTS:**

We are currently engaged in the business of trading in all kinds of textile, cotton, synthetic, handloom sarees and silk. We also deals in Garment Fabrics like Denim, Lycra, Poplin, Linen, Cotton, Cambric, all other types of mix shirting as per the demand of our valued clients.

### **OUR CUSTOMERS:**

Our products are mainly supplied to retailers based at Kolkata and adjacent territories. Few of our customers are listed below:

- Neerus Ensembles Pvt. Ltd
- Sonali Traders Pvt. Ltd.
- Suasion Sarees Pvt. Ltd.
- Vrajesh Marketing Pvt. Ltd.
- Ganesh Stockist Pvt. Ltd.
- Shree Saree Kunj
- Sangharsh Commercials Pvt. Ltd.
- Vibhakar Trading Pvt. Ltd.



## **Industry Segment overview**

### **TEXTILE INDUSTRY IN INDIA:**

Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It contributes about 14% to the industrial production, 4% to the GDP and 11% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture.

The Indian textiles industry is extremely varied, with the hand-spun and hand woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized power looms/ hosiery and knitting sectors form the largest section of the Textiles **(Source: Annual Report 2012 – 2013, Ministry of Textiles, GOI)**

The current textile industry structure in India is with maximum players in the Fibres and Yarns and very few players in the Garmenting and retailing sector. But now Indian players have realized the need to be a vertically integrated player and more and more companies are moving up the value chain both organically as well as through consolidations.

The major sub-sectors that comprise the textiles sector include the organized Cotton / Man-Made Fibre Textiles Mill Industry, the Man-made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

### **TEXTILE UPGRADATION FUND SCHEME:**

The Technology Upgradation Fund Scheme (TUFS) was launched on April 1, 1999, for a period of five years, and was subsequently extended upto March 31, 2007. The Scheme provides for interest reimbursement/capital subsidy/Margin Money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. The Scheme is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness. **(Source: Annual Report 2012 – 2013, Ministry of Textiles, GOI)**



## ADHIRAJ DISTRIBUTORS LIMITED

### Intellectual Property:

Presently, we do not own any patent or trademark.

### Licenses:

#### **Approvals/ Licenses/Permissions Procured to conduct our Business:**

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue
<b>Constitutional Registration</b>				
1.	Certificate of Incorporation	U52190WB2011PT C158320	Registrar of Companies, Kolkata West Bengal	February 1, 2011
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U52190WB2011PL C158320	Registrar of Companies, Kolkata West Bengal	May 28, 2014
<b>Taxation Registration</b>				
1.	Permanent Account Number	AAJCA1840N	Income Tax Department	N.A.
2.	TAN	CALA17565C	Income Tax Department	N.A.
<b>Trade License &amp; Professional Tax Registrations</b>				
1.	Trade License	386036	Kolkata Municipal Corporation	July 14, 2014
2.	Professional Tax	ECC0563170	Professional Tax Officer Kolkata	July 16, 2014

### Franchisee / concessions:

As on date we do not have any franchisee. We have not entered in to any concession agreements.

### Working Capital:

Our business requires working capital required to finance the payments to suppliers, holding the requisite inventory levels, receivables from our debtors.





## ADHIRAJ DISTRIBUTORS LIMITED

As on 30<sup>th</sup> September, 2014 and 31<sup>st</sup> March, 2014 our working capital comprised of followings:

Particulars	Amount (30.09.2014) Rs. in Lacs	Amount (31.03.2014) Rs. in Lacs
Inventories	67.32	-
Trade Receivables	236.69	94.55
Short Term Loans & Advances	378.30	106.92
Cash and Bank Balances	116.70	63.91
<b>Total (A)</b>	<b>799.01</b>	<b>265.38</b>
<b>Less:</b>		
Trade Payables	241.21	76.85
Expenses & Other Liabilities	0.33	3.90
Short term provisions	2.54	0.94
<b>Total (B)</b>	<b>244.08</b>	<b>81.68</b>
<b>Net Working Capital (A-B)</b>	<b>554.93</b>	<b>183.70</b>

We have funded our working capital requirement from our own funds. Companies engaged in industry in which we operate, finance its working capital through borrowed funds (mainly bank and financial institutions) and its own funds.

### **Research & Developments:**

We have not incurred any amount during the last three fiscal years on company-sponsored research and development activities.

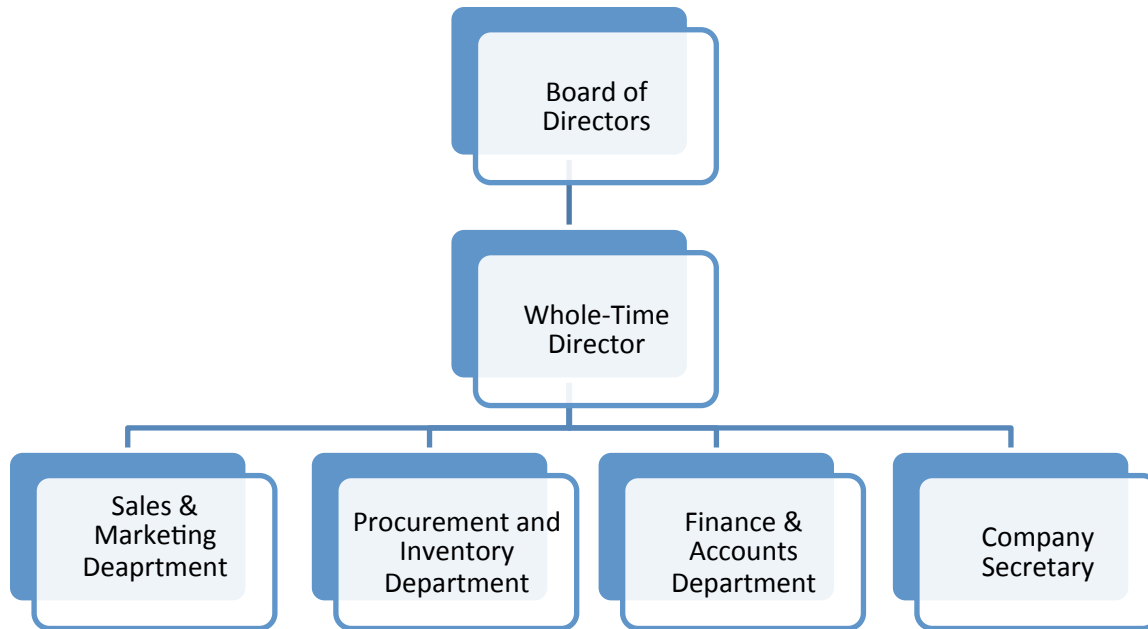
### **Human Resources:**

The details of manpower employed as on date are as under:

Sr. No	Category	No. of employees
1.	Managing Director	1
2.	Marketing Manager	1
3.	Chief Financial Officer	1
4.	Company Secretary	1
5.	Accountant	1
6.	Assistant	1
7.	Office Boy	1
	<b>TOTAL</b>	<b>7</b>



Our Organization structure of the Company is as follows –



**ADHIRAJ DISTRIBUTORS LIMITED****FINANCIAL INFORMATION**

THE AUDITED BALANCE SHEET, PROFIT & LOSS ACCOUNT AND CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER, 2014 IS PRODUCED AS UNDER:-

(Amount in Rs.)

<b>BALANCE SHEET FOR THE PERIOD FROM 01.04.2014 TO 30.09.2014</b>			
	<b>PARTICULARS</b>	<b>As at 30.09.2014</b>	<b>As at 31.03.2014</b>
<b>A</b>	<b>Equity &amp; Liabilities</b>		
<b>1</b>	<b>Shareholder's Funds</b>		
	(a) Share Capital	15,68,50,000.00	15,18,50,000.00
	(b) Reserve & Surplus	9,84,779.40	3,17,967.18
		15,78,34,779.40	15,21,67,967.18
<b>2</b>	<b>Current Liabilities</b>		
	(a) Trade Payables	2,41,20,559.00	76,85,006.75
	(b) Other Current Liabilities	33,000.00	3,89,500.00
	(c) Short Term Provisions	2,54,230.00	93,531.00
	<b>TOTAL</b>	<b>18,22,42,568.40</b>	<b>16,03,36,004.93</b>
<b>B</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Fixed Assets		
	- Tangible Assets	2,41,723.00	2,90,068.00
	- Intangible Assets	-	-
	(b) Non Current Investment	5,17,79,750.00	5,38,29,750.00
	(c) Other Non Current Assets	3,07,934.00	3,07,934.00
		5,23,29,407.00	5,44,27,752.00
<b>2</b>	<b>Current Assets</b>		
	(a) Current Investment	5,00,12,666.61	7,93,70,650.00
	(b) Inventories	67,31,609.85	-
	(c) Trade Receivable	2,36,69,275.00	94,54,660.00
	(d) Cash & cash equivalents	1,16,69,618.26	63,91,345.93
	(e) Short Term Loans & Advances	3,78,29,991.68	1,06,91,597.00
	<b>TOTAL</b>	<b>18,22,42,568.40</b>	<b>16,03,36,004.93</b>



**ADHIRAJ DISTRIBUTORS LIMITED**

<b>STATEMENT OF PROFIT &amp; LOSS ACCOUNT FOR THE PERIOD FROM 01.04.2014 TO 30.09.2014</b>		
<b>PARTICULARS</b>	<b>Figures for the Period from 01.04.2014 to 30.09.2014</b>	<b>Figures for the Year Ended 31.03.2014</b>
	<b>(Amount Rs.)</b>	
Sales of Products	3,55,62,509.70	1,20,28,582.00
Other Income	3,739.00	3,11,918.00
<b>Total Revenue</b>	<b>3,55,66,248.70</b>	<b>1,23,40,500.00</b>
<b>EXPENDITURES</b>		
Purchase of Stock in Trade	4,02,26,585.55	1,12,64,570.75
Changes in Stock in Trade	(67,31,609.85)	-
Employee Benefit Expenses	3,35,000.00	3,78,000.00
Depreciation and Amortization Expenses	48,345.00	9,182.00
Other Expenses	7,66,885.78	3,00,264.00
<b>Total Expenses</b>	<b>3,46,45,206.48</b>	<b>1,19,52,016.75</b>
Profit Before Tax	9,21,042.22	3,88,483.25
<b>Tax Expenses</b>		
Current Tax	2,54,230.00	93,531.00
<b>Profit for the year from continuing operation</b>	<b>6,66,812.22</b>	<b>2,94,952.25</b>
<b>Earning per equity share of face value of Rs. 10 Each</b>		
Basic (In Rs.)	0.04	0.40
Diluted (In Rs.)	0.04	0.40



**ADHIRAJ DISTRIBUTORS LIMITED**

<b>CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.2014 TO 30.09.2014</b>		
<b>Particulars</b>	<b>30.09.2014 (Rs.)</b>	<b>31.03.2014 (Rs.)</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	<b>9,21,042.22</b>	<b>3,88,483.25</b>
<b>Adjustments</b>		
Add : Depreciation	48,345.00	9,182.00
Less: Interest Income	3,739.00	3,11,918.00
<b>Operating cash Flow before working capital changes</b>	<b>9,65,648.22</b>	<b>85,747.25</b>
<b>Adjustment for :</b>		
Increase / (Decrease) in Trade Receivable	1,42,14,615.00	94,54,660.00
Increase / (Decrease) in Inventories	67,31,609.85	-
Increase / (Decrease) in Short Term Loans & Advance	2,71,38,394.68	52,75,732.00
(Increase) / Decrease in Trade Payable	(1,64,35,552.25)	(76,96,006.75)
(Increase) / Decrease in Other Current Liabilities	3,56,500.00	(3,75,000.00)
<b>Operating cash flow after working capital changes</b>	<b>(3,10,39,919.06)</b>	<b>(65,73,638.00)</b>
<b>Less: Tax Paid</b>		
Income Tax	93,531.00	-
<b>Net Cash Flow from Operating Activities</b>	<b>(3,11,33,450.06)</b>	<b>(65,73,638.00)</b>
<b>B. Cash Flow from Investing Activities</b>		
Interest Income	3,739.00	3,11,918.00
Purchase of Fixed Assets	-	(2,99,250.00)
(Purchase) / Sale of Non-Current Investments	20,50,000.00	(1,09,99,750.00)
(Purchase) / Sale of Current Investments	2,93,57,983.39	(7,67,20,650.00)
<b>Net Cash Flow from Investing Activities</b>	<b>3,14,11,722.39</b>	<b>(8,77,07,732.00)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase in Share Capital	50,00,000.00	15,07,30,000.00
Increase / (Decrease) in Security Premium A/c	-	(4,99,80,000.00)
Increase in Unamortized ROC Expenditure	-	(2,94,066.00)
<b>Net Cash flow from Financing Activities</b>	<b>50,00,000.00</b>	<b>10,04,55,934.00</b>
<b>Net Cash Inflow/ (Outflow) during the period</b>	<b>52,78,272.33</b>	<b>61,74,564.00</b>
<b>Cash and Cash eq. at the beginning of the Period</b>	<b>63,91,345.93</b>	<b>2,16,781.93</b>
<b>Cash and Cash eq. at the end of the Period</b>	<b>1,16,69,618.26</b>	<b>63,91,345.93</b>



## **ADHIRAJ DISTRIBUTORS LIMITED**

**THE AUDITED BALANCE SHEET, PROFIT & LOSS ACCOUNT WITH ATTENDANT ANNEXURE AND NOTES TO ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2014 IS PRODUCED AS UNDER:-**

### **Independent Auditors' Report**

To the Members of Adhiraj Distributors Limited

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Adhiraj Distributors Limited ('the company') which comprise the Balance sheet as at 31 March, 2014, the Statement of Profit and Loss for the Year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true & fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **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:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014; and
- (ii) In the case of the Statement of Profit and loss, of the profit for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss Comply with the Accounting Standard notified under the Act read with the General Circular 15/2013, dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on 31 March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR A. Agarwal & Associates**  
Chartered Accountants  
Firm's registration No – 326873E  
Sd/-  
Amit Agarwal  
Partner  
Membership No – 064726

Place: Kolkata  
Date: 4<sup>th</sup> August 2014



**ADHIRAJ DISTRIBUTORS LIMITED**

**Annexure referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date**

1. In respect of its fixed Assets:
  - a. The company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets of the company were physically verified during the period by the management in accordance with a regular program of verification and no material discrepancy were notified on such verification.
  - c. The company has not revalued any of its assets during the period. During the period no part of fixed assets has been disposed off.
  - d. According to the information and explanation given to us, the Company does not have any Fixed Assets, as such provisions of Para 4(i) (a), (b) and (c) are not applicable to the Company.
2. In respect of its Inventories:
  - a. The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanation given to us, the Company has neither taken any loan nor given any loan, secured or unsecured, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As such provisions of para 4(iii) (a) are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of audit we have not observed any continuing failure to correct major weakness in internal control system.
5. In our opinion and according to the information and explanation given to us, the Company has entered into transactions which are required to be entered into a register pursuant to Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any public deposits during the period, within the meaning of sections 58A and 58AA of the





**ADHIRAJ DISTRIBUTORS LIMITED**

Companies Act, 1956. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company

7. In our opinion the Company has an internal audit system commensurate with the size of its business.
8. According to the size of the Company and nature of its business, provisions of para 4(viii) regarding maintaining the cost records are not applicable to the Company.
9. According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, etc. were outstanding as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses, also the Company has not incurred cash losses during the financial year and in the immediately preceding financial year, as such provisions of Para 4(x) are not applicable to this Company.
11. The Company has not taken any loan from the financial institutions, Banks or Debenture holders; as such provisions of clause (xi) of paragraph 4 are not applicable to the Company.
12. The Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities during the period.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, and other investments have been held by the company in its own name
15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken on behalf of any outside parties; as such provisions of clause (xv) of paragraph 4 of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not taken any term loan during the period, as such provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the Company.
17. According to the information and explanations given to us, the Company has not raised funds on short term basis that have been used for long term investment.
18. According to the records and explanations given to us, the Company has not made any preferential allotment of its shares to any party during the period, as such provisions of clause (xviii) of the Order are not applicable to the company.
19. According to the records, the Company has not issued any debentures during the period.
20. The Company has raised money by issue of shares by private placement during the period.



**ADHIRAJ DISTRIBUTORS LIMITED**

21. During the course of our examination of books of accounts, carried out in accordance with the generally accepted auditing practices, we have neither noticed any fraud nor we have been reported of such cases by the management during the period

**FOR A. Agarwal & Associates**

Chartered Accountants

Firm's registration No – 326873E

Sd/-

Amit Agarwal

Partner

Membership No – 064726

Place: Kolkata

Date: 4<sup>th</sup> August 2014

**ADHIRAJ DISTRIBUTORS LIMITED**

<b>AUDITED BALANCE SHEET AS ON 31ST MARCH 2014</b>			
<b>PARTICULARS</b>	<b>NOTE</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(AMOUNT IN RS.)</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	<b>2</b>	15,18,50,000.00	11,20,000.00
(b) Reserve & Surplus	<b>3</b>	3,17,967.18	5,00,03,014.93
		15,21,67,967.18	5,11,23,014.93
<b>Current Liabilities</b>			
(a) Trade Payables	<b>4</b>	76,99,506.75	3,500.00
(b) Other Current Liabilities	<b>5</b>	3,75,000.00	-
(c) Short Term Provisions	<b>6</b>	93,531.00	-
<b>TOTAL</b>		<b>16,03,36,004.93</b>	<b>5,11,26,514.93</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Fixed Assets			
- Tangible Assets	<b>7A</b>	2,90,068.00	-
- Intangible Assets	<b>7B</b>	-	-
(b) Non Current Investment	<b>8</b>	5,38,29,750.00	4,28,30,000.00
(c) Other Non Current Assets	<b>9</b>	3,07,934.00	13,868.00
		5,44,27,752.00	4,28,43,868.00
<b>Current Assets</b>			
(a) Current Investment	<b>10</b>	7,93,70,650.00	26,50,000.00
(b) Trade Receivable	<b>11</b>	94,54,660.00	-
(c) Cash & cash equivalents	<b>12</b>	63,91,345.93	2,16,781.93
(d) Short Term Loans & Advances	<b>13</b>	1,06,91,597.00	54,15,865.00
<b>TOTAL</b>		<b>16,03,36,004.93</b>	<b>5,11,26,514.93</b>
<b>Significant Accounting Policies</b>			
	<b>1</b>		
<b>Accompanying Notes forming part of the financial statements</b>			
	<b>2 to 20</b>		

**ADHIRAJ DISTRIBUTORS LIMITED**

<b>STATEMENT OF PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014</b>			
<b>PARTICULARS</b>	<b>NOTE</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
			<b>(AMOUNT IN RS.)</b>
<b>INCOME FROM CONTINUING OPERATIONS</b>			
Sales of Products	<b>14</b>	1,20,28,582.00	12,42,575.00
Other Income	<b>15</b>	3,11,918.00	4,30,206.00
<b>Total Revenue</b>		<b>1,23,40,500.00</b>	<b>16,72,781.00</b>
<b>EXPENDITURES</b>			
Purchase of Stock in Trade		1,12,64,570.75	12,00,230.00
Employee Benefit Expenses	<b>16</b>	3,78,000.00	1,92,000.00
Depreciation and Amortization Expenses	<b>7</b>	9,182.00	-
Other Expenses	<b>17</b>	3,00,264.00	2,39,207.90
<b>Total Expenses</b>		<b>1,19,52,016.75</b>	<b>16,31,437.90</b>
Profit Before Tax		3,88,483.25	41,343.10
<b>Tax Expenses</b>			
Current Tax		93,531.00	14,382.00
<b>Profit for the year from continuing operation</b>		<b>2,94,952.25</b>	<b>26,961.10</b>
<b>Earning per equity share of face value of Rs. 10 each</b>			
Basic (In Rs.)		0.40	0.24
Diluted (In Rs.)	<b>18</b>	0.40	0.24
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Accompanying Notes forming part of the Financial Statements</b>	<b>2 to 20</b>		



**NOTE :1 SIGNIFICANT ACCOUNTING POLICIES**

**COMPANY OVERVIEW**

The Company was incorporated under the Companies Act 1956 as Adhiraj Distributors Private Limited on 1st day of February 2011. Later on the Company was Converted into Public Limited Company on 28<sup>th</sup> May 2014. Its CIN is U52190WB2011PLC158320 and presently has the authorized capital of Sixteen Crores Rupees. The company is actively engaged in trading of all types of textile goods. It has its registered office in 41, B. B. Ganguly Street, 2<sup>nd</sup> Floor, Kolkata – 700 012, West Bengal, India.

**(1) SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of accounting and preparation of financial statement**

The financial statement of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP) to comply with the Accounting Standard notified under the Companies (Accounting Standard ) Rules, 2006 (as amended) and the relevant provision of the Companies Act 1956 read with General Circular 8/2014 dated 8<sup>th</sup> April 2014 issued by Ministry of Corporate Affairs. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statement are consistent.

**B. Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialise.

**C. Fixed Assets, Intangible Assets and Capital Work-in-progress**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure incurred upto the date when the assets are ready to use. Assets are stated at cost less accumulated depreciation and impairment loss, if any.

**D. Depreciation / Amortisation**

- (a) Depreciation on fixed assets other than those costing upto Rs. 5,000 is provided on Written Down Value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (b) Assets costing upto Rs. 5000/- are depreciated fully in the year of purchase / capitalization.

**E. Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investment. All other investments are classified as long term investment.

All investments are measured at cost.

**F. Stock in Trade**

Stock in trade is valued at lower of cost and net realizable value.



**G. Revenue Recognition**

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

The revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods.

**H. Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head other income in the statement of Profit and Loss.

**I. Taxes on Income**

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

Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and capable of reversal in one or more subsequent years. The company has Taxable profit during the year. Deferred tax assets were not recognized because there is no “virtual certainty” that deferred tax assets can be realised against future taxable profits.

**J. Earnings Per share**

Basic earnings per equity shares are calculated by dividing the net profit or loss for the period attributable to equity share holders by weighted average no of equity shares outstanding during the year. The weighted average no of equity shares outstanding during the period is adjusted for events such as bonus issue and others that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders by weighted average no of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**NOTE: 2**

<b>PARTICULARS</b>	<b>31.03.2014</b>		<b>31.03.2013</b>
	<b>(AMOUNT IN RS.)</b>		
<b>(2) SHARE CAPITAL</b>			
<b>Authorised Share Capital</b>			
1,60,00,000 Equity Shares of Rs. 10/- each (Previous Year -1,20,000 Equity Share Of Rs.10/- Each)	<b>16,00,00,000.00</b>		<b>12,00,000.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital *</b>			
1,51,85,000 Equity Shares of Rs. 10/- each fully paid up in cash (Previous Year -1,12,000 Equity Share Of Rs.10/- Each)	15,18,50,000.00		11,20,000.00
<b>TOTAL</b>	<b>15,18,50,000.00</b>		<b>11,20,000.00</b>
* 49,28,000 Shares out of the issued, subscribed, and paid up share capital were allotted as Bonus shares on 15th February 2014 by capitalization of Securities Premium Account.			

**ADHIRAJ DISTRIBUTORS LIMITED**

<b>(2.1) The details of Shareholders holding more than 5 % shares</b>				
<b>Name of the Shareholder</b>	<b>No. of shares</b>	<b>% age</b>	<b>No. of Shares</b>	<b>% age</b>
Pranidhi Sales Pvt. Ltd.	32,00,000	21%	12,000	11%
Raasha Impex Pvt. Ltd.	13,05,000	9%	10,000	9%
Shradha Dealcom Pvt. Ltd.	30,45,000	20%	10,000	9%
Jagat Sales Pvt. Ltd.	18,45,000	12%	-	-
Nandini Commotrade Pvt. Ltd.	14,40,000	9%	-	-
Padmawati Dealtrade Pvt. Ltd.	11,25,000	7%	-	-
Rachna Dealers Pvt. Ltd.	32,25,000	21%	-	-
Bhagyalaxmi Vincom Pvt. Ltd.	-	-	10,000	9%
Gomti Dealcom Pvt. Ltd.	-	-	23,000	21%
Paritosh Suppliers Pvt. Ltd.	-	-	11,000	10%
Sindhu Tarcom Pvt. Ltd.	-	-	14,000	13%
Vilasini Suppliers Pvt. Ltd.	-	-	12,000	11%
<b>(2.2) The reconciliation of the number of shares outstanding is set out below:</b>				
<b>Particulars</b>		<b>No. of Shares</b>		<b>No. of Shares</b>
Equity Shares at the beginning of the year		1,12,000		1,12,000
<b>Add:</b> Shares issued during the year		1,50,73,000		-
Equity shares at the end of the year		<b>1,51,85,000</b>		<b>1,12,000</b>

**2.3) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs. 10/- each per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**NOTE: 3****(Amount in Rs.)**

<b>(3) RESERVES AND SURPLUS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Securities Premium Account</b>		
Opening Balance	4,99,80,000.00	4,99,80,000.00
Add: Premium on shares issued during the period	-	-
	4,99,80,000.00	4,99,80,000.00
Less Utilized during the year:		
Issue of Bonus Shares	4,92,80,000.00	-
Writing off share issue expenses	7,00,000.00	-
<b>Closing Balance:</b>	<b>-</b>	<b>4,99,80,000.00</b>
<b>Profit &amp; Loss Account</b>		
As per last Balance Sheet	23,014.93	(3,946.17)
<b>Add:</b> Profit for the year	2,94,952.25	26,961.10
Closing Balance	3,17,967.18	23,014.93
<b>TOTAL</b>	<b>3,17,967.18</b>	<b>5,00,03,014.93</b>



**ADHIRAJ DISTRIBUTORS LIMITED**

**NOTE: 4**

(Amount in Rs.)

<b>(4) TRADE PAYABLE</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Trade Payable (Including Acceptance)	76,85,006.75	-
Liabilities for Expenses	14,500.00	3,500.00
<b>TOTAL</b>	<b>76,99,506.75</b>	<b>3,500.00</b>

**NOTE: 5**

(Amount in Rs.)

<b>(5) OTHER CURRENT LIABILITIES</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
ROC Fees Payable	3,75,000.00	-
<b>TOTAL</b>	<b>3,75,000.00</b>	<b>-</b>

**NOTE: 6**

(Amount in Rs.)

<b>(6) SHORT TERM PROVISION</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Provision for Income Tax	93,531.00	-
<b>TOTAL</b>	<b>93,531.00</b>	<b>-</b>

**NOTE: 7**

(Amount in Rs.)

<b>FIXED ASSETS</b>	<b>Gross Block</b>			<b>Provision for Depreciation</b>			<b>Net Block</b>	
	As on 01.04.2013	Addition/ Deduction	As on 31.03.2014	01.04.2013	For the Year 2013-2014	Closing Depreciated on as on 31/03/2014	As on 31.03.2014	As on 31.03.2013
<b>Tangible Assets</b>	-							
Computer & accessories	-	2,99,250	2,99,250	-	9,182	9,182	2,90,068	-
<b>Total (7A)</b>	<b>-</b>	<b>2,99,250</b>	<b>2,99,250</b>	<b>-</b>	<b>9,182</b>	<b>9,182</b>	<b>2,90,068</b>	<b>-</b>
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>Total (7B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (7A) + (7B)</b>	<b>-</b>	<b>2,99,250</b>	<b>2,99,250</b>	<b>-</b>	<b>9,182</b>	<b>9,182</b>	<b>2,90,068</b>	<b>-</b>
<b>Previous Year</b>	-	-	-	-	-	-	-	-



**ADHIRAJ DISTRIBUTORS LIMITED****NOTE: 8**

(Amount in Rs.)

<b>(8) NON -CURRENT INVESTMENTS</b>				
<b>(Long Term, Other Investments)</b>				
<b>In Equity Shares of Rs. 10 each Unquoted, fully paid up</b>	<b>31.03.2014</b>		<b>31.03.2013</b>	
	<b>No of Shares</b>	<b>Amount (Rs.)</b>	<b>No of Shares</b>	<b>Amount (Rs.)</b>
Dhyanesh Marketing Pvt. Ltd.	14,545	74,99,750.00	10,000	50,00,000.00
Impression Trading Pvt. Ltd.	24,050	2,40,50,000.00	24,050	2,40,50,000.00
Jagat Sales Pvt. Ltd.	2,500	25,00,000.00	2,500	25,00,000.00
Mangal Kalash Marketing Pvt. Ltd.	9,500	95,00,000.00	1,000	10,00,000.00
Altona Mercantile Pvt. Ltd.	8,000	40,00,000.00	8,000	40,00,000.00
SLN Bullion Pvt. Ltd.	6,250	25,00,000.00	6,250	25,00,000.00
Sri Srinadha Steels Pvt. Ltd.	37,800	37,80,000.00	37,800	37,80,000.00
<b>TOTAL</b>		<b>5,38,29,750.00</b>		<b>4,28,30,000.00</b>

**NOTE: 9**

(Amount in Rs.)

<b>(9) OTHER NON CURRENT ASSETS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Unamortized Expenses (to the extent not written off or adjusted)	3,07,934.00	13,868.00
<b>TOTAL</b>	<b>3,07,934.00</b>	<b>13,868.00</b>

**NOTE: 10**

(Amount in Rs.)

<b>(10) CURRENT INVESTMENTS</b>				
<b>(At Cost, Non Trade)</b>				
<b>In Equity Shares of Rs. 10 each Unquoted, fully paid up</b>	<b>31.03.2014</b>		<b>31.03.2013</b>	
	<b>No of Shares</b>	<b>Amount (Rs.)</b>	<b>No of Shares</b>	<b>Amount (Rs.)</b>
ORFE Securities Pvt. Ltd.	57,965	2,37,65,650.00		-
Vibhakar Trading Pvt. Ltd.	80,000	3,95,50,000.00		-
Divjot Realities Pvt. Ltd.	12,700	59,69,000.00		-
Mauryan Properties Pvt. Ltd.	1,000	10,00,000.00		-
Sarvodaya Vinicom Pvt. Ltd.	32,000	31,36,000.00		-
Total (A)		7,34,20,650.00		-
Others (B)		59,50,000.00		26,50,000.00
<b>TOTAL (A+B)</b>	<b>(a) + (b)</b>	<b>7,93,70,650.00</b>		<b>26,50,000.00</b>

**NOTE: 11**

(Amount in Rs.)

<b>(11) TRADE RECEIVABLES</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
(Unsecured and Considered Good)		
Over Six Month	-	-
Others	94,54,660.00	-
<b>TOTAL</b>	<b>94,54,660.00</b>	<b>-</b>

**ADHIRAJ DISTRIBUTORS LIMITED****NOTE: 12****(Amount in Rs.)**

<b>(12) CASH AND CASH EQUIVALENTS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Cash in hand(As certified by the Management)	1,10,029.00	1,64,077.00
Balances with Banks		
- With Scheduled Bank In Current Accounts	62,81,316.93	52,704.93
<b>TOTAL</b>	<b>63,91,345.93</b>	<b>2,16,781.93</b>

**NOTE: 13****(Amount in Rs.)**

<b>(13) SHORT TERM LOANS &amp; ADVANCES (Unsecured , Considered Good)</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Advance recoverable in cash or in kind or for the value to be received	1,06,31,726.00	53,87,186.00
Balances with government authorities		
Tax Deducted At Source	59,871.00	28,679.00
<b>TOTAL</b>	<b>1,06,91,597.00</b>	<b>54,15,865.00</b>

**NOTE: 14****(Amount in Rs.)**

<b>(14) SALE OF PRODUCTS</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Sales	1,20,28,582.00	12,42,575.00
<b>TOTAL</b>	<b>1,20,28,582.00</b>	<b>12,42,575.00</b>

**NOTE: 15****(Amount in Rs.)**

<b>(15) OTHER INCOME</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Interest Income (TDS C/Y- 31,192/-, P/Y - 43,020/-)	3,11,918.00	4,30,206.00
<b>TOTAL</b>	<b>3,11,918.00</b>	<b>4,30,206.00</b>

**NOTE: 16****(Amount in Rs.)**

<b>(16) EMPLOYEE BENEFIT EXPENSES</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Salaries	3,78,000.00	1,92,000.00
<b>TOTAL</b>	<b>3,78,000.00</b>	<b>1,92,000.00</b>

**ADHIRAJ DISTRIBUTORS LIMITED****NOTE: 17**

(Amount in Rs.)

<b>(17) OTHER EXPENSES</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Audit Fees	10,000.00	3,000.00
Filing Fee	3,200.00	900.00
Bank Charges	2,235.00	580.90
Accounting Charges	60,000.00	24,000.00
General Expenses	34,320.00	28,955.00
Office expenses	23,440.00	25,650.00
Office refreshment expenses	43,145.00	36,962.00
Professional Fees	17,000.00	15,500.00
Conveyance Expenses	64,520.00	48,811.00
Telephone Expenses	8,320.00	11,300.00
Professional tax	2,500.00	8,775.00
Rent	24,000.00	10,200.00
Printing and stationery	650.00	17,640.00
Preliminary Expenses w/off	6,934.00	6,934.00
<b>TOTAL</b>	<b>3,00,264.00</b>	<b>2,39,207.90</b>

**NOTE: 18**

(Amount in Rs.)

<b>(18) Earning per Share Basic and Diluted</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Profit attributable to equity shareholders	2,94,952.25	26,961.10
Number of equity shares at the beginning of the year	1,12,000	1,12,000
Number of equity shares at the end of the year	1,51,85,000	1,12,000
Weighted average number of equity shares outstanding during the year	7,33,855	1,12,000
Basic Earning Per Share	0.40	0.24
Diluted Earning Per Share	0.40	0.24

**NOTE: 19****Segment Information**

Considering the nature of the Company's business and operations, there are no separate reportable segments (business/ geographical) in accordance with the requirements of Accounting Standard 17 'Segment Reporting', issued by ICAI.

**NOTE: 20****Previous Year Figures:**

The previous year figures, have been regrouped / reclassified, wherever necessary to confirm to the current years presentation.



## ADHIRAJ DISTRIBUTORS LIMITED

### CAPITAL STRUCTURE

The share capital of the Company as at the date of this Information Memorandum is set forth below.

Sr. No	Particulars	Aggregate value at face value / Aggregate Nominal Value (Rs. in Lacs)
<b>A.</b>	<b>Authorized Share Capital</b>	
	1,60,00,000 Equity Shares of face value of Rs.10 each	1600.00
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital</b>	
	1,56,85,000 Equity Shares of face value of Rs.10 each	1568.50

The Equity Share Capital history of our Company is set forth below.

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
01/02/2011	10,000	10	10	Cash	Subscription to MOA	10,000	1,00,000	Nil
28/03/2011	1,02,000	10	500	Cash	Further Allotment	1,12,000	11,20,000	4,99,80,000
15/02/2014	49,28,000	10	N.A.	Bonus	Bonus Ratio 44:1	50,40,000	5,04,00,000	7,00,000
31/03/2014	10,14,5000	10	10	Cash	Further Allotment	1,51,85,000	15,18,50,000	Nil*
25/09/2014	5,00,000	10	10	Cash	Further Allotment	1,56,85,000	15,68,50,000	Nil

\* We have written off Preliminary Expenditure of Rs. 7,00,000 out of Securities Premium

#### NOTES FORMING PART OF CAPITAL STRUCTURE

1. We have not issued any Equity Shares for consideration other than cash except bonus issue in the ratio of 44:1 on 15<sup>th</sup> February 2014.
2. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 230- 233 of the Companies Act, 2013.

**ADHIRAJ DISTRIBUTORS LIMITED**

Except as stated below we have not issued any Equity Shares in the preceding one year:

Date of Allotment	Number of Equity Shares	Name of the Allottee	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
15/02/2014	49,28,000	Pranidhi Sales Private Limited(528000) Jagat Sales Pvt. Ltd. (1540000) Raaisha Impex Pvt. Ltd. (1276000) Nandini Commotrade Pvt. Ltd. (528000) Padmawati Dealtrade Pvt. Ltd. (440000) Shradha Dealcom Pvt. Ltd. (440000) Rupesh Kumar Churiwala (176000)	Promoter  Non Promoters	Bonus (44:1)	10	NA
31/03/2014	10,14,5000	Pranidhi Sales Private Limited(2280000) Jagat Sales Pvt. Ltd. (470000) Nandini Commotrade Pvt. Ltd. (900000) Padmawati Dealtrade Pvt. Ltd. (675000) Shradha Dealcom Pvt. Ltd. (2595000)Rachna Dealers Pvt. Ltd. (3225000)	Promoter  Non Promoter	Further Allotment	10	10
25/09/2014	5,00,000	Next Orbit Ventures Fund	Non Promoter	Further Allotment	10	10

**Shareholding of our Promoter:**

Set forth below are the details of the build-up of shareholding of our Promoter

<b>M/S.PRANIDHI SALES PRIVATE LIMITED</b>						
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Shareholding %
28/03/2011	Cash	12000	10	500	Allotment	
15/02/2014	Cash	528000	10	NA	Bonus (Ratio 44:1)	
24/03/2014	Cash	380000	10	10	Acquire	
31/03/2014	Cash	2280000	10	10	Allotment	
<b>Total</b>		<b>32,00,000</b>				<b>20.40</b>



**ADHIRAJ DISTRIBUTORS LIMITED**

**Statement showing Share Holding Pattern of Adhiraj Distributors Limited as per clause 34 of Listing on Institutional Trading Platform**

(I)(a)

Category code (I)	Category of shareholder (II)	Number of shareholder (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) (VI)	Number of Shares (VII)	As a percentage (VIII)= (VII) / (IV) *100
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	1	3200000	3200000	20.40	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>1</b>	<b>3200000</b>	<b>3200000</b>	<b>20.40</b>	-	-
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter</b>	<b>1</b>	<b>3200000</b>	<b>3200000</b>	<b>20.40</b>	-	-



**ADHIRAJ DISTRIBUTORS LIMITED**

Category code (I)	Category of shareholder (II)	Number of shareholder (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) (VI)	Number of Shares (VII)	As a percentage (VIII)= (VII) / (IV) *100
	<b>Group (A)= (A)(1)+(A)(2)</b>						
<b>(B)</b>	<b>Public shareholding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	-	-	-		NA	NA
(b)	Financial Institutions/ Banks	-	-	-		NA	NA
(c)	Central Government/ State Government(s)	-	-	-		NA	NA
(d)	Alternate Investment Funds / Venture Capital Funds	1	500000	500000	3.19	NA	NA
(e)	Insurance Companies	-	-	-		NA	NA
(f)	Foreign Institutional Investors	-	-	-	-	NA	NA
(g)	Foreign Venture Capital Investors	-	-	-		NA	NA
(h)	Any Other	-	-	-		NA	NA
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>500000</b>	<b>500000</b>	<b>3.19</b>	NA	NA
<b>(2)</b>	<b>Non- institutions</b>						
(a)	Bodies Corporate	6	11245000	11245000	71.69	NA	NA
(b)	Individuals	63	740000	7500	4.72		
(c)	Qualified Foreign Investors	-	-	-	-	N.A	N.A
(d)	Any Other	-	-	-	-		
	<b>Sub-Total (B)(2)</b>	<b>69</b>	<b>11985000</b>	<b>11252500</b>	<b>76.41</b>	<b>N.A</b>	<b>N.A</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>70</b>	<b>12485000</b>	<b>11752500</b>	<b>79.60</b>	<b>N.A</b>	<b>N.A</b>
	<b>TOTAL (A)+(B)</b>	<b>71</b>	<b>15685000</b>	<b>14952500</b>	<b>100.00</b>	<b>N.A</b>	<b>N.A</b>



**ADHIRAJ DISTRIBUTORS LIMITED**

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

Sr. No.	Name of Shareholder	Details of Shares Held		Shares pledged or otherwise Encumbered			Details of warrants		Details of convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares Held	As a % of grand total (A) + (B) + (C)	No.	As a Percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of warrants of the same class	
1	Pranidhi Sales Pvt. Ltd.	3200000	20.40	0	0.00	0.00	0	0.00	0	0.00	-
	<b>TOTAL</b>	<b>3200000</b>	<b>20.40</b>	<b>0</b>	<b>0.0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-</b>



**ADHIRAJ DISTRIBUTORS LIMITED****(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of Shareholder	Number of shares	Shares as a percentage of total number of shares{i.e., Grand Total(A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Raaisa Impex Private Limited	1305000	8.32
2	Shradha Dealcom Private Limited	2945000	18.78
3	Jagat Sales Private Limited	1105000	7.04
4	Nandini Commotrade Private Limited	1840000	11.73
5	Padmawati Dealtrade Private Limited	1125000	7.17
6	Rachna Dealers Private Limited	2925000	18.65
	<b>TOTAL</b>	<b>11245000</b>	<b>71.69</b>

**(d) Statement showing details of locked-in shares**

Sr. No.	Name of Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Pranidhi Sales Private Limited	31,37,000	20.00
2	Next Orbit Ventures Fund	5,00,000	3.19
	<b>TOTAL</b>	<b>36,37,000</b>	<b>23.19</b>

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

Sr. No.	Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total(A)+(B)+(C)indicated in Statement at para (I)(a) above}
		NIL		
	<b>TOTAL</b>	<b>NIL</b>		



**ADHIRAJ DISTRIBUTORS LIMITED**

**(II) (b) Statement showing holding of Depository Receipts(DRs), where underlying shares are in excess of 1 % o f the total number:**

<b>Sr. No.</b>	<b>Name of DR Holder</b>	<b>Type of Outstanding DR (ADRs, GDRs, SDRs, etc.)</b>	<b>Number of shares underlying outstanding DRs</b>	<b>Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total(A)+(B)+(C)indicated in Statement at para (I)(a) above}</b>
		NA		
<b>TOTAL</b>		<b>NIL</b>		



**DESCRIPTION OF PROPERTY**

Descriptions of Properties of Company are set forth below.

**Registered Office:**

We operate from our registered office situated at Central Plaza, 41 B.B. Ganguly Street, 2<sup>nd</sup> Floor, Room No.13B, Kolkata – 700012, which is a rented premise.

**Property being acquired:**

We have entered in to an agreement with M/s. Neelkanth Ores Private Limited to acquire 589 Decimal of land situated at Mouza Sundrabandh, Police Station Raghunathpur, District Purulia, West Bengal for a total consideration of Rs. 48.89 Lacs. Till date we have remitted a sum of Rs. 24.50 Lacs towards the same.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **KEY INDUSTRY REGULATIONS AND POLICIES**

*The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

#### **The Companies Act, 1956**

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### **The Companies Act, 2013 (to the extent notified)**

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014.

#### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

#### **The Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 regulates employment of contract labour and, in certain cases, provides for the abolition of contract labour. Any employer who engages 20 or more contract workers in any year is covered by the Contract Labour (Regulation and Abolition) Act 1970 and is required to register as a principal employer. Similarly any contractor who engages 20 employees in a year covered by the Contract Labour (Regulation and Abolition) Act 1970 is required to obtain a license. The Contract Labour (Regulation and Abolition) Act 1970 prescribes certain welfare measures that principal employers are required to provide for the contract workers. The principal employer is also liable for the payment of wages to contract workers in case the contractor makes any default in respect of the same.



### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and like are also required to be complied by every Company.

### **National Textile Policy**

Subsequent to the announcement of the Textile Policy, the woven segment of readymade garment sector and the knitting sector have been de-reserved from the list of items reserved for exclusive manufacture in the small scale sector. The Textile Policy also targets the development of a strong multi-fibre base to facilitate product upgradation and diversification. The Textile Policy provides for government financing and venture capital funding for setting up textile plants. Particular emphasis is laid on exports with the proposal of multi-disciplinary institutional mechanisms to formulate policy and action plans, including the restructuring of Export Promotion Councils and operating a brand equity fund exclusively for textile and apparel products. The Textile Policy also contains sector specific agendas. For the cotton sector, it designates the Technology Mission of Cotton as the nodal body to bring about increase in productivity and stability in prices. For the spinning and weaving sectors, decentralized modernizations is the thrust of the government policy and for the garments sector, the government proposes a number of measures in light of the WTO rules and regulations, including strategic alliances with leading global manufacturers and the establishment of textile/apparel parks. The Ministry of Textiles announced the formulation of the National Textile Policy, 2000 118 (“Textile Policy”) in November 2000 with the objective of enabling the textile industry to attain and sustain a preeminent global standing in the manufacture and export of clothing. The Textile Policy envisages a multi-pronged strategy to achieve these long term goals. The strategy aims at modernizing the equipment and technology that is used in the sector and simultaneously strengthening the traditional knowledge, skills and capabilities in this sector.

### **Textile Committee Act 1963**

The Textiles Committee's main objective is to ensure the quality of textiles and textile machinery both for internal consumption and export purposes. The Textiles Committee, as corollary to its main objective of ensuring the quality of textiles and textiles machinery has been entrusted with the following functions of, among other things, establishing standard specifications for textiles, textile machinery and the packing materials. In addition to this, Textiles Committee also regulates the imposition of cess on textile and textile machinery manufactured in India.

### **Trade Marks Act, 1999 (Trade Marks Act)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act.



### **Technology Upgradation Fund Scheme (TUFS)**

Technology Upgradation Fund Scheme (TUFS), a flagship scheme of Ministry of Textiles, is a scheme for modernization and technology upgradation in the textiles sector. It aims at making funds available to the domestic textile industry for technology upgradation in the textile sector. It aims at making funds available to the domestic textile industry for technology upgradation of existing units as well as to set up new units.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **Standards of Weights and Measures Act, 1976**

Our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the rules made there under, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977.

### **Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

**SECTION II – RISK FACTORS****INTERNAL RISK FACTORS****1. We do not own the Registered Office of our Company.**

We operate from our registered office situated at Central Plaza, 41 B.B. Ganguly Street, 2<sup>nd</sup> Floor, Room No.13B, Kolkata – 700012 which is a rented premise. Any discontinuance of rent agreement / facility will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

**2. We have reported negative cash flows.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

*(Rs. Lacs)*

<b>Particulars</b>	<b>30.09.14</b>	<b>31.03.14</b>
Net Cash flow from Operative activities	(311.33)	(65.74)
Net Cash Flow from investing activities	314.12	(877.08)
Net Cash Flow from Financing activities	50.00	1004.56
<b>Net Cash Flow for the Year</b>	<b>52.78</b>	<b>61.75</b>

**3. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**4. If we are unable to retain the services of our Key Managerial Personnel, our business and our operating results could be adversely impacted.**

Our Company and our Promoter have over a few years have built relations with suppliers, customers and other persons who are connected with our business. Further, our Key Managerial Personal also possesses the requisite technical knowledge to provide efficient services to our customers. Accordingly, our Company's performance is dependent upon the services of our Promoter and other Key Managerial Personnel. Our future performance will, therefore, depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process. We are dependent on our Key Managerial Personnel for setting our strategic direction and managing our businesses. The loss of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **5. We have not protected our assets through insurance coverage and our assets are certain operating risks and this may have a material adverse impact on our business.**

We have not maintained any insurance policy to provide adequate coverage to our assets. Any damage or loss of our assets would have a material and adverse impact on our business operations and profitability.

### **6. Our Company does not have any long term supply contracts with our customers which may adversely affect our results of operations.**

Our Company does not have any long term commitments with our customers for supply of our products. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

### **7. Failure on our part to meet consumer expectations could impact our business operations.**

Our business depends on consumer preferences which cannot be predicted with certainty and are subject to rapid change. We feel that if we fail to understand and in turn respond in a timely and appropriate manner to changing consumer demand with quality products, our brand name and brand image may be impaired and in turn result in decline in sales or leave us with substantial amount of unsold inventory. We may not be able to successfully meet changing consumer demands in future. In addition, any new products or brands that we introduce in future may not be successfully received by retailers and consumers. Any failure on our part to successfully meet consumer demand or preference may negatively affect our business, financial condition and results of operations.

### **8. If we are unable to manage our growth, our business could be disrupted**

The growth of our business depend on the operations to realize our vision of attaining size and to improve our cost competitiveness in the textile and fabrics industry, and to reduce costs in our business. In order to achieve such future growth, we need to effectively manage our new project, accurately assess new markets, attract new customers, obtain sufficient financing, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We expect our growth to place significant demands on our management and other resources. Any inability to manage our growth could have an adverse effect on our business, financial condition and results of operations.

### **9. Rise in Input Costs may affect profitability**

The input costs of the products of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.





**10. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.**

We operate in an industry, which faces intense competition from established as well as unorganized players. Our competition depends on several factors, which include quality, price and most importantly our pace in keeping up with the changing trends in fashion industry. Competition emerges from both organized as well as unorganized sector.

**11. We may not be successful in implementing our business strategies.**

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**12. Our inability to manage inventory in an effective manner could adversely impact our business operations.**

Our business involves significant inventory levels based on present and future order books. If we underestimate the orders to be received, we may experience inventory shortages. Similarly, an over-estimation of orders may result in over stocking of inventory leading to increased cost. Any mismanagement on our part to handle inventory levels may impact our business and financial operations.

**EXTERNAL RISK FACTORS**

**13. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**14. Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **15. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (“IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

### **16. Any downgrading of India’s debt rating by a domestic or international rating agency could negatively impact our business.**

Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

### **17. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

## **RISKS RELATING TO THE EQUITY SHARES**

### **18. Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.**

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders. Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our business, and these could materially reduce our revenue or income.



## **ADHIRAJ DISTRIBUTORS LIMITED**

### **19. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

### **20. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding shareholders ability to sell Equity Shares at any particular time.

### **21. The price of our Equity Shares may be volatile.**

The trading price of our Equity Shares may fluctuate after the listing due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares.

### **22. Active trading market for our Equity Shares may not develop.**

Till date there has been no public market for our Equity Shares. We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of BSE SME. We cannot assure that pursuant to listing on ITP, active trading market of our Equity Shares or for securities convertible in to Equity Shares would develop as trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited within 18 months of triggering various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Cores or attaining market capitalization of Rs. 500 Cores.

Pursuant to There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after the listing.



**ADHIRAJ DISTRIBUTORS LIMITED**

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

The following table sets forth certain information concerning the beneficial ownership of our shares of by each person known by us to be the beneficial owner (In case different from registered owner) of the issued and subscribed capital.

<b>Class / Type of Securities</b>	<b>Name and Address of Benefice Owner</b>	<b>Amount and nature of beneficial ownership</b>	<b>Percent</b>
Equity Shares	Nil	N.A.	N.A.

**SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of this Information Memorandum.



## ADHIRAJ DISTRIBUTORS LIMITED

### SECTION IV – OUR MANAGEMENT

#### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

<b>Name, Father's name, Address, Occupation, Nationality, tenure &amp; DIN</b>	<b>Age</b>	<b>Date of Assuming office in the Company</b>	<b>Status of Directorship in our Company</b>
1.Mr. Srikrishan Churiwala S/o Mr. Rabi Kumar Churiwala C/O Syndicated Exports, 9,Ganesh Chandra Avenue, Kolkata – 700 013 Occupation: Service Nationality: Indian Tenure: Five years w.e.f. 27 <sup>th</sup> September, 2014 DIN : 02185991	40Yrs	31/03/2014	Managing Director
2. Mr. Sandip Kumar Agarwal S/o Mr. Hariprasad Agarwal Chhatna, Bankura, West Bengal - 722132 Occupation: Business Nationality: Indian Tenure: Retire by rotation DIN: 05166153	39Yrs	7/10/2013	Non Executive Non Independent Director
3.Mr.Mahesh Kumar S/o Mr. Ram Niwas Choudhary Jagdishpur Road, Near Kali Mandir, P.O. Harharguttu, Jamshedpur Purbi Singhbhum, Jharkhand - 831002 Occupation: Practicing Chartered accountant Nationality: Indian Tenure: Retire by rotation DIN: 06975163	30Yrs	17/09/2014	Non Executive Independent Director
4.Mr.Rohit Garodia S/o Mr. Ashok Kumar Garodia Flat No. 4b, Sabita Apartment, Station Road, Lokenath Complex, Jugsalai, Jamshedpur Jharkhand- 831006 Occupation: Service Nationality: Indian Tenure: Retire by rotation DIN: 06976161	25Yrs	17/09/2014	Non Executive Independent Director



## ADHIRAJ DISTRIBUTORS LIMITED

### DETAILS OF DIRECTORS

**Mr. Srikrishan Churiwala** – aged 40 years, is a Managing Director of our Company. He is a Commerce graduate. He has experience of about 8 years in the field of trading in textile goods. As a Managing Director of our Company with corporate acumen & experience, he brings value addition to our Company.

**Mr. Sandip Kumar Agarwal** – aged 39 years, is a Non Executive Non Independent Director of our Company. He is a commerce graduate. He has a experience of about 2 years in the field of trading in textile goods. As a non Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company.

**Mr. Mahesh Kumar** – aged 30 years, is a Non Executive Non Independent Director of our Company. He is a Commerce graduate and Chartered Accountant also a member of institute of chartered Accountants of India. He has a experience of about 7 Years in the fields of accounting and finance. As a Non Executive Independent Director of our Company with corporate acumen & experience, he brings value addition to our Company.

**Mr. Rohit Garodia** – aged 25 years is a Non Executive Independent Director of our Company. He is a Commerce Graduate and also member of Institute of Chartered Accountants of India. He has vast experience in the fields of accounting and finance.

### NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

None of directors are having family relations with each other.

### TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

#### EXECUTIVE DIRECTORS

Our Company has entered in to an agreement with Mr. Srikrishan Churiwala defining the terms of appointment of himself as Managing Director of the Company. The brief details of his appointment are as under:-

<b>Name</b>	Mr. Srikrishan Churiwala
<b>Designation</b>	Managing Director
<b>Period</b>	Five years with effect from 27 <sup>th</sup> September, 2014
<b>Remuneration</b>	Remuneration Rs. 20,000/- p.m. (Rupees Twenty Thousand Only)
<b>Remuneration paid in FY 31st March, 2014</b>	Rs. Nil

#### NON – EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees or any other kind of remuneration.



## **CORPORATE GOVERNANCE**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) Managing Director, one (1) Non executive non-independent director and two (2) non-executive independent directors. The constitution of our Board is in compliance with the requirements of Clause 42 of the Listing Agreement.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination & Remuneration Committee

### **AUDIT COMMITTEE**

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 25<sup>th</sup> September, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Mahesh Kumar is the Chairman of the Audit Committee.

<b>S.No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1.	Mr. Mahesh Kumar	Chairman	Independent Director
2.	Mr. Rohit Garodia	Member	Independent Director
3.	Mr. Sandip Kumar Agarwal	Member	Non Executive Non Independent Director

### **Role of Audit Committee**

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.



## **ADHIRAJ DISTRIBUTORS LIMITED**

3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;





## ADHIRAJ DISTRIBUTORS LIMITED

- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Reviewing the Financial Statements of its subsidiary company, if any.
22. Reviewing the composition of the Board of Directors of its Subsidiary Company, if any.
23. Reviewing the Vigil mechanism (whistle blowing) policy.
24. Reviewing the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a stakeholders relationship committee ("**Stakeholders Relationship Committee**") to redress the complaints of the shareholders. The Stakeholder Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 25<sup>th</sup> September, 2014. The committee currently comprises of three (3) Directors. Mr. Mahesh Kumar is the Chairman of the Stakeholder Relationship committee.

S. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Mahesh Kumar	Chairman	Independent Director
2.	Mr. Rohit Garodia	Member	Independent Director
3.	Mr. Sandip Kumar Agarwal	Member	Non Executive Non Independent Director

### Role of Stakeholders Relationship committee

The Stakeholders Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

### NOMINATION & REMUNERATION COMMITTEE

Our Company has constituted a nomination and remuneration committee ("**Nomination and Remuneration Committee**"). The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 25<sup>th</sup> September, 2014. The committee currently comprises of three (3) Directors. Mr. Mahesh Kumar is the Chairman of the remuneration committee.

S. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Mahesh Kumar	Chairman	Independent Director
2.	Mr. Rohit Garodia	Member	Independent Director
3.	Mr. Sandip Kumar Agarwal	Member	Non Executive Non Independent Director



## **ADHIRAJ DISTRIBUTORS LIMITED**

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

### **SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors:

<b>Name of Director</b>	<b>Number of Equity Shares</b>	<b>% of Paid up Share Capital</b>
Mr. Srikrishan Churiwala	-	-
Mr. Sandip Kumar Agarwal	-	-
Mr. Mahesh Kumar	-	-
Mr. Rohit Garodia	-	-
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

### **CONFIRMATIONS**

There is no arrangement or understanding between any Director and any other person(s) naming pursuant to which he was or is to be selected as a director or nominee.



**SECTION V – OUR PROMOTERS**

**OUR PROMOTERS**

The Promoter of our Company is:

**M/s Pranidhi Sales Private Limited**

M/s. Pranidhi Sales Private Limited was incorporated on 17<sup>th</sup> February, 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. The Registered office of the Company is situated at 26, W C Banerjee Street Kolkata West Bengal – 700006.

M/s. Pranidhi Sales Private Limited has been promoted by Mr. Premnath Mali and Mr. Jitendra Chaudhery on 17<sup>th</sup> February, 2011. However, on 28<sup>th</sup> November 2012 M/s. Waltaz Distributors Private Limited & M/s. Orarham Creation Private Limited acquired 100 % of control of Pranidhi Sales Private Limited.

The main Object of the Company is stated as below:

1. To carry on business as buyers, sellers ,traders, merchants, indentors, brokers, agents, commission agents, assemblers, refiners, cultivators, miners, mediators, packers, stockists, distributors, advisors, hire purchasers, multi level marketing of& in all kinds of wood, timber and timber product, gems and jewellery, imitation jewellery, plastics and plastics goods & raw materials thereof, rubberized cloth, food grains, dairy products, soap detergents, biscuits, surgical, diagnostic medical pluses, leather& finished leather goods, leather garments, leather products ,all related items in leather, electric and electronics components and goods, iron & steel, aluminium, minerals, ferrous and non- ferrous metal, stainless steel, jute and jute products, textile, cotton, synthetic, fibre ,silk, yarn, wool and woolen goods, handicraft and silk artificial synthetics readymade garments, design materials, process, printers in all textiles, timber cosmetics, stationery, tools and hardware and sugar, tea, coffee, paper, packaging material, chemicals, cement, spices, grain, factory materials, house equipments, rubber and rubber product, coal, coal products and coaltar, fertilizers, agriculture products, industrial products, computer data material, software, paints industrial and other gases, alcohol, edible and non edible oils and fats, drugs, plant and machinery goods, engineering goods and equipments, office equipments, hospital equipments, railway accessories, medicine, sugar & sugarcane, automobile parts, building construction & materials fur & fur made items toys, building plans, consumer products, consumer durables, coal and coke, mica and mica products, dry flowers and plants, printing, transportation and all kinds, in India or elsewhere.

Pranidhi Sales Private Limited holds 32,00,000 Equity Shares of our Company, which constitutes 20.40% of Total Capital.

**Identification**

Name	Pranidhi Sales Private Limited
Corporate Identification Number (CIN)	U52190WB2011PTC159304
Permanent Account Number	AAFCP8672F
Registered Office	26, W C Banerjee Street Kolkata West Bengal – 700006
Authorised Share Capital	Rs. 9,00,000
Paid up Share Capital	Rs. 8,30,000



**ADHIRAJ DISTRIBUTORS LIMITED**

**Board of Directors of Pranidhi Sales Private Limitedas on the date of this Information Memorandum is as follows:**

- Mr. Srikrishan Churiwala
- Mr. Sandip Kumar Agarwal

**Shareholding Pattern:**

As on date of filing, the shareholding pattern of Pranidhi Sales Private Limitedas follows:-

Sr. No.	Name of Shareholder	No. of shares
1	M/s. Waltaz Distributors Private Limited	54000
2	M/s. Orarham Creations Private Limited	29000
	<b>TOTAL</b>	<b>83000</b>

**Audited Financial Information of Pranidhi Sales Private Limited:**

**(Rs. In Lacs)**

Particulars	FY 2014	FY 2013	FY 2012
Equity Share Capital	8.30	8.30	8.30
Reserves & Surplus	357.78	357.72	357.62
Less : Miscellaneous Expenditures not written off	-	-	-
Revenue	5.76	3.85	18.79
Profit / (Loss) after Tax	0.07	0.10	(0.04)
Earning Per Share (EPS)	0.08	0.12	(0.05)



**SECTION VI – RELATED PARTY TRANSACTIONS**

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, are as follows:

***I. List of Related Parties***

<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>Party Where Control Exists</b>		
Pranidhi Sales Pvt. Ltd.	Pranidhi Sales Pvt. Ltd.	Pranidhi Sales Pvt. Ltd.
-		
<b>Other Parties Where Transaction have taken place</b>		
<b>Group Companies</b>		
-	-	-
<b>Key Managerial Persons</b>		
-	-	-
<b>Relatives of Key Managerial Persons</b>		
-	-	-

***II. Details of Transactions with Related party:***

No transactions have been entered with any related parties during the preceding three fiscal years.



**SECTION VII: OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Companies.*

**I. LITIGATION INVOLVING OUR COMPANY**

*Nil*

**II. LITIGATION INVOLVING OUR GROUP COMPANY**

***Cases by/against***

Civil Cases

*Nil*

**Consumer Cases**

*Nil*

**III. LITIGATION INVOLVING OUR PROMOTER**

*Nil*

**IV. LITIGATIONS INVOLVING OUR DIRECTORS**

*Nil*

**MATERIAL DEVELOPMENTS**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Information Memorandum, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.



**SECTION VIII**

**LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts and agreements referred to which are or may be deemed to be material have been entered into by or on behalf of the Company.

**I. MATERIAL CONTRACTS -**

1. Agreement dated 5<sup>th</sup> August, 2014 entered into between our Company and Niche Technologies Private Limited, Registrar and Share Transfer Agent of the Company.
2. Tripartite agreement dated 18<sup>th</sup> July, 2014 entered into between our Company, CDSL and Registrar and Share Transfer Agent of the Company.
3. Tripartite agreement dated 5<sup>th</sup> August, 2014 entered into between our Company, NSDL and Registrar and Share Transfer Agent of the Company.

**II. MATERIAL DOCUMENTS -**

1. Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation dated 1<sup>st</sup> February 2011 issued to our Company in the name of Adhiraj Distributors Private Limited, by the Registrar of Companies, Kolkata, West Bengal.
3. Fresh certificate of incorporation dated 28<sup>th</sup> May 2014 issued to our Company in the name of Adhiraj Distributors Limited, by the Registrar of Companies, Registrar of Companies, Kolkata, West Bengal.
4. Resolution passed by the Board of directors of our Company at Meeting held on 27<sup>th</sup> September, 2014 appointing Mr. Srikrishan Churiwala as a Managing Director of the Company.
5. Resolution passed at the meeting of the Board of Directors held on 25<sup>th</sup> September, 2014 constituting various Committees of the Board.
6. Audited Annual Reports including audited Balance Sheets and Profit & Loss Accounts of the Company for the year ended 31<sup>st</sup> March 2012, 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2014.



**SECTION IX**

**DECLARATION**

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

**SIGNED BY ALL THE DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Mr. Srikrishan Churiwala DIN:02185991	Managing Director	
Mr. Sandip Kumar Agarwal DIN: 05166153	Non Executive Non Independent Director	
Mr. Mahesh Kumar DIN: 06975163	Non Executive Independent Director	
Mr. Rohit Garodia DIN:06976161	Non Executive Independent Director	

**SIGNED BY THE COMPANY SECRETARY**

Ms. Swati Sharma

**SIGNED BY THE CHIEF FINANCIAL OFFICER**

Mr. Sitesh Kanodia

**Date:** 14.10.2014

**Place:** Kolkata