



## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
M/s Charles Commercial Pvt. Ltd.  
Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of the M/s Charles Commercial Pvt. Ltd. ("The Company"), which comprise the Balance Sheet as at 31st March, 2019, the statement of Profit & Loss and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements for the year ended 31st March, 2019 give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit and cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under these Standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

As based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related





to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material





uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing, of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
  - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of those books,
  - c) The **Balance Sheet**, the **Statement of Profit and Loss** and the **cash flow statement** dealt with by this Report are in agreement with the books of account,



BRANCHES



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowing from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting and audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls vide notification date June 13th, 2017, and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigations which would impact its financial position,
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E

D. Mukhopadhyay  
CA. Debabrata Mukhopadhyay  
(Partner)  
Membership No: 067630

UDIN No.19067630AAAABR5639

Place: Kolkata

Date: The 18th Day of September, 2019

BRANCHES



**Annexure - A to the Independent Auditors' Report**

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:**

- i. In respect of the Company's fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets are physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations received by us, the company owns immovable properties and the title deeds of immovable properties held in the name of the company.
- ii. The company does not have any inventories as defined in Accounting Standards -2 Valuation of Inventories and hence in our opinion Para 3(ii) of the Order not applicable.
- iii. According to the information and explanation given to us, the company has given loan to sister concern as defined as per section 189 of the Companies Act 2013 with the terms and conditions of such loan are prejudicial to the interests of the company and the same has been disclosed in notes to financial statements.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to parties listed in the register maintained under section 189 of the Act
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not

BRANCHES.



accepted any loans or deposits which are deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules 2014.

- vi. According to information and explanation given by the management, the maintenance of cost records have not been prescribed by the Central Government under section 148(1) of the Act, for any of the activities carried on by the company.
- vii. (a) According to the information and explanation given to us and on the basis of records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, GST, Custom Duty, Professional Tax etc to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect statutory dues in arrears as at 31<sup>st</sup> March 2019, for a period of more than six months from the date they became payable except demand of Rs.78,247.50/- on account of TDS as per Income Tax.

(b) According to the information and explanations given to us, there are no material dues of income tax, duty of excise, Goods & services tax, which have not been deposited with the appropriate authorities on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- ix. According to the records of the company the company has not raised any moneys by way of Initial Public Offer, or Further Public Offer nor has the company obtained any term loan. Hence, comments under the clause are not called for.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. As per provisions of section 197 of Companies act 2013 of schedule V is applicable only to public companies, accordingly reporting under paragraph 3(xi) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.





- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E

D. Mukhopadhyay.

CA. Debabrata Mukhopadhyay  
(Partner)

Membership No: 067630

UDIN No. 19067630AAAABR5639

Place: Kolkata

Date: The 18th day of September, 2019

BRANCHES:



## CHARLES COMMERCIAL PRIVATE LIMITED

Balance Sheet as at 31st March 2019

		Note No.	31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	Shareholders' funds			
(a)	Share Capital	3	140,230.00	140,230.00
(c)	Reserves and Surplus	4	(1,757,587.81)	(1,877,598.61)
	Total Shareholders' funds		(1,617,357.81)	(1,737,368.61)
(2)	Non-current Liabilities			
(a)	Long Term borrowings	5	55,363,353.00	36,372,266.00
	Total of Non-Current Liabilities		55,363,353.00	36,372,266.00
(3)	Current liabilities			
(a)	Trade Payables			
	(i) Dues to Micro & Small Enterprises	6	-	-
	(ii) Dues to others	6.1	21,620,608.05	25,606,282.45
(b)	Other Current Liabilities	7	1,211,372.91	1,189,001.00
(c)	Short Term Provisions	8	100,741.00	72,156.00
	Total of Current Liabilities		22,932,721.96	26,927,433.45
	<b>Total Equity and Liabilities</b>		<b>76,678,717.15</b>	<b>61,562,330.54</b>
<b>B</b>	<b>Assets</b>			
(1)	Non-Current Assets			
(a)	Property, Plant & Equipment			
	(i) Tangible Fixed Asset	9	55,264,754.75	55,256,216.75
	(ii) Capital Work in Progress		22,500.00	-
(b)	Long Term Loans & Advances	10	11,388,735.00	-
(c)	Other Non-Current Assets	11	11,043.00	11,043.00
	Total of Non-current Assets		66,687,032.75	55,267,259.75
(2)	Current assets			
(a)	Inventories	12	-	-
(c)	Trade Receivables	13	8,630,679.40	4,732,115.80
(e)	Cash and Bank Balances	14	1,241,424.00	1,407,200.29
(d)	Other Current Assets	15	119,582.00	151,930.00
	Total of Current Assets		9,991,684.40	6,294,581.09
	<b>Total Assets</b>		<b>76,678,717.15</b>	<b>61,562,330.84</b>

Summary of Significant Accounting Policies

"2"

The accompanying notes form integral part of the financial statements

As Per Our Report on even date

For, S.Bhalotia & Associates  
Chartered Accountants  
Firm's Registration No. 325040E

For and on behalf of the Board of Charles  
Commercial Private Limited

*D. Mukhopadhyay*  
CA Debabrata Mukhopadhyay

(Partner)

Membership No. 067630

Place: Kolkata

Date: The 18<sup>th</sup> Day of Sept, 2019

*Pushpa Bhutoria*

Pushpa Bhutoria

(Director)

Din No. 00163167

*Ashwini*

Ishwari Kumar  
Bhutoria

(Director)

Din No. 01408634

**CHARLES COMMERCIAL PRIVATE LIMITED**  
Statement of Profit and loss for the year ended 31st March 2019

		Note	31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
<b>A</b>	<b>INCOME</b>			
	Revenue from Operations	16	12,224,692.50	10,617,837.45
	Other Income	17	2,983,593.00	130,000.00
<b>I</b>	<b>TOTAL REVENUE</b>		<b>15,208,287.50</b>	<b>11,017,837.35</b>
<b>B</b>	<b>EXPENSES</b>			
	Purchases of Stock-in-Trade	18	12,201,860.50	6,673,737.24
	Change in inventories of finished goods	19	-	924,751.50
	Employees Benefit Expenses	20	60,000.00	60,000.00
	Finance Costs	21	2,661,735.50	1,996,091.25
	Depreciation & Amortization Expenses		33,925.99	38,938.65
	Other Expenses	22	102,169.70	156,148.94
<b>II</b>	<b>Total expenses</b>		<b>15,059,685.69</b>	<b>10,850,660.58</b>
<b>III</b>	<b>Profit Before Tax (I - II)</b>		<b>148,601.81</b>	<b>167,176.77</b>
<b>IV</b>	Tax expense:			
	(1) Current Tax		28,391.00	27,929.00
	(2) MAT Credit (Entitlement)/Utilised		-	(3,519.00)
<b>V</b>	<b>Net Profit / (Loss) for the period (III - IV)</b>		<b>120,210.82</b>	<b>142,966.77</b>
<b>VI</b>	Earnings per equity share:	23		
	(1) Basic		8.56	10.19
	(2) Diluted		8.56	10.19

Summary of Significant Accounting Policies

"2"

The accompanying notes form integral part of the financial statements

As Per Our Report on even date

For, S.Dhalolia & Associates  
Chartered Accountants  
Firm's Registration No. 325040E

For and on behalf of the Board of Charles  
Commercial Private Limited

*S. Mukhopadhyay*  
CA Debabrata Mukhopadhyay

(Partner)

Membership No. 067630

Place: Kolkata

Date: The Day of 2019

*Pushpa Bhutoria*

Pushpa Bhutoria

(Director)

Dir No. 00163167

*Lalit Kumar Bhutoria*

Lalit Kumar  
Bhutoria

(Director)

Dir No. 01408634

**CHARLES COMMERCIAL PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March 2019**

	31st March 2019 Amount (₹)	31st March 2018 Amount (₹)
<b>A Cash Flow from Operating Activities</b>		
Profit before tax from continuing operations	148,601.81	167,176.77
<b>Profit Before Tax</b>	<b>148,601.81</b>	<b>167,176.77</b>
<b>Non cash &amp; Non Operating Item</b>		
Interest & Finance Charges	2,661,733.50	2,996,994.25
Depreciation	33,925.09	38,938.65
Interest Received	(313,595.00)	-
<b>Operating Profit before Working Capital Changes</b>	<b>2,530,668.30</b>	<b>3,203,149.67</b>
<b>Movements in Working Capital:</b>		
Increase/(Decrease) in Trade Payables	(4,045,674.40)	(1,710,230.05)
Increase/(Decrease) in Other Current Liabilities	(5,482.00)	34,398.00
Decrease/(Increase) in Inventories	-	924,781.50
Decrease/(Increase) in Trade Receivables	(3,896,232.60)	(3,336,220.40)
Decrease/(Increase) in Other Current Assets	93,578.00	217.27
<b>Net cash flow before Tax and Extra ordinary Item (A)</b>	<b>(5,325,142.70)</b>	<b>(883,914.06)</b>
Direct Taxes (Paid) / Refund	(38,230.00)	-
<b>Net cash flow from / (used in) Operating Activities (A)</b>	<b>(5,383,372.70)</b>	<b>(883,914.06)</b>
<b>B Cash flows from Investing Activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(64,474.00)	-
Decrease/(Increase) in Long Term Loan and Advances-Interest Received	(11,388,775.00)	1,200,000.00
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(11,339,614.00)</b>	<b>1,200,000.00</b>
<b>C Cash flows from Financing Activities</b>		
Proceeds/(Repayment) from Long Term Borrowings	18,991,087.00	3,735,149.00
Interest Paid	(2,661,733.50)	(2,996,994.25)
<b>Net cash flows from/(used in) Financing Activities (C)</b>	<b>16,329,353.50</b>	<b>738,154.75</b>
<b>Net increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>(193,635.20)</b>	<b>1,054,240.69</b>
Cash and cash equivalent at the beginning of the year	1,407,205.29	352,964.60
<b>Cash and cash equivalent at the end of the year</b>	<b>1,213,570.09</b>	<b>1,407,205.29</b>



**CHARLES COMMERCIAL PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March 2019**

Component of Cash and Cash Equivalents	31st March 2019 Amount (₹)	31st March 2018 Amount (₹)
i) Cash in Hand	1,241,424.00	1,301,884.70
ii) Balances With Banks - In Current Account	(7,651.91)	15,320.59
<b>Total Cash and Cash Equivalents (Note 14)</b>	<b>1,213,570.09</b>	<b>1,407,205.29</b>

Summary of Significant accounting policies

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

As per our report of even date

For, S. Bhalotia & Associates  
Chartered Accountants  
Firm's Registration No. 325040E

For and on behalf of Board of Charles  
Commercial Private Limited

*D. Mukhopadhyay*

CA Debabrata Mukhopadhyay  
(Partner)  
Membership No. 067630  
Place: Kolkata

Date: The      Day of      , 2019

*Pushpa Bhutoria*

Pushpa Bhutoria  
(Director)  
Din No. 00163167

*Lalit Kumar Bhutoria*

Lalit Kumar Bhutoria  
(Director)  
Din No. 01408634



**CHARLES COMMERCIAL PRIVATE LIMITED**

**Notes forming part of the financial statements for the year ended 31st March 2019**

**1 Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2 Summary of Significant Accounting Policies.**

**a Presentation and Disclosure of Financial Statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act 2013, to the extent possible.

**b Use of Estimates**

The preparation of financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amounts of assets or liabilities in future periods.

**c AS - 2 Valuation of inventories**

Inventories are valued at cost or net realisable value whichever is lower.

**d AS - 3 Cash Flow Statements**

**Cash and Cash Equivalents**

Cash Flow Statement has been prepared under Indirect Method. Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**e AS - 4 Events Occurring after the Balance Sheet date**

Assets and Liabilities are adjusted for events occurring after the Balance Sheet date that provide additional evidence to assist the estimation of amounts relating to condition existing at the Balance sheet date.

**f AS - 5 Net Profit or Loss for the Period, Prior Period Items, and changes in Accounting Policies**

Significant items of Extra-Ordinary Items, and Prior Period Incomes and Expenditures, are accounted in accordance with Accounting Standards 5.

**g AS - 9 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 following specific recognition criteria must also be met before revenue is recognized:



#### *Sale of goods*

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 delivery of goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the

#### *Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

#### *Dividends*

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

### **i AS - 10 Accounting for Property, Plant & Equipment**

ii. Machinery spares which does not qualify for definition of Property, Plant or Equipment can be classified under the head Inventories. Other than these all can be classified under AS10

iii. The Company can decide to expense an item if the amount of expenditure is not material to be included as Plant, Property or Equipment.

iv. Company is providing depreciation as per written down a basis.

#### **Capital Work-in-Progress**

Assets are capitalized when they are ready to use / put to use

### **i AS - 13 Investments**

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 investments. All other investments are classified as long-term investments

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss



**j AS - 15 Employee Benefits**

*(a) Short term employee benefits*

Short term employee benefits are charged at the undiscounted amount to statement of profit and loss in the year in which the related service is rendered

*(b) Defined Contribution Plan*

Employee Benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

**k AS - 16 Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowings Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowings costs are expensed in the period they occur.

**l AS - 18 Related Party Transaction**

Salary to Key Managerial Personnel, salary to relatives of Key Management Personnel and transactions with Company in which Key Management Personnel / Relatives of Key Management Personnel can exercise significant influence are disclosed as Related Party Transaction in the Notes to Accounts

**m AS - 20 Earnings Per Share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during period are adjusted for the effects of all dilutive potential equity shares.

**n AS - 22 Accounting for Taxes on Income**

Tax expense comprises current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that they will be realized in future. However, where there is unabsorbed depreciation and carry forward loss under the income tax laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written off to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized



Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of Minimum Alternative Tax under the income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o **AS - 29 Provisions and Contingent Liabilities and Contingent Assets**

A Provision should be recognised when an enterprise has a present obligation as a result of a past event or it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liability is

A. A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

Or

B. A present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) a reliable estimate of the amount of the obligation cannot be made

Contingent assets are neither recognised nor disclosed in the financial statements



**CHARLES COMMERCIAL PRIVATE LIMITED**

Notes forming part of financial statements for the year ended 31st March 2019

<b>3 Share Capital</b>		<b>31st March 2019</b> (Amount in ₹)	<b>31st March 2018</b> (Amount in ₹)		
a. <b>Authorised Shares:</b> 2,00,000 (P.S.) Equity Shares of ₹ 10/- each		200,000.00	200,000.00		
<b>Issued, Subscribed &amp; Fully Paid up Shares:</b> 1,40,230 (P.S.) Equity Shares of ₹ 10/- each		140,230.00	140,230.00		
<b>Total issued, subscribed and fully paid-up share capital</b>		<b>140,230.00</b>	<b>140,230.00</b>		
<b>Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year</b>		<b>31st March 2019</b> No. of Shares	<b>31st March 2018</b> No. of Shares		
Shares Outstanding at the beginning of the year		14,023	14,023		
Shares Outstanding at the end of the year		<b>14,023</b>	<b>14,023</b>		
b. <b>Terms / rights attached to equity shares</b> The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to only one vote per share.  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 the number of equity shares held by the shareholders.  c. The company has no holding/ultimate holding company and/or their subsidiaries/associates.  d. The company has not issued any number of shares for consideration other than cash and has not bought back any number of shares during the period of five years immediately preceding the reporting date.  e. <b>Details of Share Holders Holding more than 5% shares in the company</b>					
		<b>31st March 2019</b>		<b>31st March 2018</b>	
Equity shares of ₹ 10 each fully paid		No. of shares	% holding in the class	No. of shares	% holding in the class
Arun Bhatnara	6,010	42.86%		6,010	42.86%
Prakash Bhatnara	6,010	42.86%		6,010	42.86%
Ivori Bhatnara	2,003	14.28%		2,003	14.28%
f. Shares reserved for issue under option and contractual commitments in relation to the distribution of shares, including the terms and amounts. Nil					
<b>4 Reserve and Surplus</b>		<b>31st March 2019</b> (Amount in ₹)	<b>31st March 2018</b> (Amount in ₹)		
A Security Premium		559,970.00	559,970.00		
B Surplus/(Deficit) in the statement of Profit & Loss					
Balance brought forward from previous year		(2,437,568.61)	(2,390,433.89)		
Add: Profit for the period		120,010.81	142,500.77		
Net Surplus in the statement of Profit & Loss		<b>(2,317,557.81)</b>	<b>(2,317,568.61)</b>		
<b>Total (A+B)</b>		<b>(1,757,587.81)</b>	<b>(1,757,598.61)</b>		

**CHARLES COMMERCIAL PRIVATE LIMITED**

Notes forming part of financial statements for the year ended 31st March 2019

<b>5 Long Term Borrowings</b>		<b>31st March 2019</b> (Amount in ₹)	<b>31st March 2018</b> (Amount in ₹)
<u>Unsecured</u>			
From Body Corporate			
- Related Party		38,472,049.00	36,372,266.00
- Others		16,961,304.00	-
Total		<b>55,433,353.00</b>	<b>36,372,266.00</b>
<b>6 TRADE PAYABLES - DUES TO MICRO &amp; SMALL ENTERPRISE</b>		<b>31st March 2019</b> (Amount in ₹)	<b>31st March 2018</b> (Amount in ₹)
A. Principal and Interest amount remaining unpaid		-	-
B. Interest due thereon remaining unpaid		-	-
C. Interest paid by the company in terms of section 18 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day		-	-
D. Interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise		-	-
E. Interest waived and remaining unpaid		-	-
F. Interest remaining due and payable even at the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises		-	-
Total		-	-
<u>Disclosure under The Micro, Small &amp; Medium Enterprise Development Act, 2006</u>			
The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures relating to amounts unpaid at the year end, Interest paid / Payable under this Act have not been given.			
<b>6.1 Trade Payables- Due to others</b>		<b>31st March 2019</b> (Amount in ₹)	<b>31st March 2018</b> (Amount in ₹)
Due to other than Micro, Small and Medium Enterprises:-		21,620,608.05	25,666,282.45
Total		<b>21,620,608.05</b>	<b>25,666,282.45</b>



## CHARLES COMMERCIAL PRIVATE LIMITED

Notes forming part of financial statements for the year ended 31st March 2019

	31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
<b>7 Other Current Liabilities</b>		
Advances Payable	62,540.00	31,270.00
Liability against Capital Expenditure	849,742.00	849,742.00
Statutory Liabilities	268,037.00	299,890.00
Liability for Expenses	6,200.00	8,900.00
Temporarily Overdraft Balance in Bank	27,853.91	-
<b>Total</b>	<b>1,214,372.91</b>	<b>1,189,802.00</b>
<b>8 Short Term Provisions</b>		
Provision for Income Tax	100,741.00	72,150.00
<b>Total</b>	<b>100,741.00</b>	<b>72,150.00</b>
<b>10 Long Term Loans &amp; Advances</b>		
Unsecured, Considered Good: Advances against Goods	106,500.00	
Loans & Advances - Secured (Amount)	31,282,235.00	
<b>Total</b>	<b>31,388,735.00</b>	
<b>11 Other Non Current Assets</b>		
Security Deposits	6,892.00	6,892.00
MVF Cash Certificate	8,151.00	1,151.00
<b>Total</b>	<b>15,043.00</b>	<b>8,043.00</b>
<b>12 Inventories</b>		
As disclosed Certified by the Management		
Stock in Trade		
Valued at lower of cost or Market Value		
<b>13 Trade Receivables</b>		
Unsecured, Considered good: Does not spanning for more than six months Duration	2,305,540.40	4,772,445.88
	6,325,138.00	180,090.00
<b>Total</b>	<b>8,630,678.40</b>	<b>4,952,445.88</b>
<b>14 Cash and Bank Balances</b>		
Cash and Cash Equivalents: i) Cash in hand	1,211,424.00	1,561,894.73
ii) Balance with Banks: In Current Account	-	45,130.90
<b>Total</b>	<b>1,211,424.00</b>	<b>1,607,025.63</b>
<b>15 Other Current Assets</b>		
Advance Tax & TDS Refundable	104,562.00	16,752.00
Prepaid Expenses	-	2,075.00
Advance paid to Supplier	15,000.00	106,500.00
<b>Total</b>	<b>119,562.00</b>	<b>125,327.00</b>

60

**CHARLES COMMERCIAL PRIVATE LIMITED**

Notes forming part of financial statements for the year ended 31st March 2019

Note - 9

Property, Plant & Equipment	GROSS BLOCK				DEPRECIATION			NET BLOCK		Amount in (₹)
	As on 01.04.2018	Addition	As on 31.03.2019	As on 01.04.2018	For the year	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018		
Land	54,995,597.00	41,974.00	55,037,571.00	-	-	55,037,571.00	55,037,571.00	54,995,597.00		
Office	538,806.00	-	838,896.00	577,786.25	33,025.99	611,712.24	227,183.76	261,109.75		
<b>Total</b>	<b>55,534,403.00</b>	<b>41,974.00</b>	<b>55,876,467.00</b>	<b>577,786.25</b>	<b>33,925.99</b>	<b>611,712.24</b>	<b>55,264,754.75</b>	<b>55,256,706.75</b>		
Previous Year	55,834,493.00	182,340.00	56,016,833.00	193,957.08	44,830.52	56,787.60	56,256,716.75			

**CHARLES COMMERCIAL PRIVATE LIMITED**

Notes forming part of financial statements for the year ended 31st March 2019

16 Revenue from Operations		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Sale of Cloth		12,224,692.50	10,837,837.35
<b>Total</b>		<b>12,224,692.50</b>	<b>10,837,837.35</b>
17 Other Income		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Rental Income		180,000.00	180,000.00
Interest Income		313,595.00	-
Quality Deduction		2,490,000.00	-
<b>Total</b>		<b>2,983,595.00</b>	<b>180,000.00</b>
18 Purchases of Stock-in-Trade		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Purchase of Cloth		12,201,860.50	6,673,737.24
<b>Total</b>		<b>12,201,860.50</b>	<b>6,673,737.24</b>
19 Change in inventories of finished goods		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Opening stock		-	924,781.50
Closing stock		-	-
- Cloth		-	-
- Sittings		-	-
<b>Total</b>		<b>-</b>	<b>924,781.50</b>
20 Employee Benefit Expenses		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Salary & Bonus		60,000.00	60,000.00
<b>Total</b>		<b>60,000.00</b>	<b>60,000.00</b>
21 Finance Costs		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Interest on Loan /		2,650,278.00	2,915,664.00
Bank Charges /		11,957.50	146.25
<b>Total</b>		<b>2,662,235.50</b>	<b>2,915,810.25</b>
22 Other Expenses		31st March 2019 (Amount in ₹)	31st March 2018 (Amount in ₹)
Audit Fees		-	-
- Statutory Audit /		31,270.00	31,270.00
Electricity Expenses		-	23,300.00
Insurance /		13,494.00	11,547.22
Filing Fees /		4,300.00	600.00
Professional Charges /		600.00	-
Office Expenses /		4,419.70	17,347.32
Telephone Expenses		-	3,520.00
Rates & Taxes /		47,680.00	68,428.00
<b>Total</b>		<b>102,163.70</b>	<b>156,148.94</b>



**CHARLES COMMERCIAL PRIVATE LIMITED**

Notes on Financial Statements for the period ended 31st March, 2019

23	EARNING PER SHARE (EPS)	March 31, 2019 Amount in ₹	March 31, 2018 Amount in ₹
	(a) Profit after tax as per Profit and Loss Account	130,010.81	142,896.77
	(b) Weighted Average Number of Equity Shares	14,023	14,023
	Basic and Diluted Earning Per Share	8.56	10.19

24	FOREIGN EXCHANGE	March 31, 2019 Amount in ₹	March 31, 2018 Amount in ₹
	(a) Foreign Exchange Earning during the year	Nil	Nil
	(b) Foreign Exchange Spend during the year	Nil	Nil

**25 RELATED PARTY DISCLOSURE**

1	Description of Relationship	Name of Related Party
Key Management Personnel		1. Poojita Bhutoria
		2. Lalit Kumar Bhutoria
Company in which Key Management Personnel / Relatives of Key Management Personnel can exercise Significant Influence		1. SMI Examp Ltd
		2. Bhutoria Dealers Pvt. Ltd
		3. Tropic Carrier Ltd
		4. Shiv Niketan Ltd
		5. Bhutoria Consumer Product Pvt Ltd
		6. PCB Finance Pvt Ltd
		7. Onj Powers Pvt Ltd
		8. Tropic Carrier Pvt Ltd
		9. Shree Balaji Coal Traders Ltd
		10. SMI Powers India Ltd
		11. Tropic Enclave Pvt Ltd

2 Nature of Transaction with Related Parties-

A	Name of the related parties	Nature of Transaction	Transaction during the Year	Outstanding Balance At The Year End	Outstanding Balance At The previous Year End
	SMI Examp Ltd	Sale of Goods		3,258,981.05	(5,757,911.05)
		expenses			
		Payment for expenses	8,071.00		
	Bhutoria Consumer Product Pvt Ltd	Rent	180,000.00		(261,330.00)
	PCB Finance Pvt Ltd	Advance Received		88,132.00	(88,130.00)
	Tropic Enclave Pvt Ltd	Received against sale of goods		1,185,000.00	(1,405,000.00)

B	Loans taken & Repayment thereof	Loan taken	Repayment	Interest Paid	Amount owed to Related Party
	Bhutoria Dealers Pvt Ltd		20,000.00	30,012.00	2,428,264.00
			(63,026.00)	(186,556.00)	(2,249,462.00)
	Shiv Niketan Pvt Ltd		194,254.00		
			1,613.00	16,132.00	(194,254.00)
	SMI Examp Ltd	200,000.00	200,000.00	2,046,939.00	15,975,285.00
		(1,200,000.00)	(2,79,330.00)	(2,793,320.00)	(81,931,550.00)

Note: (a) Related Parties have been identified by the management

(b) Amounts in brackets relates to previous years figure- i.e. FY 2017-18

**CHARLES COMMERCIAL PRIVATE LIMITED****Notes on Financial Statements for the period ended 31st March, 2019****26 Liabilities / Provisions for Liabilities**

In the opinion of Board of Directors, provision for all known liabilities have been made in the accounts except for demand as per IIRACTS website of ₹ 76247 30/- .

**27 Other Notes**

- (a) Company has given corporate guarantee of ₹ 35.71 Crores for credit facility availed by Shree Bansi Coal Traders Limited from State Bank of India as per sanction letter dated 15.01.2019. As per MCA records total charge is ₹ 45.8 Crores which is pending for updation.
- (b) In the opinion of Management and to the best of their knowledge and belief the value of realisation of Loans, Advances and Current Assets in ordinary course of Business will not be less than the amount for which they are stated in the Balance Sheet.
- (c) There are no employees who are receiving remuneration to the extent laid down under section 194 of the companies Act, 2013.
- (d) Balance of Trade Receivables, Trade Payables, Loans, advances, other current assets and other liabilities are in the ordinary course of business and are subject to confirmation.
- (e) The previous financial year figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary.

For, S.Bhutoria & Associates  
Chartered Accountants  
Firm's Registration No. 3251N01

*D. Mukhopadhyay*  
CA Debabrata Mukhopadhyay

(Partner)

Membership No. 067630

Place: Kolkata

Date: The Day of 2019

For and on behalf of the Board of Charles Commercial Private Limited

*Pushpa Bhutoria*

Pushpa Bhutoria  
(Director)

Din No. 00163167

*Lalit Kumar Bhutoria*

Lalit Kumar Bhutoria  
(Director)

Din No. 0016416634

