

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTHAN MERCANTILE LIMITED

Report on the Audit of Standalone Financial Statement

Opinion

We have audited the accompanying standalone quarterly financial results of **HINDUSTHAN MERCANTILE LIMITED** ("the company"), for the quarter ended 31st March, 2021 and the year to date results for the period from 1st April' 2020 to 31st March' 2021 attached herewith being submitted by the Company pursuant to requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ("Listing Regulation")

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- a. are presented in accordance with Regulation 33 of Listing Regulations in this regard, and
- b. give a true and fair view in conformity with the recognition and measurement principle laid down in applicable accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the Quarter ended 31st March, 2021 as well as the year to date results for the period from 1st April' 2020 to 31st March' 2021

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 those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other 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.

Responsibility of Management and Those Charged With Governance for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of Interim Financial Statement. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial results 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, and in compliance with Regulation 33 of the Listing Regulation. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, 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 Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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 standalone financial results, 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 control relevant to the audit 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.
- 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 standalone financial results 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 standalone financial results, including the disclosures, and whether the standalone financial results 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.

P.D.RUNGTA & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No.001150C

PRAMOD
KUMAR DHELIA

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PRAMOD KUMAR DHELIA
Date: 2021.08.09 16:03:32
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CA P.K.DHELIA,
PARTNER
MEMBERSHIP No.: 051734

Place : KOLKATA
DATED: 9th August 2021
UDIN:

21051734 AAAABY 6936



HINDUSTHAN MERCANTILE LIMITED

CIN: L67190WB1944PLC011627

STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2021

		(Amount in Rs.)	
Particulars		As at 31.03.2021	As at 31.03.2020
A	EQUITY AND LIABILITIES	Audited	Audited
1	Shareholders' Funds		
	(a) Share Capital	1,00,00,000	1,00,00,000
	(b) Reserves and Surplus	2,12,27,198	2,11,94,489
	(c) Money Received Against Share Warrants	-	-
	Sub-Total-Shareholder's funds	3,12,27,198	3,11,94,489
2	Share Application Money Pending Allotment		
3	Non-Current Liabilities		
	(a) Deferred Tax Liabilities	-	-
	Sub-Total-Non-Current Liabilities	-	-
4	Current Liabilities		
	(a) Other Current Liabilities	1,49,671	3,43,607
	(b) Short-term Provision	62,587	62,587
	Sub-Total-Current Liabilities	2,12,258	4,06,194
	TOTAL-EQUITY AND LIABILITIES	3,14,39,456	3,16,00,683
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	1,17,684	1,37,906
	(b) Non-current investments	11,92,609	11,92,609
	(c) Long-term Loans and Advances	34,01,462	34,01,462
	(d) Deferred Tax Assets(Net)	21,762	1,15,402
	Sub-Total-Non-Current Assets	47,33,517	48,47,379
2	Current Assets		
	(a) Current Investments	36,84,911	36,84,911
	(b) Cash and cash equivalents	1,24,225	23,61,139
	(c) Short-term loans and advances	2,18,20,646	2,04,02,277
	(d) Other Current Assets	10,76,157	3,04,977
	Sub-Total-Current Assets	2,67,05,939	2,67,53,304
	TOTAL - ASSETS	3,14,39,456	3,16,00,683



HINDUSTHAN MERCANTILE LIMITED

CIN: L67190WB1944PLC011627

AUDITED FINANCIAL RESULT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Particular	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited	Unaudited	Audited	Audited	Audited
Income from operation					
(a) Revenue from Operation	2,67,652	4,13,947	2,84,267	14,69,877	13,69,161
Other Income	5,858	2,550	1,250	13,508	9,45,081
Total Income from Operations (Net)	2,73,510	4,16,497	2,85,517	14,83,385	23,14,242
Expenses					
Employment Benefit Expenses	1,86,248	70,412	1,28,910	10,95,857	6,22,694
Depreciation and amortisation expenses	4,874	5,116	7,210	20,222	28,836
Other Expenses	2,95,244	31,979	27,363	3,92,900	3,90,510
Total Expenses	4,86,366	1,07,507	1,63,483	15,08,979	10,42,040
Profit/(loss) from operations before other income, finance cost and exceptional items (1-2)	(2,12,856)	3,08,990	1,22,034	(25,594)	12,72,202
Exceptional Items	-	-	-	-	-
Profit/(Loss) from ordinary activities before Tax (3-4)	(2,12,856)	3,08,990	1,22,034	(25,594)	12,72,202
Tax expenses					
(1) Current tax	(47,134)	77,773	-	-	2,34,100
(2) Deferred tax	1,11,208	(5,856)	(6,331)	93,640	(25,325)
(3) Tax Relating to Previous Year	-	-	-	-	1,48,345
(4) Excess provision of tax written back	(1,51,943)	-	-	(1,51,943)	-
Net Profit/(Loss) from ordinary activities after Tax (5-6)	(1,24,987)	2,37,073	1,28,365	32,709	9,15,082
Paid-up equity share capital (Face Value Rs.100/-)	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Earning per share (EPS) of Rs.100/- each:					
(1) Basic	(1.25)	2.37	1.28	0.33	9.15
(2) Diluted	(1.25)	2.37	1.28	0.33	9.15



HINDUSTHAN MERCANTILE LIMITED

CIN NO.= L67190WB1944PLC011627

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
A. Cash Flow From Operating Activities :	<u>Rs.</u>	<u>Rs.</u>
Net Profit Before Tax	(25,594)	12,72,202
Adjustment for :-		
Depreciation	20,222	28,836
Profit/Loss on Fixed Assets Sold discarded	-	-
Profit/Loss on sale of Investments	-	(9,26,271)
Interest Received	(14,69,877)	(13,69,161)
Dividend Recd	(3,308)	(8,610)
Operating Profit before working Capital Changes	(14,78,557)	(10,03,004)
Adjustment for :-		
Changes in provisions for tax	1,51,943	(1,10,800)
Changes in Trade and other receivable	(7,71,180)	20,308
Changes in Current Investment	-	30,00,000
Changes in Short Term Loans and Advances	(14,18,369)	(81,62,774)
Changes in Short term provisions	-	(1,48,345)
Changes in Trade & Other Payable	(1,93,936)	(38,681)
Changes in provisions	-	-
Cash generation from operation	(37,10,099)	(64,43,296)
Payment of Taxes	-	-
Net Cash from Operating Activities	(37,10,099)	(64,43,296)
B. Cash Flow From Investing Activities :		
Profit/Loss on sale of Investments	-	9,26,271
Dividend Received	3,308	8,610
Interest Received	14,69,877	13,69,161
Net Cash used in Investing Activities	14,73,185	23,04,042
C. Cash Flow From Financial Activities :		
Dividend & Dividend Taxes	-	-
Net Cash used from Financial Activities	-	-
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(22,36,914)	(41,39,254)
E. Opening Cash & Cash Equivalents (Cash & Bank Balance)	23,61,139	65,00,393
F. Closing Cash & Cash Equivalents (Cash & Bank Balance)	1,24,225	23,61,139

For on behalf of the Board of Directors

BHARAT KUMAR JALAN
(DIRECTOR)
DIN:00876208

Place- Kolkata

Date - **09 AUG 2021**



HINDUSTHAN MERCANTILE LIMITED

CIN: L67190WB1944PLC011627

NOTES OF ACCOUNTS :

- 1 The above financial result for the quarter and year ended March 31st, 2021 have been reviewed by Audit Committee and approved by Board of Directors at their respective meeting held on 9th August ,2021
- 2 The company has filed a legal suit with Hon'ble High Court at Calcutta for recovery of advance and other expenses incurred and/or paid for and on behalf of United Bank of India. Pending decision on the same, the account with United Bank of India, remains unadjusted and unconfirmed.
- 3 No provision has been made for loss and doubtful assets amounting to Rs. 3311230/- and the same has been shown under Loan & Advances
- 4 Balance in respect of certain loan given are subject to confirmation.
- 5 The Company is engaged mainly in the investment Activities, since all activities are related to the main activity, there are no separable segments as per the Accounting Standard on Segment Reporting (AS-17)
- 6 The Company is yet to comply Accounting Standard As-28 with respect to impairment of Fixed Assets hence loss if any arising out of impairment of fixed assets remains unascertained and unprovided.
- 7 Previous period's figures has been re-arranged/regrouped wherever considered necessary to confirm with current years presentation.

As per our Report of even date

FOR P. D. RUNGTA & COMPANY
CHARTERED ACCOUNTANTS

Firm's Reg. No.: 001150C

UDIN: 21051734AAAABY6936

PRAMOD KUMAR DHELIA
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CA P.K.DHELI, A,
Partner

Membership No. : 051734

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21, Hemanta Basu Sarani
Kolkata - 700 001

Date - 09 AUG 2021



For HINDUSTHAN MERCANTILE LIMITED

BHARAT KUMAR JALAN
(DIRECTOR)

DIN No. 00876208