

SHAKTIMAN MERCANTILE
COMPANY LIMITED

24TH
ANNUAL REPORT
2006-2007

SHAKTIMAN MARCANTILE COMPANY LTD.

ANNUAL REPORT 2006 - 2007

: DIRECTORS :

Shri Bharat Somani
Shri Satish Karmalkar
Shri Rajesh Kakani
Smt Rachana Kakani

: AUDITORS :

M/S JK LAHOTI & CO.
Chartered Accountants

: REGISTERED OFFICE :

303, 3rd Floor, Rajendra Chambers,
19, Nanabhai Lane, Fort,
Mumbai - 400 001.

: REGISTRAR & TRANSFER AGENT:

ADROIT CORPORATE SERVICES (P) LTD.
19, Jafferbhoy Industrial Estate,
1st floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059.
Tel.No. 2859 0942/2850 3748

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NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of SHAKTIMAN MERCANTILE COMPANY LIMITED. will be held at the Registered Office of the Company at 303, 3rd Floor, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai - 400 001 on Thursday, the 28th September, 2007 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Mr. Bharat Somani, who retires by rotation and being offers himself for re-appointments.
4. To appoint a Director in place of Mr. Satish Karmalkar, who retires by rotation and being offers himself for re-appointments

SPECIAL BUSINESS:

1. APPOINTMENT OF MR. RAJESH KAKANI AS DIRECTOR To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Rajesh Kakani who was appointed as Additional Director of the Company by the Board of Directors to holds office up to the date ensuing Annual General Meeting as per section 206 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

2. APPOINTMENT OF MRS. RACHANA KAKANI AS DIRECTOR to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Rachana Kakani who was appointed as Additional Director of the Company by the Board of Directors to holds office up to the date ensuing Annual General Meeting as per section 206 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation

For and on behalf of Board of Directors
Sd/-
DIRECTOR

Place : Mumbai

Date : 03.09.2007

NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
- 2) Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to Special Business is annexed hereto.
- 3) The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of the Meeting.
- 4) The share Transfer Books and Members Register of the Companies will remain closed from 25th September, 2007 to 27th September, 2007 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
- 5) The Share holders are requested to notify changes in these respective addresses if any to the Registered Office quoting their folio no.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No.1

Mr. Rajesh Kakani was appointed as an Additional Director of the Company with effect from 7th November, 2006 pursuant to Section 260 of the Companies Act, 1956. He holds office of Director upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with required deposit proposing the candidature of Mr. Rajesh Kakani for the office of Director under Section 257 of the Companies Act 1956.

Mr. Rajesh Kakani, has nearly 5 years of experience in Construction & Infrastructure Projects. His expertise in these areas would be benefited to the Company.

Item No.2

Mrs. Rachana Kakani was appointed as an Additional Director of the Company with effect from 7th November, 2006 pursuant to Section 260 of the Companies Act, 1956. He holds office of Director upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with required deposit proposing the candidature of Mrs. Rachana Kakani for the office of Director under Section 257 of the Companies Act 1956.

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DIRECTORS' REPORT

TO,
THE MEMBERS,
SHAKTIMAN MERCANTILE COMPANY LTD.

Your Directors have pleasure in presenting the 24th Annual Report and the Audited Accounts for the year ended on 31st March 2007.

BUSINESS PERFORMANCE:

	Current Year Ended 31-03-2007 (Rs.)	Previous Year Ended 31-03-2006 (Rs.)
Net Profit / (Loss) after Tax	162,802	(512,274)
Profit/(Loss) bought from previous Year	(1,888,242)	(1,375,968)
Net Profit / (Loss) carried to Balance Sheet	(1,725,440)	(1,888,242)

DIVIDEND :

In View of the brought forward losses, The Board of Directors regret to declare any dividend.

DIRECTORS :

Mr. Rajesh Kakani and Mrs. Rachana Kakani has been appointed as an Additional Directors of the Company with effect from November 07, 2006. Mr. Satish Karmalkar, Mr. Bharat Somani, Mr. Rajesh Kakani, Mrs. Rachana Kakani Directors of the Company retires by rotation, being eligible, offers himself for re-appointment.

Shri Krishnakumar Somani, whole time Director, resigned on 28.08.2007, Your Directors place on record their appreciation of the services rendered by Shri Krishnakumar Somani during his tenure as a Director.

Shri Vikram Somani, whole time Director, resigned on 28.08.2007, Your Directors place on record their appreciation of the services rendered by Shri Vikram Somani during his tenure as a Director.

Smt Saraswati Somani, whole time Director, resigned on 28.08.2007, Your Directors place on record their appreciation of the services rendered by Shri Saraswati Somani during her tenure as a Director.

FIXED DEPOSITS :

The Company did not invite/accept/renew any fixed deposits during the year under review.

PARTICULARS OF EMPLOYEES:

As required by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. GSR 839 (c) dated 25/10/2000, as there are no such employees.

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ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Details of Energy, conservation research and development activities undertaken by the Company along with the information in accordance with provision of Section 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in respect of Board of Directors), Rules, 1998 is given in the Annexure.

AUDITORS REPORT:

The observations of the Auditors in their report, read with noted annexed to account, are self explanatory and therefore do not call for the any further comment and explanation under section 217(3) of the Companies Act,1956.

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AUDITORS :

M/s J K Lahoti & Co., the Auditors retire at the ensuing Annual General Meeting but being eligible offer themselves for reappointed. The Company has received the letter from Auditors to the effect that their remuneration if made it would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s J K Lahoti & Co. as the Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 relating to the Directors Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the Annual Account for the financial year ended 31st March, 2007 the applicable accounting standard have been allowed along with proper explanations relating to material departures.
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for the year under review.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) These accounts for the financial year ended 31st March, 2007, have been prepared on "going concern" basis.

ACKNOWLEDGEMENT

The Directors wish to place on records their appreciation of the contributions made by the employees at the all levels, whose continued commitment and dedication helped the Company to achieve better results. The Directors also wish to thank customers, bankers, etc. for their continued support. Finally your Directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us in your Co-operation & never failing support.

For and on behalf of Board of Directors
Sd/-
DIRECTORS

Place : Mumbai

Date : 30.08.2007

AUDITORS' REPORT

**TO,
THE MEMBERS,
SHAKTIMAN MERCANTILE CO. LTD.**

1. We have audited the attached Balance Sheet of **SHAKTIMAN MERCANTILE CO. LTD.** as at 31st March, 2007 and also the Profit & Loss A/c and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-Section (4A) 01 Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified therein.
4. Further to our comments in the Annexure referred to above, we report that:
 - I. 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.
 - II. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - III. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - IV. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3 C of Sec.211 of the Companies Act. 1956.
 - V. On the basis of written representations received from Director as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2007 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note 2(h) regarding recovery of loan from Anil Corporation and Suchit Bachalli and Ankohley's & Company read together with the notes thereon, gives the information required and give a true and fair view in conformity with the accounting principle generally accepted in India.

- a. In the case of the Balance Sheet of the state of affairs of the Company as on 31st March, 2007.
- b. In the case of Profit & Loss Account of the Profit for the year ended that date and
- c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

For J K Lahoti & Co.
Chartered Accountants
Sd/-

J K Lahoti
Proprietor

M. No. 16655

Place : Mumbai
Date : 30.08.2007

ANNEXTURE TO THE AUDITORS REPORT

(Statement referred to in paragraph 3 of our Report of even date on the Accounts of SHAKITIMAN MERCANTILE COMPANY LIMITED for the year ended 31st March, 2007.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed Assets.
- 2) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- 3) The Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- 4) 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.
- 5) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancy noticed on verification between the physical stocks and the book records were not material.
- 6) The following are the particulars of loans taken by the Company from Companies, Firms and Other Parties covered in the Register maintained under section 301 of the Companies Act, 1956.
Name of the Party - Aamal Securities Ltd.
Relation with Company - Company under same Management
Amount Rs. - 16,870/-
Year end Balance Rs. - 16,870/-
- 7) The Company has not granted any loan to Companies, Firms and Other Parties covered in the Register maintained under section 301 of the Companies Act.
- 8) In our opinion the rate of interest and other terms and conditions on which loans have been taken from / granted to Companies, Firms or other parties listed in the register maintained under Section 301 are not prima facie, prejudicial to the interest of the Company. However, no interest has been charged or granted on the above loans taken / granted.
- 9) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- 10) There is no overdue amount of loans taken from or granted to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 11) In our opinion and according to the information and explanations given to us, there are adequate control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, Fixed Assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

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- 12) Based on the audit procedures applied by us - and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- 13) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 14) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regards to the Deposits accepted from the public. No order has been passed by National Company Law Tribunal. However during the year under report the Company has not accepted Deposits under Sections 58A and 58M of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- 15) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 16) According to the records of the Company, The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth-tax, excise duty, cess tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- 17) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
- 18) According to the records of the Company, there are no dues of sales tax, income-tax, customs tax/wealth-tax, excise duty / cess which have not been deposited on account of any dispute.
- 19) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit.
- 20) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues of a financial institution, Bank or debenture holders.
- 21) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 22) Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 23) Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other securities in its own name.
- 24) The Company has not given any guarantee for loans taken by others from Bank or Financial Institution.
- 25) The term loans have been applied for the purpose for which they were raised.
- 26) Based on our examination of the Balance sheet of the Company as at 31st March, 2006, we find that the Company as on that date had long-term sources of funds amounting Rs. 24,90,000/-. The long-term application of funds was NIL. During the accounting period covered by our report the Company generated Rs. 16,870/- long-term sources and applied NIL towards long-term application.

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- 27) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 28) During the period covered by our audit report, the Company has issued debenture of Rs. NIL each. The Company has not created any security in respect of debentures issued.
- 29) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- 30) Other clauses of the said order are not applicable to the Company.

For J K Lahoti & Co
Chartered Accountants

Sd/-

J K Lahoti

Proprietor

M. No.16655

Place : Mumbai

Date : 30/08/2007

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BALANCE SHEET AS AT 31ST MARCH, 2007.

PARTICULARS	SCH	AS AT 31.03.2007 (RS.)	AS AT 31.03.2006 (RS.)
<u>SOURCE OF FUND</u>			
SHAREHOLDER'S FUNDS:			
Share Capital	1	2,490,000	2,490,000
Unsecured Loans	2	16,870	-
		2,506,870	2,490,000
<u>APPLICATION OF FUND</u>			
<u>NET CURRENT ASSETS</u>			
Current Assets	3	1,357,479	660,148
Less : Current Liabilities & Provision	4	576,049	58,390
Net Current Assets		781,430	601,758
Miscellaneous Expenditure (To the extent not written off or adjusted)	5	-	-
Less : Written Off during the year			
Profit & Loss Account		1,725,440	1,888,242
		2,506,870	2,490,000

NOTES ON ACCOUNTS

The Schedules referred to herein form an integral part of the Balance Sheet

As per our Report of even date

For **J K Lahoti & Co.**

Chartered Accountants

Sd/-

J K Lahoti

Proprietor

M. No. 16655

Place : Mumbai

Dated : 30.06.2007

For **Shaktiman Mercantile Co. Ltd**

Sd/-

Director

Sd/-

Director

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

PARTICULARS	SCH	YEAR ENDED 31.03.2007 (RS.)	YEAR ENDED 31.03.2006 (RS.)
<u>INCOME</u>			
Sales		13,942,807	1,875,457
Dividend Income			9,034
Increase/(Decrease) in Stock	6		(722,084)
		13,942,807	1,162,406
<u>EXPENDIRUTE</u>			
Purchase		13,574,923	276,016
Loss on Investments		-	1,190,333
Administration & Other Expenses	7	91,571	173,332
		13,666,494	1,639,681
Net Profit / (Loss) before Tax		276,313	(477,274)
Provision for Taxation		113,000	-
Provision for Taxation (MAT)		-	35,000
Provision for FBT		511	-
Net Profit / (Loss) after Tax		162,802	(512,274)
Add / (Less): Brought forward from Previous Year		(1,888,242)	(1,375,968)
Net Profit / (Loss) carried to Balance Sheet		(1,725,440)	(1,888,242)
Basic Earning Per Share		0.65	(2.05)
As per our Report of even date For J K Lahoti & Co. Chartered Accountants Sd/- J K Lahoti Proprietor M. No. 16655 Place : Mumbai Dated : 30.08.2007		For Shaktiman Marcantile Co. Ltd Sd/- Director Sd/- Director	

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SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	AS AT 31.03.2007 (RS.)	AS AT 31.03.2006 (RS.)
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
250000 Equity Shares of Rs. 10/- Each	2,500,000	2,500,000
	2,500,000	2,500,000
ISSUED, SUBSCRIBED & PAID UP		
249000 Equity Shares of Rs. 10/- Each	2,490,000	2,490,000
	2,490,000	2,490,000
SCHEDULE : 2		
UNSECURED LOANS		
Inter Corporate Deposits:	16,870	-
	16,870	-
SCHEDULE : 3		
CURRENT ASSETS		
Loans and Advances	611,082	593,470
Cash On Hand	1,400	21,595
Bank Balance	205,382	-
Deposits	45,083	-
Sundry Debtors (Less than Six Months)	494,532	-
Deposits with Registrar City Civil Court	-	45,083
	1,357,479	660,148
SCHEDULE : 4		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Goods	351,648	-
Liabilities for Expenses	75,890	23,390
Provisions for Income Tax	148,000	35,000
Provisions for FBT	511	-
	576,049	58,390
SCHEDULE : 5		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)	-	4,400
Less: Written off during the year	-	4,400
	-	-

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SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007.

PARTICULARS	YEAR ENDED 31.03.2007 (RS.)	YEAR ENDED 31.03.2006 (RS.)
<u>SCHEDULE : 6</u>		
<u>INCREASE / (DECREASE) IN STOCK</u>		
Closing Stock	-	-
Less : Opening Stock	-	722,084
	-	(722,084)
<u>SCHEDULE : 7</u>		
<u>ADMINISTRATION & OTHER EXPENSES</u>		
Advertisement & Publicity	4,500	4,500
Audit Fees	12,500	4,490
Bank Charges	106	-
Company Professional Tax	-	2,500
Conveyance & Traveling	4,800	22,955
Filing Fees	870	1,500
General Expenses	2,200	13,451
Legal & Professional Fees	-	63,413
Listing Fess	10,000	11,500
Misc Expenditure written off	-	4,400
Postage & Courier Charges	1,135	-
Professional Tax	12,500	-
Printing & Stationary	7,360	2,008
Rental Charges	18,000	6,000
Sundry Balances Written Off	-	36,617
Telephone Charges	1,050	-
Salary Expenses	15,000	-
Staff Welfare Expenses	1,550	-
	91,571	173,332

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SCHEDULE : 12

Significant Accounting Policies and notes annexed to and forming part of the Accounts for the Year ended 31st March, 2007.

1. Significant Accounting Policies:

- a. **Accounting Policies:** The Financial Statements have been prepared in accordance with generally accepted accounting principle as well as the requirements of the Companies Act 1956. The significant policies are as follows
- b. **Fixed Assets:** Fixed Assets have been valued at cost less depreciation.
- c. **Investments:** Investments are valued at cost, which is inclusive of brokerage and stamp duty incurred in connection with their acquisition.
- d. **Inventories :** Stock of Shares / Debentures / Bonds / Units have been valued at purchase cost or market value in case of quoted scripts whichever is lower and at cost of unquoted scripts.
- e. **Income & Expenses:** Income and Expenditure are accounted on accrual basis except wherever stated otherwise.
- f. **Depreciation:** Depreciation has been provided on fixed assets as per the rate mentioned on Written Down Value in schedule XIV of the Companies Act, 1956.
- g. **Contingencies:** Contingent losses, if any, are not provided for into the accounts. However, if materials, they are disclosed by way of notes forming part of accounts.

2. Notes to Accounts:

- a. Estimated amounts of contracts to be executed on capital accounts and not Provided for NIL (Previous year NIL).
- b. Contingent liabilities in respect of claims not acknowledged as debts as Amounts are unascertainable.
- c. Some of the debit and credit balances are subject to confirmation.
- d. Previous year figures have been regrouped, rearranged and reclassified wherever necessary.
- e. Additional Information pursuant to provisions of Para 3, 4-C and 4-D of Part II of schedule VI of the Companies Act, 1956 is as follows ;
 - a. Quantitative information in respect of goods traded in Gray Fabrics (Amount in Lacs)

Particulars	Opening Stock		Purchases		Sales		Closing Stocks	
	Qty(mtr)	Amt	Qty(mtr)	Amt	Qty(mtr)	Amt	Qty(mtr)	Amt
Gray Fabrics	Nil	Nil	3678884.095	135.75	3678884.095	139.43	Nil	Nil

- f. In the opinion of the Board, the current assets, loans and advances have the value at which they are stated in the balance sheet if realized in the ordinary course of business.
- g. None of the employees has reached minimum length or services hence no provision for gratuity is being made.

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- h. Company has filed a suit for recovery of loan from Anil Corporation for Rs. 386,273 together with interest and from Suchit Bachalli for Rs. 573,224 along with interest, The said suits are pending with City Civil Court, Mumbai. Hence no interest has been provided on their loans.
- i. No interest has been provided on loans to Ankohley's Company as the recovery of loans is doubtful.
- j. No provision is being made in the accounts for the above loans.
- k. As per the Accounting Standard 22 "Accounting for Taxes on Incomes" Issued by the Institute of Chartered Accountants India (ICAI) where an enterprises has unabsorbed depreciation or carry forward of losses under the law, deferred tax assets should be recognised only to the extent that there is a virtual certainty supported by convincing evidence against which such deferred tax assets can be realized. Since the Company's accumulated losses has eroded its net worth and there is no virtual certainty that future taxable income will be available, hence no deferred tax assets has been recognised in the books.
- l. Related Party Disclosure:
Parties where control exists>: Nil
Related Parties with whom transaction have taken place during the year. N.A.
Key Management Personal:
1. Rajesh Kakani
2. Rachna Kakani
3. Bharat Somani
4. Satish Karmalkar
- n. **Earning Per Shares (EPS) :**
- | | |
|--------------------------------------|---------|
| Net Profit/(loss) for the year (Rs.) | 162,802 |
| No of Equity Shares | 249,000 |
| Basis and Diluted EPS (Rs.) | 0.65 |
| Nominal Value of Equity Shares (Rs.) | 10 |
- o. **Segmental Reporting :** The Company is an investment Company dealing in shares and other securities, earning only Dividend and Interest income. There are therefore, no separate segments within the Company as defined by AS 17, issued by ICAI.

As per our Report of even date

For **J K Lahoti & Co.**

Accountants

Sd/-

J K Lahoti

Proprietor

M. No. 16655

Place : Mumbai

Dated : 30.08.2007

For **Shaktiman Mercantile Co. Ltd**

Sd/-

Director

Sd/-

Director

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REGISTRATION DETAILS

Registration No.	29643	State Code	11
Balance Sheet Date	31-03-2007		

CAPITAL RESERVED DURING THE YEAR (Amount in Rs. Lacs)

Public Issue	NIL	Right Issue	NIL
Promoters Equity	NIL	Bonus Issue	NIL

POSITION OF MOBILIZATION AND DEVELOPMENT OF FUNDS (amount in Rs. Lacs)

Total Liability	025.07	Total Assets	025.07
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SOURCE OF FUNDS (Amount in Rs. Lacs)

Paid-up Capital	024.90	Application Money	NIL
Reserves and Surplus	NIL	Secured Loan	NIL
Unsecured Loan	000.17		

APPLICATIONS OF FUNDS (Amount in Rs. Lacs)

Fixed Assets	NIL	Capital WIP	NIL
Investments	NIL	Net Current Assets	007.82
Misc. Expenses	NIL	Profit & Loss A/c	017.25

PERFORMANCE OF COMPANY (Amount in Rs. Lacs)

Turnover	139.43	Total Expenditure	136.66
Profit before Tax	002.76	Profit after Tax	001.63
Earning per Share	000.65		

GENERIC NAMES OF THEE PRINCIPAL PRODUCTS / SERVICES OF COMPANY :

Product Description:

As per our Report of even date

For **J K Lahoti & Co.**

Chartered Accountants

Sd/-

J K Lahoti

Proprietor

M. No.16655

Place : Mumbai

Dated : 30.08.2007

For **Shaktiman Mercantile Co.Ltd**

Sd/-

Sd/-

Director

Director

SHAKTIMAN MARCANTILE COMPANY LTD.
ANNUAL REPORT 2006 - 2007

CASH FLOW STATEMENT FOR THE YEAR 2006 - 2007.

PARTICULARS	2006-2007	2005-2006
A. Net Loss before extraordinary items	162,802	(477,274)
Adjustment for :		
1. Depreciation	NIL	NIL
2. Interest Paid	NIL	NIL
3. Misc. Expenses W. off	NIL	4,400
4. Long Term Capital Loss	NIL	1,190,333
5. Interest Received	NIL	(196)
6. Dividend Received	NIL	(9,034)
Operating Profit Before Working Capital Changes	162,802	708,228
Add : Adjustment for		
1. Trade & Other Receivables	(512,144)	23,700
2. Inventories	NIL	722,084
3. Trade & Other Payable	517,659	37,582
Net Cash Inflow/Outflow Operations (A)	5,515	1,491,594
B. Cash Flow from Investing Activities :		
1. Purchased Fixed Assets & Deferred Revenue	NIL	NIL
2. Interest Received	NIL	NIL
3. Dividend Paid	NIL	9,034
Net Cash Flow from Investing Activities (B)	NIL	9,034
C. Cash Flow from Financial Activities :		
1. Proceeds from Long Term Borrowings.	16,870	(11,914,767)
2. Loans & Advances	NIL	1,158,440
Net Cash Flow from Financing Activities (C)	16,870	(10,756,327)
Net Cash Increase in Cash & Cash Equivalents (A + B + C)	185,187	(9,255,698)
Opening Balances of Cash & Cash Equivalents	21,595	38,266
Closing Balances of Cash & Cash Equivalents	206,782	(9,217,432)

AUDITORS' CERTIFICATE

We have examined the attached statement of SHAKTIMAN MERCANTILE COMPANY LIMITED for the year ended 31.03.2007. The Statement has been prepared by the Company in accordance with the requirements of Listing with the Stock Exchange and is based on and agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report of

As per our Report of Even Date
For J K Lahoti & Co.
Chartered Accountants
Sd/-
J K Lahoti
Proprietor
M. No. 16655

Place : Mumbai
Date : 30.08.2007

Book - Post
(Under Postal Certificate)

To, _____

If undelivered please return to :

SHAKTIMAN MERCANTILE CO. LTD.
303, 3rd Floor, Rajendra Chambers,
10, Nanabhai Lane, Fort,
Mumbai - 400 001.