

Visisth Mercantile Limited

23rd Annual Report 2007-2008

CERTIFIED TRUE COPY

For Visisth Mercantile Ltd.



Director.

-: Registered Office :-

13/103, Indra Darshan - II, Oshiwara, New Link Road, Andheri (W), Mumbai 400053.

BOARD OF DIRECTORS

Shri Ajit Kumar Sarawgi

Shri Vinay Kumar Sarawgi

Smt. Rekha Rani Sarawgi

Shri Vasant Savla

Shri Chandrashekhar Korade (Appointed w.e.f. 20th June 2008)

BANKERS

Indian Bank

AUDITORS

M/s D M K H & Co.,

Chartered Accountants,

C-9, Sanjay Apartment,

S. V. Road, Near Gokul Hotel,

Borivali (W), Mumbai 400092

REGISTERED OFFICE

13/103, Indra Darshan – II,

Oshiwara, New Link Road,

Andheri (W), Mumbai 400053

(w.e.f. 20th June 2008)

REGISTRAR & SHARE TRANSFER AGENT

BIG SHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (E), Mumbai- 400 072.

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NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **Visisth Mercantile Limited** will be held at 13/103, Indra Darshan - II, Oshiwara, New Link Road, Andheri (W), Mumbai 400 053 on Wednesday, the 27th day of August, 2008 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ajit Kumar Sarawgi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Rekha Rani Sarawgi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Chandrashekhhar Korade who was appointed as an Additional Director by the Board of Directors and as such who holds office upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. To Consider and if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act. 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act. 1999 (including any statutory modification or re-enactment thereof for the time being of force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Boards of Directors of the Company (hereinafter referred to as "the Board" which expression shall include and committee constituted for the time being in force, there of) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot by way of preferential allotment up to

- i) **6,17,000 [Six Lac Seventeen Thousand]** equity shares of Rs.10/- each at a premium of Rs.15/- (Rupees Fifteen only) aggregating to Rs.1,54,25,000 (Rupees One Crores Fifty Four Lacs Twenty Five Thousand only) out of which 295,000 equity shares are being issued and allotted to Promoter group and the balance 3,22,000 equity shares to domestic investors and/or bodies corporate (the

"Preferential Shareholders"), on preferential allotment basis without offering the same to any persons who at the date of offer are holders of the equity shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

- ii) **14,41,790 [Fourteen Lacs Forty One Thousand Seven Hundred Ninety]** convertible warrants of Rs.10/- each at a premium of Rs.15/- (Rupees Fifteen only) aggregating to Rs.3,60,44,750/- (Rupees Three Crore Sixty Lacs Forty Four Thousand Seven Hundred Fifty only) out of which 691,790 Convertible Warrants are being issued and allotted to promoter group and the balance 7,50,000 Convertible Warrants to domestic investors and/or bodies corporate (the **"Preferential Shareholders")**, on preferential allotment basis without offering the same to any persons who at the date of offer are holders of the equity shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

Sr. No.	Name of the Applicant (Proposed Allottees)	No. of shares proposed to be allotted	No. of Warrants proposed to be allotted
A	PROMOTER & PROMOTER GROUP		
1.	Vinay Kumar Sarawgi	150000	Nil
2.	Ajit Kumar Vinay Kumar Sarawgi [HUF]	145000	Nil
3.	Ajit Kumar Sarawgi	Nil	170000
4.	Rekha Rani Sarawgi	Nil	170000
5.	Nishikant Sarawgi	Nil	170000
6.	Nishivin Finance & Investment Private Limited	Nil	181790
	TOTAL	295000	691790
B	NON - PROMOTER		
1.	Vivek Nityanand Jindal	65000	35000
2.	Growell Restaurants Private Limited	65000	35000
3.	Sudha S. Shah	65000	Nil
4.	Veena K. Shah	65000	Nil
5.	Rupal Bhandari	62000	Nil
6.	Pankaj Kumar Marlecha	Nil	40000
7.	Rajesh Kumar Marlecha	Nil	40000
8.	Lalit Kumar Marlecha	Nil	50000
9.	Priti Choudhary	Nil	50000
10.	Aarti Jain	Nil	65000
11.	Ruchita A. Shah	Nil	65000
12.	Chirag S. Shah	Nil	65000
13.	Jitendra H. Shah	Nil	65000
14.	Bhogilal R. Shah	Nil	65000
15.	Paritosh Trading Private Limited	Nil	175000
B	TOTAL	322000	750000
	TOTAL (A+B)	617000	1441790

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RESOLVED FURTHER that the aforesaid equity shares and warrants shall rank *pari passu* in all respect with the existing equity shares of the Company. The equity shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines.

RESOLVED FURTHER that the equity shares and warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER that the relevant date as per clause 13.1.2.2 of SEBI Guidelines for the determination of applicable price for the issue of equity shares and warrants shall be thirty (30) days prior to the date of this Meeting.

RESOLVED FURTHER THAT each of the aforesaid warrants be converted at the option of the holder at any time within 18 months from the date of issue, into one fully paid-up Equity Share of Rs.10/- each at a price of Rs.25/- (Rs.10/- face value + Rs.15/- premium), determined in accordance with the prevailing SEBI/ Disclosure and Investor Protection) Guidelines, 2000 of the conversion price of Rs.25/- per warrant as aforesaid, a sum equivalent to Rs. 2.5/- per warrant as per SEBI (Disclosure and Investor Protection) Guidelines, 2000, will be received on the date of allotment of said warrants.

RESOLVED FURTHER THAT In the event of the Company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities in whatever proportion prior to the exercise of the rights attached to the warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequences of such bonus/ rights issues and that the exercise price of the warrant be adjusted accordingly, subject to such approvals as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI)/ Financial Institutions/ Investment Institutions/ Insurance Companies / Corporate Debt Restructuring Cell and/ or such other appropriate authority may impose at the time of their approval as agreed by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorized by the Board.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting Warrants as well as Equity Shares of the Company as aforesaid, the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilising the issue proceeds of the Warrants as well as Equity Shares of the Company, as it may in its absolute discretion, deem fit and proper."

For and on behalf of the Board of Directors
For VISISTH MERCANTILE LIMITED

Sd/-

AJIT KUMAR SARAWGI
Director

Place : Mumbai
Dated : 28th July, 2008

REGISTERED OFFICE:
13/103, Indra Darshan – II,
Oshiwara, New Link Road,
Andheri (W),
Mumbai - 400 053

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. The Register of Members and Share Transfer Books will remain closed from Thursday, 21st August 2008 to Wednesday, 27th August, 2008 (both days inclusive).
4. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Big Share Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai 400072 in respect of their physical share folios.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
7. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 & 6 of the Notice is annexed hereto.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 5 & 6 of the accompanying Notice of the 23rd Annual General Meeting of the Company to be held on Wednesday, 27th August 2008 at 4.00 p.m.

Item No. 5

During the year Shri Chandrashekhar Korade was appointed as Additional Director of the company on 20th June 2008 and as per the provision of Section 260 of the Companies Act, 1956 ('the Act') the Director who hold office only upto the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Director. The company has received notices under Section 257 of the Act, in respect of the candidates, proposing their appointment as a Director of the Company, along with the requisite deposit. The board recommends this resolution for your approval.

None of the Directors other than Mr. Chandrashekhar Korade is interested or concerned in the said resolution.

Item No. 6

The Board, in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders.

Pursuant to these resolutions as a part of above process, it is intended to raise funds for Expansion of Business and also for Long Term and Short Term Working Capital Requirement of the company and for corporate purpose. The Company proposes to commence the Business of Real Estate in Partnership and to do the business in construction and infrastructure development and/or to set up infrastructure facility for the aforesaid purpose.

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The shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The equity shares referred to in Clause (i) & Clause (ii) above and the underlying equity shares of the Company issued on conversion of warrants shall rank *pari passu* with all the existing shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further equity shares /warrants may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting.

The proposed special resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue and allotment of warrants.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, and in terms of the provisions of the Listing Agreement to issue and allot warrants and Equity Shares as stated in the Special Resolutions.

DISCLOSURES REQUIRED TO BE MADE IN THE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF THE SEBI (DISCLOSURES AND INVESTORS PROTECTION) GUIDELINES, 2000 (THE SEBI GUIDELINES) ARE SET OUT BELOW:

I. The object of the issue through preferential offer:

As mentioned above, it is intended to raise funds from the proposed issue of Equity Shares and Convertible Warrants pursuant to this resolution will be utilized for Expansion of Business and also for Long Term and Short Term Working Capital Requirement of the company and for corporate purpose. The Company proposes to commence the Business of Real Estate in Partnership and to do the business in construction and infrastructure development and/or to set up infrastructure facility for the aforesaid purpose.

II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors / Key Management of the Company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons are intend to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting

III. Shareholding pattern before and after the Preferential Allotment:

Shareholding pattern before and immediately upon the allotment of 6,17,000 Equity Shares and 14,41,790 Convertible Warrants on a fully diluted basis pursuant to the offer.

Shareholding Pattern (Number of Shares):

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
A. Shareholding of Promoter and Promoter Group						
1. INDIAN						
Individuals / Hindu Undivided Family	544040	73.40	839040	61.77	1349040	48.18
Central Government / State Government(s)	0	0	0	0	0	0
Bodies Corporate	10450	1.41	10450	0.77	192240	6.87
Financial Institutions/ Banks	0	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0	0
Sub Total (A) (1)	554490	74.81	849490	62.54	1541280	55.05

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
A 2. FOREIGN						
Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0
Institutions	0	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter						
Group (A)= (A)(1)+(A)(2)	554490	74.81	849490	62.54	1541280	55.05
(B) Public Shareholding						
1. Institutions						
Mutual Funds/ UTI	0	0	0	0	0	0
Financial Institutions / Banks	0	0	0	0	0	0
Central Government / State Government(s)	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0
B 2. Non-institutions						
Bodies Corporate	52350	7.06	117350	8.64	327350	11.69
Individuals						
Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	53370	7.20	53370	3.93	53370	1.90
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	81000	10.93	338000	24.89	878000	31.36
Any Other (specify) - Clearing Member						
Sub-Total (B)(2)	186720	25.19	508720	37.46	1258720	44.95
Total Public Shareholding						
(B) = (B) (1) + (B) (2)	186720	25.19	508720	37.46	1258720	44.95
TOTAL (A) + (B)	741210	100	1358210	100	2800000	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	741210	100	1358210	100	2800000	100

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IV. Proposed time within which the allotment shall be completed:

The allotment of warrants and Equity Shares are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at this General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

V. Auditor Certificate:

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's guidelines for Preferential Issues, being Chapter XIII to the SEBI's (Disclosure and Investor Protection) Guidelines, 2000 by the proposed issue shall be laid before the shareholders at their proposed Annual General Meeting.

VI. Lock-in:

The Shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines

VII. Change in Management:

The proposed preferential allotment of Shares and Convertible warrants will not result in any change in the management and control of the company. Voting right shall change according to the change in shareholding pattern mentioned above.

VII. Pricing

The issue of Shares and warrants convertible into equity shares on preferential basis shall be at a price of Rs. 25/- (Rs.10/- face value + Rs.15/- premium). The price is determined in compliance with SEBI Guidelines for Preferential Issues.

VIII. Payment and Conversion terms:

10% of the value of the Warrant i.e. Rs.2.50 per warrant is to be paid on the date of allotment of warrant. The balance is payable at the time of conversion. Warrant will be converted at the option of the allottees, into one equity share of Rs.10/- each at a price of Rs. 25/- (Rs.10/- face value + Rs. 15/- premium) at any time within 18 months from the date of issue. In case the option is not exercised within a period of 18 months from the date of issue, the aforesaid 10% amount paid on the date of allotment shall be forfeited.

IX. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by it:

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
PROMOTERS						
Vinay Kumar Sarawgi	31000	4.18	181000	13.33	181000	6.46
Ajit Kumar Vinay Kumar Sarawgi [HUF]	21000	2.83	166000	12.22	166000	5.93
Ajit Kumar Sarawgi	68450	9.23	68450	5.04	238450	8.52
Rekha Rani Sarawgi	64500	8.70	64500	4.75	234500	8.38
Nishikant Sarawgi	31000	4.18	31000	2.28	201000	7.18
Nishivin Finance & Investments Private Limited	10450	1.41	10450	0.77	192240	6.87

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
NON PROMOTERS						
Vivek Nityanad Jindal	Nil	Nil	65000	4.79	100000	3.57
Growell Restaurants Private Limited	Nil	Nil	65000	4.79	100000	3.57
Sudha S. Shah	Nil	Nil	65000	4.79	65000	2.32
Veena K. Shah	Nil	Nil	65000	4.79	65000	2.32
Rupal Bhandari	Nil	Nil	62000	4.56	65000	2.32
Pankaj Kumar Marlecha	Nil	Nil	Nil	Nil	40000	1.43
Rajesh Kumar Marlecha	Nil	Nil	Nil	Nil	40000	1.43
Lalit Kumar Marlecha	Nil	Nil	Nil	Nil	50000	1.79
Preeti Choudhary	Nil	Nil	Nil	Nil	50000	1.79
Aarti Jain	Nil	Nil	Nil	Nil	65000	2.32
Ruchita A. Shah	Nil	Nil	Nil	Nil	65000	2.32
Chirag S. Shah	Nil	Nil	Nil	Nil	65000	2.32
Jitendra H. Shah	Nil	Nil	Nil	Nil	65000	2.32
Bhogilal R. Shah	Nil	Nil	Nil	Nil	65000	2.32
Paritosh Trading Private Limited	15500	2.09	15500	1.14	190500	6.80

Assumptions:

- (1) all warrants offered pursuant to the aforesaid resolution have been fully subscribed and allotted;
- (2) The warrants are held by the aforesaid allottees at the time of exercise of the option and
- (3) The option are exercised by them in full.

X. Interest of Promoter/Directors:

Mr. Ajit Kumar Sarawgi, Ms. Rekha Rani Sarawgi and Mr. Vinay Kumar Sarawgi, Directors of the Company are deemed persons acting in concert, the above persons are also a shareholder and director of Nishivin Finance & Investment Private Limited and therefore concerned or interested in the resolution.

None of the other directors are in anyway, directly or indirectly concerned or interested in the above referred resolution.

The members are, therefore, requested to accord their approval authorising the Board to go for the proposed private placement and /or preferential issue as set out in the special resolution.

The Board of Directors recommends the said resolutions for your approval.

For and on behalf of the Board of Directors
For VISISTH MERCANTILE LIMITED

Sd/-

AJIT KUMAR SARAWGI
Director

Place : Mumbai
Dated : 28th July, 2008

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS:

(Amount in '000')

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
Total Income	699.25	284.10
Total Expenditure	223.55	183.09
Profit / (Loss) After Tax	422.16	8.44
Equity Share Capital	741.21	74.12

Dividend:

Your Directors do not recommend any dividend for the year ended on 31st March 2008 with a view to conserve the resources for future.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri Ajit Kumar Sarawgi, Mrs. Rekha Rani Sarawgi, Directors of the Company liable to retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Chandrashekhar Korade has been appointed as an Additional Director w.e.f. 20th June 2008 pursuant to Section 260 of the Companies Act, 1956, Mr. Korade holds office till the ensuing Annual General Meeting. The board recommends his appointment.

Shifting of Registered Office:

During the year under review, The Company has shifted its registered office of the company to 13/ 103, Indra Darshan - II, Oshiwara, New Link Road, Andheri (W), Mumbai 400 053 w.e.f. 20th June 2008 for operational convenience.

Passing of Resolutions through Postal Ballot:

The Company is in process to pass special resolution by means of Postal Ballot:

- Under Section 17 of the Companies Act, 1956 for alteration of the Object Clause of the Memorandum of Association of the Company by insertion of clauses No. 2(b) in respect of

Real Estate Business in the Memorandum as Main Object Clause of the Company.

- Under Section 293(1)(a) of the Companies Act, 1956 to give authority to Board of Directors of the Company to mortgage and/or charge, to be created by the Company.
- Under Section 293(1)(d) of the Companies Act, 1956 in respect of Increase in Borrowing Limit to the Extent of Rs. 100 Crores.
- Under Section 31 of the Companies Act, 1956 in respect of Adoption of New Set of Articles of Association of the Company in total exclusion and substitution of the existing Articles of Association of the Company.

The results of the Postal Ballot will be announced by the Directors on 5th August 2008 after obtaining approval of members and the Company will be in a process to obtain necessary certificate of Registration of the Special Resolution confirming Alteration of Object Clause under Section 17 from the Registrar of Companies, Maharashtra, Mumbai.

Directors' Responsibility Statement:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit of the Company for the year ended on that date;
- That 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.
- That the annual accounts for the year ended 31st March, 2008 have been prepared on a going concern basis.

Auditors:

M/s D M K H & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

Auditors' Report:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2008 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Compliance Certificate:

In terms of Section 383A of the Companies Act, 1956 the Company has obtain the necessary compliance certificate from Practising Company Secretary to comply with the said requirement.

Public Deposits:

The Company has not accepted any deposits from public.

Listing:

The shares of the Company are listed at the Bombay Stock Exchange Limited, Mumbai. The Company has paid the annual listing fees to the BSE for the year 2008-2009.

Sale of Fixed Asset:

During the year, the Company has passed ordinary resolution under Section 293 (1) (a) of the Companies Act, 1956 authorising the Board of Directors of the Company to sale, transfer, assign or otherwise dispose off the Company's office premises along with all the furniture & fixtures have been transferred to the Promoters of the company - Ms. Rekha Rani Sarawgi and Ajit Kumar Sarawgi – HUF at fair market value pursuant to Section 293(1)(a) of the Companies Act, 1956 and completed all the formalities on October 10, 2007.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

A] Conservation of Energy and Technology Absorption:

The Company has not engaged in any

manufacturing activity and had no foreign collaboration and also has not imported or exported any goods and services.

B] Foreign Exchange Earnings & Outgo:

The Company has neither consumed nor earned any foreign exchange during the year under review.

Dematerialisation of Shares::

The Company has established the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services Limited with activated ISIN No. INE 043F01011, the shareholders have option to dematerialize their shares with CDSL as well as NSDL.

Particulars of Employees:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Investors, Banks and Statutory Authorities. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For VISISTH MERCANTILE LTD

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

Place : Mumbai
Date : 30th June, 2008

COMPLIANCE CERTIFICATE

To,

The Members

VISISTH MERCANTILE LIMITED

13/103, Indra Darshan – II, Oshiwara,

New Link Road, Andheri (W),

Mumbai – 400 053

We have examined the registers, records, books and papers of **VISISTH MERCANTILE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company its Officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed Paid-up capital.
4. The Board of Directors duly met 6 (Six) times on 24th May, 2007; 26th July, 2007; 17th August, 2007; 30th August, 2007; 26th October, 2007; 30th January, 2008 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 22nd September, 2007 to 29th September, 2007.
6. The Annual General Meeting for the financial year ended 31st March, 2007 was held on 29th September, 2007 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the

Minutes Book maintained for the purpose.

7. One Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or Companies referred in the section 295 of the Act.
9. The Company has not entered in to contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or the Central Government as the case may be.
12. The company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - I. No allotment of securities and delivered all the certificates on lodgment thereof for transfer/ transmission of securities during the financial year;
 - II. Not deposited the amount in separate bank account as no dividend was declared during the financial year;
 - III. Not required to post warrants to any Member of the Company as no dividend was declared during the financial year;
 - IV. No amount is outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for the year of seven years and liable to transferred to Investor Education and Protection Fund; and
 - V. has complied with the requirements of section 217 of the Act
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.

- | | |
|--|--|
| <p>15. The Company has not appointed any Managing Director/Whole-time director/Manager during the financial year.</p> <p>16. The Company has not appointed any sole selling agents during the financial year.</p> <p>17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.</p> <p>18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.</p> <p>19. The Company has not issued any shares/debenture/other securities during the financial year.</p> <p>20. The Company has not bought back any shares during the financial year.</p> <p>21. There was no redemption of preference shares or debenture during the financial year.</p> <p>22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.</p> <p>23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.</p> <p>24. The Company amount borrowed by the Company from the directors, members, public, financial institutions, banks and others during the year within the borrowing limits of the Company.</p> <p>25. The Company has made loans or advances or given guarantees or provided securities to other bodies corporate in compliance with the provision of the act.</p> | <p>26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.</p> <p>27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.</p> <p>28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.</p> <p>29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.</p> <p>30. The Company has not altered its Articles of Association during the financial year.</p> <p>31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.</p> <p>32. The Company has not received any money as security from its employees during the financial year.</p> <p>33. As the provisions of the Provident Fund Act are not applicable to the Company, the Company is not supposed to deposit both employees' and employer's contribution towards Provident Fund during the financial year with prescribed authorities pursuant to Section 418 of the Act.</p> |
|--|--|

For SKJ & ASSOCIATES
Company Secretaries

Sd/-
SATISH KUMAR JAIN
Proprietor

Place : Mumbai
Date : 30th June, 2008

VISISTH MERCANTILE LIMITED

Annexure A

Registers as maintained by VISISTH MERCANTILE LIMITED:

1. Board Minutes Book u/s. 193.
2. Members Minutes Book u/s. 193.
3. Attendance Register.
4. Register of Members u/s. 150.
5. Register of Share Transfers u/s. 108.
6. Register of Directors, Managing Directors u/s. 303.
7. Register of Directors' Share holdings u/s.307.
8. Register of Contracts u/s. 301.
9. Register of Companies and Firms in which Directors interest u/s. 301(3).

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2007.

Sr. No.	E-Forms	Date Of Filing/Challan	Particulars/ Purpose
1	Form 23AC	12/10/2007	For the year ended on 31 st March, 2007.
2	Form 20B	26/10/2007	Up to the date of Annual General Meeting held on 30-09-2007.
3	Form 66	10/10/2007	For the year ended on 31 st March, 2007.
4	Form 32	27/09/2007	For Appointment of Director
5	Form 32	06/09/2007	For Resignation of Director
6	Form 32	22/10/2007	Confirmation of Director in AGM
7	Form 61	25/05/2007	Calendar of event for Postal Ballot
8	Form 23	23/07/2007	Result of Postal Ballot in EGM.

AUDITOR'S REPORT

The Members of Visisth Mercantile Limited

1. We have audited the attached balance sheet of Visisth Mercantile Limited as at 31st March 2008, the Profit and Loss Account and 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 conduct our audit in accordance with the 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 of material misstatement. 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 management, 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 (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far, as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and Cash Flow Statement dealt with by

this report are in agreement with the books of account.

- (iv) In our opinion, the balance sheet, profit and loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956. in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2008.
 - b) In the case of the profit and loss account, of the Profit for the period ended on that date.
 - c) In case of cash flow statement, of the cash flows for the said period.

For D M K H & Co.
Chartered Accountants

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Place : Mumbai
Date : 30th June 2008

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS

Referred to in paragraph 3 of our report of even date, we state that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) We are informed that fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off a major part of fixed assets which has affected the going concern status of the company.
- (ii) The Company is not having any inventory & hence the provision of clause 4(ii) of the order is not applicable to the Company.
- (iii) (a) The Company has not granted loans to any parties covered in register maintained under section 301 of the Companies Act, 1956, hence point (b), (c) & (d) is not applicable to the Company.
- (e) The Company has taken loans from eight parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 324.76 Lac and the year end balance is Rs.12.24 Lac
- (f) The rate of interest and other terms and conditions of loans taken by the Company, are not prejudicial to the interest of the company.
- (g) The Company is regular in payment of the principal amount and interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal 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, however there is no purchase and sales took place during the period. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) 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 register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year & consequently the provision of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) The Company does not have a formal system of Internal Audit, but there are adequate checks & controls at all level established by the management.
- (viii) According to the information and explanation given to us the maintenance of Cost Record has not been prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956 for any of the activities of the Company.
- (ix) (a) According to the information and explanation given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable.
- (b) According to the information and explanation given to us, no undisputed

amount payable in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable .

(x) The Company neither has accumulated losses nor has it incurred any cash losses during the current and immediately preceding year.

(xi) According to the information and explanations provided to us the Company does not have any outstanding dues to financial institutions, banks or debetureholders.

(xii) In our opinion and according to the information and explanations provided to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations provided to us the nature of activities of the Company does not attract any special statute applicable to Chit Fund and Nidhi / Mutual Benefit Fund / Society.

(xiv) The Company has maintained proper records for dealing in shares & debentures and timely entries have been made therein. All shares, debentures and other securities have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations provided to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanation given and based on the documents and records produced, the term loan was applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations provided to us and cash flow statement and other records of the Company examined by us, we report that

the Company has not raised short-term funds during the year.

(xviii) During the year the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Companies Act 1956.

(xix) The Company has not issued any debentures till date, accordingly, the clause 4(xix) of the Order is not applicable to the Company.

(xx) The Company has not raised any money through public issue during the year.

(xxi) Based upon the Audit procedures performed and information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For D M K H & Co.
Chartered Accountants

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Place : Mumbai
Date : 30th June 2008

VISISTH MERCANTILE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULES	AS AT 31.03.2008 Amt. (Rs.)	AS AT 31.03.2007 Amt. (Rs.)
A SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Share Capital	A	7,412,100.00	7,412,100.00
Reserves & Surplus	B	7,228,585.06	3,020,500.09
2. LOAN FUNDS			
Secured Loans	C	-	4,450,000.00
Unsecured Loans	D	1,224,266.00	29,571,137.00
3. NET DEFERRED TAX LIABILITY		(790.00)	660.00
TOTAL		15,864,161.06	44,454,397.09
B APPLICATION OF FUNDS			
1. Fixed Assets	E		
Gross Block		201,561.00	2,592,821.00
Less : Depreciation		165,546.00	983,654.00
Net Block		36,015.00	1,609,167.00
2. Investments	F	473,957.91	4,298,610.78
3. Current Assets, Loans & Advances			
a. Sundry Debtors	G	-	308,001.11
b. Cash & Bank Balances	H	46,200.59	185,660.60
c. Loans & Advances	I	15,617,496.56	38,689,554.60
		15,663,697.15	39,183,216.31
Less :Current Liabilities & Provisions			
Current Liabilities	J	309,509.00	636,597.00
		309,509.00	636,597.00
Net Current Assets		15,354,188.15	38,546,619.31
TOTAL		15,864,161.06	44,454,397.09

NOTES TO ACCOUNT

M The Schedules referred to above & Notes to Account form an integral part of the Balance Sheet

As per our Report of even date attached
For D M K H & Co.
Chartered Accountants

For VISISTH MERCANTILE LIMITED

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

Place : Mumbai
Dated : 30th June 2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULES	AS AT 31.03.2008 Amt. (Rs.)	AS AT 31.03.2007 Amt. (Rs.)
INCOME			
Other Income	K	3,302,397.00	2,801,596.00
Profit on Sale of Investments		740,961.76	39,388.59
Profit on Sale Of Office premises		2,949,136.00	-
		6,992,494.76	2,840,984.59
EXPENDITURE			
Administrative & Other Exp.	L	585,949.75	487,345.74
Interest Paid		1,585,293.00	1,253,520.95
Depreciation		64,288.00	90,082.00
		2,235,530.75	1,830,948.69
PROFIT BEFORE TAX		4,756,964.01	1,010,035.90
PROVISION FOR TAX			
— Current Tax		532,041.18	161,322.40
— Deferred Tax		(1,450.00)	(384.00)
— Fringe Benefit Tax		4,275.86	5,510.00
PROFIT AFTER TAX BEFORE PRIOR PERIOD ITEM		4,221,646.97	843,587.50
PRIOR PERIOD ITEMS			
- Profession Tax		13,562.00	-
- ROC fees for Inc. in Authorised Capital		-	384,033.00
- Short provision for tax in 2005-06		-	31,269.00
PROFIT AFTER TAX		4,208,084.97	428,285.50
BALANCE BROUGHT FORWARD			
FROM PREVIOUS YEAR		2,870,500.09	3,014,796.59
Less : Dividend for year 2005-06		-	370,605.00
Less : Dividend Tax		-	51,977.00
Less : Transferred to General Reserve		-	150,000.00
BALANCE TRFD TO BALANCE SHEET		7,078,585.06	2,870,500.09
Basic & Diluted Earning Per Share		5.68	0.58
Nominal Value Per Share		10/-	10/-

NOTES TO ACCOUNT

M The Schedules referred to above & Notes to Account form an integral part of the Balance Sheet

As per our Report of even date attached
For D M K H & Co.
Chartered Accountants

For VISISTH MERCANTILE LIMITED

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

Place : Mumbai
Date : 30th June 2008

VISISTH MERCANTILE LIMITED

SCHEDULES "A" TO "M" ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

Amount (Rs.)

	As at 31.03.2008	As at 31.03.2007			
SCHEDULE - A					
SHARE CAPITAL					
AUTHORISED CAPITAL					
55,00,000 (Previous year 55,00,000)					
Equity Shares of Rs. 10/- each	55,000,000.00	55,000,000.00			
	55,000,000.00	55,000,000.00			
ISSUED, SUBSCRIBED & PAID UP CAPITAL	7,412,100.00	7,412,100.00			
7,41,210 Equity Shares of Rs. 10/- each fully paid up	7,412,100.00	7,412,100.00			
SCHEDULE - B					
RESERVES & SURPLUS					
General Reserve	150,000.00	150,000.00			
Profit & Loss Account	7,078,585.06	2,870,500.09			
	7,228,585.06	3,020,500.09			
SCHEDULE - C					
SECURED LOANS					
From ICICI Bank Ltd	—	4,450,000.00			
(Secured against office premises at Andhari-East and Personal Guarantee of Directors)	—	4,450,000.00			
SCHEDULE - D					
UNSECURED LOANS					
From Bodies Corporate	925,336.00	25,688,428.00			
From Directors	298,930.00	3,882,709.00			
	1,224,266.00	29,571,137.00			
SCHEDULE-G					
SUNDRY DEBTORS					
(Unsecured , considered good)					
Due for less than six months	—	308,001.11			
Due for more than six months	—	—			
	—	308,001.11			
SCHEDULE - F					
INVESTMENTS (Non - Trade)					
Long Term Quoted	Face Value	No. of Eq. shares	AMOUNT	No. of Eq. shares	AMOUNT
Biocon Ltd.	5/-	—	—	500	266,723.14
Mukta Arts Ltd.	10/-	7,076.00	473,957.91	30,284	2,028,454.72
Padmalaya Tele Ltd.	10/-	—	—	10,000	602,600.00
Rasoya Proteins Ltd.	10/-	—	—	454	54,601.86
Zenotech Ltd.	10/-	—	—	10,000	1,188,341.06
Tripex Overseas Ltd.	10/-	—	—	3,000	157,890.00
Aggregate value of quoted investments	—	—	473,957.91	—	4,298,610.78
Market Value thereof	—	—	644,623.60	—	37,84,416.10

SCHEDULE - E :**FIXED ASSETS**

Amount (Rs.)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2007	ADDITIONS	DEDUCTION	31.03.2008	01.04.2007	FOR THE YEAR	DEDUCTION DURING YEAR	31.03.2008	31.03.2008	31.03.2007
Premises (Leased Out)	2,391,260.00	—	2,391,260.00		824,445.00	57,951.00	882,396.00	—	—	1,566,815.00
Furniture & Fixtures	91,351.00	—	—	91,351.00	87,308.00	732.00	—	88,040.00	3,311.00	4,043.00
Printer	10,250.00	—	—	10,250.00	9,190.00	424.00	—	9,614.00	636.00	1,060.00
Air Conditioner	99,960.00	—	—	99,960.00	62,711.00	5,181.00	—	67,892.00	32,068.00	37,249.00
Total	2,592,821.00	—	2,391,260.00	201,561.00	983,654.00	64,288.00	882,396.00	165,546.00	36,015.00	1,609,167.00
Previous Year	2,592,821.00	Nil	Nil	2,592,821.00	893,572.00	90,082.00	-	983,654.00	1,609,167.00	1,699,249.00

VISISTH MERCANTILE LIMITED

	As at 31.03.2008	Amount (Rs.) As at 31.03.2007
<u>SCHEDULE- H</u>		
CASH & BANK BALANCES		
Cash on hand	15,745.39	33,980.39
Balance with Scheduled Banks		
— in Current Accounts	30,455.20	151,680.21
	<u>46,200.59</u>	<u>185,660.60</u>
<u>SCHEDULE- I</u>		
LOANS & ADVANCES		
(Unsecured, considered good)		
Loans	14,077,303.00	37,275,617.00
Advances Against Property	1,000,000.00	1,000,000.00
FBT, Advance Tax & TDS (Net of Provision)	540,193.56	413,937.60
	<u>15,617,496.56</u>	<u>38,689,554.60</u>
<u>SCHEDULE- J</u>		
CURRENT LIABILITIES		
Sundry Creditors	296,674.00	173,762.00
Deposit against let out premises	—	450,000.00
Unpaid Dividend	12,835.00	12,835.00
	<u>309,509.00</u>	<u>636,597.00</u>
<u>SCHEDULE- K</u>		
OTHER INCOME		
Rent Recd. (Gross) (TDS Rs.115612/-; P.Y. Rs.143202/-)	509,752.00	638,000.00
Interest (Gross) (TDS Rs. 547411/- ; P.Y. Rs.352743/-)	2,791,145.00	1,781,255.00
Commission (Gross) (TDS Rs. Nil; P.Y. Rs.17982/-)	—	320,523.00
Dividend	1,500.00	61,818.00
	<u>3,302,397.00</u>	<u>2,801,596.00</u>
<u>SCHEDULE- L</u>		
ADMINISTRATIVE & OTHER EXPENSES		
Advertising & Publicity	30,637.00	13,098.00
Annual Listing Fees	17,865.00	14,590.00
Auditors' Remuneration		
- Audit Fees	10,000.00	10,000.00
- Income Tax Matters	5,000.00	5,000.00
- Certification Matters	2,500.00	5,000.00
- Reimbursement of Expenses (Service Tax)	2,163.00	2,472.00
Bad Debts & Sundry Balance not recoverable W/off	138,332.63	42.00
Conveyance & Travelling	2,246.00	4,585.00
Depository Service Charges	1,683.60	3,309.85
Legal & Professional Fees	15,118.00	—
Miscellaneous Expenses	36,753.27	50,342.33
Postage, Telegram & Telephone	62,353.00	69,132.00
Registration	6,438.00	6,390.00
Repairs & Maintenance - Building	98,010.00	121,776.00
Repairs & Maintenance - Other	11,544.00	10,636.00
Salary	120,000.00	129,000.00
Security Charges	14,000.00	20,858.00
Staff Welfare	1,268.00	3,250.00
Vehicle Running Expenses	4,316.00	8,525.00
Security Transaction Tax	5,722.25	9,339.56
	<u>585,945.75</u>	<u>487,345.74</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE - M

A. METHOD OF ACCOUNTING

- a. The Financial Statements are prepared under the historical cost convention using the accrual method of accounting unless stated otherwise hereinafter.
- b. The Accounting policies not specifically referred are consistent with generally accepted accounting principles unless otherwise stated hereinafter.

B. REVENUE RECOGNITION

All Income and Expenditure are accounted for on accrual basis. Dividend income is recognised as and when received

C. FIXED ASSETS

Fixed Assets are stated at cost less depreciation, cost includes all identifiable expenditure incurred to bring the assets to its present condition and location.

D. DEPRECIATION

- a. Depreciation is provided on written down value Method, at the rates specified in Schedule XIV to the Companies Act, 1956.
- b. Depreciation on fixed assets added/disposed off during the year, is provided on pro-rata basis.

E. INVESTMENT

Investments held by Company are long-term nature, which carries at cost. Provision against diminution in value of investment has been made in case diminution is considered as other than temporary as per the criteria laid down by the Board of Director, after considering that such investment are of strategic in nature.

F. TAXES ON INCOME

Current tax is determined as the tax payable in respect of taxable income for the year if any.

Deferred tax for the year is recognised on temporary timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of realisation

NOTES TO ACCOUNTS

1. In the opinion of the Board, the current assets, loans & advances are approximately of the value stated if realised in the ordinary course of business & adequate provision for all known Liabilities of the company has been made.
2. In the opinion of the Management the Provident Fund and ESI Acts are not yet applicable to the Company.
3. The Company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS – 15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Profit & Loss Account.

VISISTH MERCANTILE LIMITED

4. The Company has not declared or paid dividend for the year ended 31st March 2008 during the period.
5. The Company made a payment for professional tax under Amnesty Scheme 2007 of Rs. 13,562/- for the following year's as follows, Shown in profit & loss a/c as prior period item.

Period	Total Amount Paid (Rs.)
2002-2003	3,152.00
2003-2004	2,647.00
2004-2005	2,625.00
2005-2006	2,588.00
2006-2007	2,550.00
Total	13,562.00

6. Additional Information pursuant to the provisions of Paragraphs 4, 4b of Part II of Schedule VI of Companies Act, 1956.

A] Since the company is not a manufacturing company, the provisions regarding license and installed capacity, as well as production & raw Material consumption are not applicable

B] Auditor's Remuneration :

	2007-08	2006-07
Audit Fee	10,000	10,000
Taxation Matter	5,000	5,000
Certification Matters	2,500	5,000
Service Tax	2,163	2,472
Total	19,663	22,472

C] Other information required under Part I and Part II of Schedule VI to The Companies Act 1956 is either Nil or N.A.

7. EARNING PER SHARE (EPS)

The earning per share computed as per the requirement under Accounting Standard 20 on Earning per Share issued by The Institute of Chartered Accountant of India, is as under:

	2007-08	2006-07
Net profit/Loss after Tax as per P & L account	42,08,085	428286
Weighted average No. of Equity Share Outstanding	7,41,210	7,41,210
Basic and Diluted Earning Per Share:	5.68	0.58

9. Break up of net deferred Tax liability in to major components of the respective balance is as follows

	31-3-2008 Amt (Rs.)	31-3-2007 Amt (Rs)
Deferred Tax Liability on account of:		
Difference Between Book & Tax depreciation	(1450)	(384)
Net deferred Tax Liability	(790)	660

10. The operation of Company relate to only one Segment Viz. Income from Trading and Financial Activities. Company business activities are confined only in India. Hence no additional disclosure are made as required under Accounting Standard 17, on Segment reporting' issued by The Institute of Chartered accountants of India.

11. Operating Leases:

No future lease rentals receivable in respect of leased out commercial premises, as at 31-03-2008.

12. Related Party Disclosures

As per the accounting standard 18 on "Related Party Disclosures" issued by ICAI the related parties of the Company and nature of relationship are as follows:

Related Party	Nature of Relationship
Ajit Kumar Sarawgi	Director
Rekha Rani Sarawgi	Director
Anjuvin Finvest Pvt. Ltd.	Three Common Director
Embrace Properties Pvt. Ltd.	Three Common Director
Karuna Capital Services Pvt. Ltd.	Three Common Director
Nishivin Finance & Investment Pvt. Ltd.	Three Common Director
Shringar Realities Pvt Ltd.	One Common Director
Marigold Realities Pvt. Ltd.	One Common Director

NOTE:

Related Party Relationship is identified by the Management & relied upon by the Auditor.

Nature and volume of transaction carried out with the above related parties in the ordinary course of business for the year ended March 31, 2008.

Particulars	Key Management Personnel	Other
Interest Paid	Nil	10,58,735.00

13. The Difference between Indian Bank (Dividend A/c) and Unpaid Dividend Account amounting to Rs. 5,270/- (Rupees Five Thousand Two Hundred Seventy only) is towards maintaining Minimum Balance in a Dividend A/c. with the Bank.

14. Previous year figures have been regrouped/rearranged, wherever necessary, so as to make them comparable with current year figures.

For D M K H & Co.
Chartered Accountants

For VISISTH MERCANTILE LIMITED

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

Place : Mumbai
Date : 30th June, 2008

VISISTH MERCANTILE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details		
Registration No.	:	35215
State Code	:	11
Balance Sheet Date	:	31st March, 2008
2. Capital Raised During the Year		(Amt. Rs. in '000)
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Pvt. Placement (Promoters)	:	Nil
3. Position of mobilisation and deployment of Funds		(Amt. Rs. in '000)
Total Liabilities	:	15,864.16
Total Assets	:	15,864.16
Sources Of Funds		(Amt. Rs. in '000)
Paid Up Capital	:	7,412.10
Reserves & Surplus	:	7,228.59
Secured Loans	:	-
Unsecured Loans	:	1,224.27
Net Deferred Tax Liability	:	(0.79)
Application Of Funds		(Amt. Rs. in '000)
Net Fixed Assets	:	36.02
Investments	:	473.96
Net Current Assets	:	15,354.19
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	Nil
4. Performance Of Company		(Amt. Rs. in '000)
Turnover (Gross Receipts)	:	6,992.49
Total Expenditure	:	2,249.09
Profit/(Loss) before tax	:	4,743.40
Profit/(Loss) after tax	:	4,208.08
Earnings Per Share (in Rs.)	:	5.68
Dividend, if any	:	
- On Preference Shares	:	Nil
- On Equity Shares	:	Nil
5. Generic Names of Principal Products,		
Services of the Company:		
Item Code No.	:	
(ITC Code)	:	
Product Description		Not Applicable

For VISISTH MERCANTILE LIMITED

Place : Mumbai
Date : 30th June, 2008

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Amount In Rs.

PARTICULARS	31.03.2008	31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	4,743,402	1,010,036
ADJUSTMENT FOR :		
DEPRECIATION	64,288	90,082
PROFIT ON SALE OF INVESTMENT	(3,690,098)	(39,389)
INTEREST INCOME	(2,791,145)	(1,781,255)
DIVIDEND	(1,500)	(61,818)
b OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(1,675,053)	(782,344)
ADJUSTMENT FOR :		
LOANS & ADVANCES	22,535,291	(31,624,588)
TRADE RECEIVABLES	308,001	10,146,441
TRADE PAYABLE	(327,088)	(1,016,122)
PRIOR PERIOD ITEM	-	(837,884)
CASH FROM OPERATIONS	20,841,151	(24,114,497)
NET CASH FROM OPERATING ACTIVITIES (A)	20,841,151	(24,114,497)
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF INVESTMENTS	-	(3,821,148)
SALE OF INVESTMENTS	4,565,614	3,648,044
SALE OF FIXED ASSETS	4,458,000	-
INTEREST RECEIVED	2,791,145	1,781,255
DIVIDEND	1,500	61,818
NET CASH USED IN INVESTING ACTIVITIES (B)	11,816,259	1,669,970
C. CASH FLOW FROM FINANCING ACTIVITIES		
SHARE APPLICATION MONEY RECEIVED/RETURNED BACK	-	(11,495,000)
PROCEEDS FROM SECURED LOANS	(4,450,000)	4,450,000
PROCEEDS FROM UNSECURED LOANS	(28,346,871)	29,571,137
NET CASH FROM FINANCING ACTIVITIES (C')	(32,796,871)	22,526,137
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(139,461)	81,610
CASH AND CASH EQUIVALENTS AS AT (OPENING BALANCE AS AT 1.4.2007)	185,661	1,04,051
CASH AND CASH EQUIVALENTS AS AT (CLOSING BALANCE AS AT 31.03.2008)	46,200	1,85,661

For D M K H & Co.
Chartered Accountants

For VISISTH MERCANTILE LIMITED

Sd/-
CA.DURGESH KABRA
Partner
M. No. 44075

Sd/-
AJIT KUMAR SARAWGI
(Director)

Sd/-
REKHA RANI SARAWGI
(Director)

Place : Mumbai
Date : 30th June, 2008

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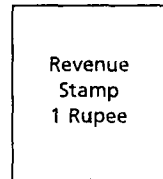
VISISTH MERCANTILE LIMITED

Regd. Office: 13/103, Indra Darshan – II, Oshiwara, New Link Road, Andheri (W), Mumbai 400053.

PROXY FORM

I / We _____
of _____ being a member/members of **VISISTH
MERCANTILE LIMITED** hereby appoint Mr./Mrs./Ms. _____
of _____ or failing him/her Mr./Mrs./Ms. _____
_____ as my/our Proxy to attend and vote for
me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on
Wednesday, the 27th day of August, 2008 at 13/103, Indradarshan – II, Oshiwara, New Link Road,
Andheri (W), Mumbai 400 053 at 4:00 P.M. and at any adjournment thereof.

Regd. Folio. No. _____ No. of Shares held _____
Client ID No. _____ DP ID No. _____
Signed this _____ day of _____ 2008.



Signature _____

- Note : 1) The Proxy Form should be signed across the stamp as per specimen signature recorded with the Company.
- 2) The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting

VISISTH MERCANTILE LIMITED

Regd. Office: 13/103, Indra Darshan – II, Oshiwara, New Link Road, Andheri (W), Mumbai 400053.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company held at **13/103, Indra Darshan – II, Oshiwara, New Link Road, Andheri (W), Mumbai 400 053** on Wednesday, the 27th day of August, 2008 at 4:00 P.M.

Name _____

Regd. Folio. No. _____ No. of Shares held _____
Client ID No. _____ DP ID No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____

Note: Member/Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of this Meeting.

Book-Post

If undelivered please return to :

Visisth Mercantile Limited

13/103, Indra Darshan - II, Oshiwara, New Link Road,
Andheri (W), Mumbai 400053.