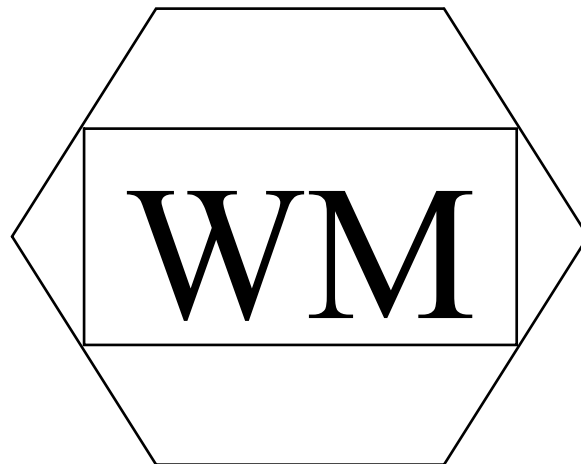


**WOOLITE MERCANTILE COMPANY LIMITED**



**ANNUAL REPORT 2009 - 2010**



## **BOARD OF DIRECTORS**

Mr. Umesh Chamdia	- Chairman	
Mr. Praful S. Hande	- Director	
Mr. S. M. Zafar	- Director	
Mr. Sridhar Bhupathi Raju	- Director	(upto 19.06.2009)
Mr. Nandan Pavan Surampudi	- Director	(upto 19.06.2009)
Mr. VijayaKumar R. Kalidindi	- Director	(upto 19.06.2009)
Mr. Subhash S. Dutta	- Director	(upto 24.06.2009)

## **AUDITORS**

M/s. R. Mahajan & Associates,  
Chartered Accountants  
New Delhi

## **BANKERS**

Union Bank of India,  
Lower Parel Branch, Mumbai.

## **REGISTERED OFFICE**

E -18, 6th Floor, Everest Building,  
Tardeo, Mumbai 400 034  
(w.e.f 17th June, 2010)

## **REGISTRAR & SHARE TRANSFER AGENT**

S. K. Computers  
34/1A, Sudhir Chatterjee Street,  
Kolkata - 700 006

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**NOTICE**

**Notice** is hereby given that the next Annual General Meeting of the members of **WOOLITE MERCANTILE COMPANY LIMITED** will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 10.30 a.m. at E -18, 6th Floor, Everest Building, Tardeo, Mumbai 400 034 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March 2010, the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. M. Zafar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. Mahajan & Associates, Chartered Accounts, New Delhi as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 163 and all other applicable provisions, if any of the Companies Act, 1956 (the 'Act'), (including any statutory modifications or any amendment or any substitution or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the maintenance of records of the Company, viz. (i) Register and Index of Members of the Company and (ii) Copies of Annual Returns prepared under Section 159 of the said Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the said Act at the premises of Company's new Registrar and Share Transfer Agents viz. Purva Sharegistry (India) Pvt. Ltd., having its Office at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400 011 or at any other place of office of Registrar and Share Transfer Agents with effect from 1st October 2010.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as many be necessary, proper and expedient to give effect to this resolution.”

**By Order of the Board of Directors  
For Woolite Mercantile Company Ltd.**

Place: Mumbai  
Date: 30.06.2010

**Umesh Chamdia  
Chairman**

**Registered Office**

E -18, 6th Floor,  
Everest Building,  
Tardeo, Mumbai 400 034.

**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 / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the Meeting is annexed hereto.

4. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 27th day of September 2010 to Thursday, the 30th day of September 2010 (both days inclusive).
6. Members desirous of seeking information relating to the Accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
7. Shareholders are requested to bring their copies of Annual Report to the meeting.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications to their respective Depository Participants.
9. Members are requested to address all correspondences to the Registrar and Share Transfer Agent.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No. 4:**

As the registered office of the Company has been shifted to the state of Maharashtra, in view of interest of the investors and operational reasons, the Board of Directors of Company at its meeting held on 30th June 2010 decided to appoint a new Registrar and Share Transfer Agents, Purva Sharegistry (India) Pvt. Ltd., having its Office at 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai - 400 011 to undertake the work of transfer of shares including demat / remat activities and to maintain the records of the Company, viz. (i) Register and Index of Members of the Company and (ii) Copies of Annual Returns prepared under Section 159 of the said Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act at the premises of Registrar and Share Transfer Agents or at any other place of office of Registrar and Share Transfer Agents with effect from 1st October 2010.

As per the provisions of Section 163(1) of the Act, approval of the members by special resolution is required for keeping the above-referred records at a place other than the registered office of the Company and a copy of the proposed special resolution is simultaneously being given to the Registrar of Companies, Maharashtra, Mumbai.

Your directors recommend the Special Resolution as set out at item no. 4 of the notice for your approval.

None of the Directors of the Company are concerned or interested in this resolution.

**By Order of the Board of Directors  
For Woolite Mercantile Company Ltd.**

Place: Mumbai  
Date: 30.06.2010

**Umesh Chamdia  
Chairman**

**Registered Office**  
E -18, 6th Floor,  
Everest Building,  
Tardeo, Mumbai 400 034.

**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2010

**FINANCIAL RESULTS:**

(Rupees in Lacs)

Particulars	Year Ended	Year Ended
	31/03/2010	31/03/2009
Total Income	3.73	3.30
Profit / (Loss) before tax	(7.27)	0.64
Less: Provision for Taxation	2.24	0.20
Profit / (Loss) After tax	(5.02)	0.44
Balance brought forward from previous year	16.35	15.91
Balance carried to Balance Sheet	11.33	16.35

**OPERATIONS:**

During the year under review, the total income was Rs. 3.73 Lacs as against Rs. 3.30 Lacs in the previous year. The Loss before tax was Rs. 7.27 Lacs as against profit of Rs. 0.64 Lacs in the previous year. The Loss after tax was Rs. 5.02 Lacs as against profit of Rs. 0.44 Lacs in the previous year.

**DIVIDEND:**

In view of the losses suffered by the Company, your Directors do not recommend any Dividend for the year under review.

**PUBLIC DEPOSIT:**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 during the year ended on 31st March 2010.

**DIRECTORS:**

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. S. M. Zafar is retiring by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment for your approval at the ensuing Annual General Meeting.

During the year under review, Mr. Sridhar Bhupathi Raju, Mr. Nandan Pavan Surampudi and Mr. VijayaKumar R. Kalidindi resigned from the directorship of the company w.e.f. 19th June, 2009 and Mr. Subhash S. Dutta resigned w.e.f. 24th June, 2009 due to pre-occupations. The Board will like to place on record their sincere appreciation for the services rendered by said director during their tenure.

**SHIFTING OF REGISTERED OFFICE OF THE COMPANY:**

During the year under review, the Company has taken approval of the members through the Postal Ballot Process under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for shifting the registered office of the company from the state of West Bengal to the state of Maharashtra, the results of which was declared on 25th September 2009, subject to the approval of the Company Law Board, Eastern Region Bench, Kolkata.

Accordingly, after taking necessary approval from the Company Law Board, Eastern Region Bench, Kolkata, the registered office of the Company is shifted to E -18, 6th Floor, Everest Building, Tardeo, Mumbai 400 034 w.e.f. 17th June 2010.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act 1956, your Directors hereby state and confirm that:

- i) In the preparation of the Annual Accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed and no material departures have been made from the same.
- ii) 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, 2010 and Loss of the Company for the year ended on that date.

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the accounts for the financial year ended 31st March, 2010 on a "going concern" basis.

**AUDITORS:**

M/s. R. Mahajan & Associates, Chartered Accountants, (FRN - 011348N), New Delhi, holds office upto the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment and have further confirmed their eligibility under Sub-Section (1B) of Section 224 of the Companies Act, 1956.

**AUDITORS QUALIFICATION:**

The Company has subsequently made the statutory payment and therefore, has regularized its compliance. The remark in the Auditors Report is self explanatory.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

In accordance with the provisions of Section 383A of the Companies Act, 1956 a certificate from M/s. Manish Ghia & Associates, Company Secretaries regarding the status on Compliance of the provisions of the Companies Act, 1956 is attached herewith.

**CORPORATE GOVERNANCE:**

The Company does not fall in any of the criteria prescribed under the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement for constitution of Audit Committee and Compliance of Corporate Governance. Hence, the Compliance of the Constitution of Audit Committee and Compliance of Corporate Governance is not mandatory to the Company. However, the Company is always committed towards good Corporate Governance.

**LISTING OF SHARES:**

The Shares of the Company are listed with Bombay Stock Exchange Limited and the Company has paid the listing fees for the year 2010 - 2011.

**STATUTORY INFORMATION:****a) Particulars of Employees:**

The relations remain cordial through out the year between employees and management.

The information as required by provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of employees) amendments rules, 1988 is reported to be **NIL**.

**b) Disclosure of Particulars With Respect to:****i) Conservation Of Energy, Research and Development and Technology Absorption, Adoption Innovation:**

The Company is engaged in the business of trading in shares and securities for which information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, are reported to be **NIL**. However, the Company makes its best efforts for conservation of energy.

**ii) Foreign Exchange Earnings and Outgo:**

There were no Foreign Exchange earnings /outgoings during the year under review.

**APPRECIATION:**

Your Directors would take this opportunity to express its deep appreciation for the assistance and co-operation received from Banks, Financial Institutions, other Business constituents and members during the year under review and also looks forward to their continued support in the future. Your Directors also wish to place on record their deep appreciation for the committed services of the employees of the Company.

**By Order of the Board of Directors  
For Woolite Mercantile Company Ltd.**

Place: Mumbai  
Date: 30.06.2010

**Umesh Chamdia  
Chairman**

**Registered Office**

E -18, 6th Floor,  
Everest Building,  
Tardeo, Mumbai 400 034.



**FORM**

[SEE RULE 3]

**Compliance Certificate**

CIN : L51109WB2002PLC094419  
Authorised Share Capital : Rs. 2,00,00,000/-

To,  
**Woolite Mercantile Company Limited**  
E -18, 6th Floor, Everest Building,  
Tardeo, Mumbai - 400 034

We have examined the registers, records, books and papers of **Woolite Mercantile Company 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 **31.03.2010 (Financial year)**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us 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 of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has filed forms and returns as stated in Annexure 'B' with the Registrar of Companies, West Bengal, Kolkata within the time prescribed under the Act and the rules made thereunder. The Company has filed petition with Company Law Board, West Bengal, Kolkata Bench in the matter of shifting of registered office of the company from the state of West Bengal to the state of Maharashtra, Mumbai. The Company was not required to file any documents with the Regional Director, Central Government or other authorities.
3. The Company being a public limited Company, the provisions of Section 3(1)(iii) of the Act are not applicable.
4. The Board of Directors duly met 8 (eight) times on 07.04.2009, 19.06.2009, 30.06.2009, 22.07.2009, 31.07.2009, 22.09.2009, 30.10.2009 and 29.01.2010 as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded in the Minute Book maintained for the purpose. No resolution by circulation has been passed by the Company.
5. The Company has closed its Register of Members and Share Transfer Register for the period from 25.09.2009 to 30.09.2009 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended **31.03.2009** was held on **30.09.2009** as per information and explanation given by the management, the Company has given adequate 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. No Extra - Ordinary General Meeting of the Company was held during the financial year. The Company has held Postal Ballot Process under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for taking approval of the members in the matter of shifting of registered office of the company from the state of West Bengal to the state of Maharashtra, Mumbai, the results of which was declared on 25.09.2009.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any 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 under 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 certificates during the financial year.

13. The Company:
    - i) was not required to deliver any share certificate as no transfers were received in physical form.
    - ii) was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
    - iii) was not required to post warrants for dividend to the members of the Company as no dividend was declared during the financial year.
    - iv) do not have any amount lying on accounts 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 a period of seven years and which is required to transfer to Investors Education and Protection Fund.
    - v) has properly complied with the requirements of Section 217 of the Act.
  14. The Board of Directors of the Company is duly constituted. The re-appointment of Director retiring by rotation was duly made. There was no appointment of additional director, alternate director and director to fill casual vacancies during the financial year.
  15. The Company has not appointed any Managing Director /Whole time Director/ Manager during the financial year.
  16. The Company has not appointed any sole-selling agents during the financial year.
  17. The Company has filed a petition with Company Law Board, Eastern Region Bench, Kolkata for seeking approval for shifting of the registered office of the Company from the state of West Bengal to the state of Maharashtra and the Company was not required to obtain any approvals of the Central Government, Regional Director and Registrar of Companies or such other authorities prescribed under the various provisions of the Act.
  18. The Directors have disclosed their interest in other firms and Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. The Company has not issued any preference shares or debentures, hence the question of redemption of the same does not arise.
  22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend/rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited / accepted any deposits including any unsecured loans falling within preview of Sections 58A and 58AA of the Act during the financial year.
  24. The Company has not made any borrowing during the financial year.
  25. The Company has not made any investments / loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the registers kept for that purpose.
  26. The members of the Company has approved the alteration in the provisions of the Memorandum with respect to situation of the Company's registered office through postal ballot process, subject to the approval of the Company Law Board, Eastern Region Bench, Kolkata.
  27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the financial year.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
-

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.

For **MANISH GHIA & ASSOCIATES**  
Company Secretaries

(**MANISH L. GHIA**)  
Partner

**M. No. ACS 7254 C.P. No. 3531**

Place : Mumbai  
Date : 30.06.2010

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**Annexure - "A"**

**Registers maintained by Woolite Mercantile Company Limited:**

1. Register of Members u/s. 150 of the Act.
2. Register of Index of Members u/s. 151 of the Act.
3. Register and Returns u/s. 163 of the Act.
4. Register of contracts, Companies and firms in which directors are interested u/s. 301 of the Act.
5. Register of Directors u/s. 303 of the Act.
6. Register of Directors' Shareholding u/s. 307 of the Act.
7. Minutes Book of General Meeting and Board Meeting u/s. 193 of the Act.
8. Register of Transfer / Transmission of Shares.

## Annexure "B"

## Forms and Returns as filed by Woolite Mercantile Company Limited:

## A) With the Registrar of Companies, West Bengal, Kolkata during the financial year ending on 31.03.2010

Sr. No.	Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/N. A.
1	32	303(2)	Particulars of resignation of Mr. Vijaykumar Kalindini, Mr. Nandan P. Surampuri, Mr. Sridhar Bhupathi Raju from directorship of the Company w.e.f. 19.06.2009.	20.06.2009	Yes	N. A.
2	32	303(2)	Particulars of resignation of Mr. Subhash Dutta from directorship of the company w.e.f. 24.06.2009.	01.07.2009	Yes	N. A.
3	62	192A	Intimation to the Registrar of the Companies about calendar of events for conducting Postal Ballot Process.	18.09.2009	Yes	N. A.
4	66	383A	Compliance Certificate under Section 383A of the Companies Act, 1956 for the financial year ended on 31.03.2009.	03.10.2009	Yes	N. A.
5	32	303(2)	Particulars of appointment of Mr. Umesh Chamdia as Director of the Company at Annual General Meeting held on 30.09.2009.	03.10.2009	Yes	N. A.
6	23	192(1)	Particulars of Special Resolution passed by the members of the company through postal ballot process, the results of which declared on 25.09.2009 for shifting of registered office of the company from the state of West Bengal to the state of Maharashtra, Mumbai	09.10.2009	Yes	N. A.
7	23AC/ 23ACA	220(1)	Schedule - VI (Annual Accounts) for the financial year ended 31.03.2009.	30.10.2009	Yes	N. A.
8	20B	159(1)	Schedule -V (Annual Return) as on the date of Annual General Meeting i.e. 30.09.2009.	13.11.2009	Yes	N. A.

## B) With the Office of the Regional Director, Eastern Region Bench at Kolkata during the financial year ending on 31.03.2010.

Nil

## C) With the Office of the Ministry of Corporate affairs (Central Government) at Delhi during the financial year ending on 31.03.2010.

Nil

## D) With any other Authorities as prescribed under the Act, during the financial year ending on 31.03.2010.

The Company has filed a petition with Company Law Board, Eastern Region Bench, Kolkata for seeking approval for shifting of the registered office of the Company from the state of West Bengal to the state of Maharashtra.

## Auditor's Report

To  
The Members of  
WOOLITE MERCANTILE COMPANY LIMITED

We have audited the attached balance sheet of **Woolite Mercantile Company Limited** as at 31st March 2010 the profit and loss account and also 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.

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 to 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Reports) Order, 2003 (as amended) 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.

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 accounts 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 dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account 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 the written representation received from the Director, as on 31st March 2010, and taken on record by the Board of Director, we report that none of the Director is disqualified as on 31st March 2010 from being appointed as a Directors in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information as 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2010
  - (b) in the case of Profit and Loss Account, of the Loss for the year ended on that date.
  - (c) In the case of cash flow statement, of the cash flow for the year ended on that date.

For **R. Mahajan & Associates**  
FRN 011348N  
Chartered Accountants

( **Ratnesh Mahajan** )  
Partner  
M.No. 085484

Place: Mumbai  
Dated: 30/06/2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBER OF WOOLITE MERCANTILE COMPANY LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st March 2010.**

1.
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. During the year, the company has not disposed off substantial part of fixed assets.
2. The Company does not have any inventory, Hence clause a, b and c of para 4(ii) of the order is not applicable. .
3. As informed, the company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956,
4. In our opinion and according to the information and explanations give to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control
5. Based on the audit procedures applied by us and according to the information and explanations provided by us the management, we are of the opinion that there is no transaction that needs to be entered into the register maintained under section 301. Accordingly, the provision of Clause v (b) of the paragraph 4 of the Order is not applicable to the company.
6. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Sections 58A, 58AA, or any other relevant provision of the Companies Act, 1956 and rules made there under. Hence, the clause (vi) of the order is not applicable.
7. The Company does not have an internal audit system. However, in our opinion and according to the representations made by the management, the level of operations and transactions of the Company, by itself, do not require a formal internal audit system.
8. The Central Government has not prescribed maintenance of cost record under section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
9.
  - a) According to the information and explanations given to us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues to the extent as applicable to it with the appropriate authorities except Income Tax dues where there is delay in depositing. According to the information and explanations given to us, no undisputed amount payables in respect of statutory dues as aforesaid were outstanding, as at 31st March 2010 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no dues of sale tax, Income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit however there were no cash losses in the immediately preceding financial year.
11. The Company has no borrowings from financial institutions, banks or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced 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.
13. The Company is not a chit fund and nidhi / mutual benefit fund/society.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the Provisions of clause (xiv) of paragraph 4 of the Order are not applicable.

15. According to the information and explanations given to us, The Company has not given any guarantee for loans taken by other form bank or financial institutions during the year.
16. The Company has not raised any term loans during the year covered by our audit.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations 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 **R. Mahajan & Associates**  
**FRN 011348N**  
**Chartered Accountants**

**( Ratnesh Mahajan )**  
**Partner**  
**M.No. 085484**

Place: Mumbai  
Dated: 30/06/2010

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedules	AS ON 31 <sup>ST</sup> MARCH, 2010	AS ON 31 <sup>ST</sup> MARCH, 2009
<b><u>SOURCES OF FUNDS:</u></b>			
<b><u>SHARE HOLDERS FUND</u></b>			
Share Capital	1	19,920,000	19,920,000
<b><u>RESERVES &amp; SURPLUS</u></b>			
Profit & Loss Account		1,133,223	1,635,596
		<u>21,053,223</u>	<u>21,555,596</u>
<b><u>APPLICATION OF FUND</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	2	589,291	-
Less:- Depreciation		<u>69,739</u>	-
Net Block		519,552	-
Deferred Tax Assets (Net)		224,651	-
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
Cash & Bank Balances	3	313,889	167,516
Loans & Advances	4	<u>20,034,004</u>	<u>21,669,080</u>
		20,347,893	21,836,596
<b><u>Less: Current Liabilities &amp; Provisions</u></b>			
Current Liabilities	5	38,873	281,000
Provisions		<u>-</u>	<u>-</u>
Net Current Assets		20,309,020	21,555,596
		<u>21,053,223</u>	<u>21,555,596</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	7		

The accompanying schedules are an integral part of these accounts.

As per our audit report of even date attached

**For R. Mahajan & Associates**

Chartered Accountants

F.R.No - 011348N

**Ratnesh Mahajan**

Partner

M.No. 085484

Place : Mumbai

Dated : 30/06/2010

**For and on behalf of the Board of Directors**

**(Pratul Hande)**

Director

**(Umesh Chamdia)**

Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

(Amount in Rs.)

PARTICULARS	Schedules	YEAR ENDED 31 <sup>ST</sup> MARCH, 2010	YEAR ENDED 31 <sup>ST</sup> MARCH, 2009
<b><u>INCOME</u></b>			
Interest (Including TDS of Rs. 62620 & Prev. Year Rs.68071)		373,544	330,181
Dividend Income		187	-
		373,731	330,181
<b><u>EXPENDITURE</u></b>			
Administrative & Other Expenditures	6	1,031,016	265,907
Depreciation		69,739	-
		1,100,755	265,907
<b>Profit/(Loss) before tax</b>		(727,023)	64,274
<b><u>Provision For Current Tax</u></b>			
Income Tax		-	19,860
Deferred Tax		224,651	-
<b>Profit/(Loss) After Tax</b>		(502,372)	44,414
Profit / (Loss) Brought Forward		1,635,596	1,591,182
Profit / (Loss) Carried Forward		1,133,223	1,635,596
Basic & Diluted earnings per share (No. of share 1992000 & Face Value is Rs. 10)		(0.25)	0.02

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

The accompanying schedules are an integral part of these accounts.

As per our audit report of even date attached

The accompanying schedules are an integral part of these accounts.

As per our audit report of even date attached

**For R. Mahajan & Associates**

Chartered Accountants

F.R.No - 011348N

**Ratnesh Mahajan**

Partner

M.No. 085484

Place : Mumbai

Dated : 30/06/2010

**For and on behalf of the Board of Directors**

**(Pratul Hande)**

Director

**(Umesh Chamdia)**

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**  
(Amount in Rs.)

	AS ON 31 <sup>ST</sup> MARCH, 2010	AS ON 31 <sup>ST</sup> MARCH, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax & extraordinary items	(727,024)	64,274
Adjusted for :		
Depreciation	69,739	
Interest & Dividend Income	(373,732)	(330,181)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1,031,017)</b>	<b>(265,907)</b>
Adjusted for :		
Trade and other receivables	1,635,076	(122,681)
Inventories		-
Trade Payables	(242,127)	232,047
Cash generated from operations	361,932	(156,541)
Direct Taxes paid	-	(19,860)
Cash flow before extra ordinary items	361,932	(176,401)
Extra Ordinary items		-
Net cash from Operating activities (A)	<u>361,932</u>	<u>(176,401)</u>
<b>B. CASH FLOW INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(589,291)	-
Sale of Fixed Assets	-	-
Interest and Dividend Income	373,732	330,181
(Purchase)/Sale of Investments	-	-
Net Cash used in investing activities (B)	<u>(215,559)</u>	<u>330,181</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loans taken/(repaid)	-	-
Net Cash used in Financing activities (C)	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>146,373</b>	<b>153,780</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>167,516</b>	<b>13,736</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>313,889</b>	<b>167,516</b>

NOTES: Cash and cash equivalents represent cash and bank balances.

**For R. Mahajan & Associates**  
Chartered Accountants  
F.R.No - 011348N

**For and on behalf of the Board of Directors**

**Ratnesh Mahajan**  
Partner  
M.No. 085484  
Place : Mumbai  
Dated : 30/06/2010

**(Praful Hande)**  
Director

**(Umesh Chamdia)**  
Director

**SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET &  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

(Amount in Rs.)

	AS ON 31 <sup>ST</sup> MARCH, 2010				AS ON 31 <sup>ST</sup> MARCH, 2009				
<b>1) SHARE CAPITAL</b>									
AUTHORISED CAPITAL									
2000000 Equity Shares of Rs.10/- Each	20,000,000				20,000,000				
ISSUED, SUBSCRIBED & PAID UP									
1992000 Equity Shares of Rs.10/- Each	19,920,000				19,920,000				
	<u>19,920,000</u>				<u>19,920,000</u>				
<b>2) FIXED ASSETS</b>									
ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	COST AS ON 01.04.09	ADDITION	SALE/ TRANSF.	COST AS ON 31.03.10	AS ON 01.04.09	FOR THE YEAR	AS ON 31.03.10	W.D.V.AS ON 31.03.10	W.D.V.AS ON 31.03.09
COMPUTER	-	156,153	-	156,153	-	33,712	33,712	122,441	-
ELEC. INSTALLATION	-	87,627	-	87,627	-	6,245	6,245	81,382	-
FUR & FIXTURE	-	300,011	-	300,011	-	26,355	26,355	273,656	-
OFFICE EQUIP.	-	28,000	-	28,000	-	2,113	2,113	25,887	-
PRINTER	-	17,500	-	17,500	-	1,314	1,314	16,186	-
TOTAL	-	589,291	-	589,291	-	69,739	69,739	519,552	-
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-
<b>3) CASH AND BANK BALANCE</b>									
Cash in hand	150,621				102,060				
Balance with Scheduled Banks in Current Account	163,267				65,456				
	<u>313,889</u>				<u>167,516</u>				
<b>4) LOANS &amp; ADVANCES</b>									
(Unsecured , considered good)									
Loans									
Advance recoverable in cash or in kind or for the value to be received	19,494,868				21,425,818				
Advance tax & TDS	192,022				129,402				
Deposits	303,030				1,500				
Prepaid Expenses	44,084				112,360				
	<u>20,034,004</u>				<u>21,669,080</u>				
<b>5) CURRENT LIABILITIES &amp; PROVISIONS</b>									
<b>A: CURRENT LIABILITIES</b>									
Other Liabilities	38,873				281,000				
	38,873				281,000				
<b>B: PROVISIONS</b>									
Provision for Tax	-				-				
	<u>38,873</u>				<u>281,000</u>				
<b>6) ADMINISTRATIVE &amp; OTHER EXPENSES</b>									
Auditors Remuneration	19,854				19,854				
-Statutory audit	105,200				83,215				
Publishing Expenses	11,535				-				
Postage Expenses	18,278				-				
Electricity Expenses	22,144				-				
Internet Charges	848				300				
Bank Charges	13,036				9,075				
Custodian Charges	22,651				14,043				
Printing & Stationery	73,558				-				
Computer Expenses	249,728				112,360				
Legal & Professional charges	12,357				10,160				
Listing expenses	4,000				16,900				
Roc Expenses	23,086				-				
Office Expenses	20,144				-				
Telephone Expenses	267,908				-				
Office Rent	155,000				-				
Salary Expenses	5,762				-				
Staff Welfare	251				-				
Donation	5,674				-				
Miscellaneous Expenses	-				-				
	<u>1,031,016</u>				<u>265,907</u>				

**NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT  
AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

**7) SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES :**

**1. ACCOUNTING CONVENTION**

The company follows the accrual basis of accounting in the preparation of accounts and recognized income and expenses on accrual basis. The accounts are prepared on the historical cost basis as a going concern basis and are consistent with generally accepted accounting principles, and comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant provision of the Companies Act, 1956.

**2. REVENUE RECOGNITION:**

Items of income & expenditure are recognized on accrual basis except where the receipt of the income is uncertain. Profit and loss on the transactions in futures and options are accounted for on transactions date unrealized gains on future contracts at year end are reversed in the profit and loss account and credited to mark to market equity future.

**3. ACCOUNTING FOR TAXES ON INCOME**

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is a reasonable certainty of its realization.

**B. NOTES TO ACCOUNTS**

- 1. The Company is predominantly engaged in the business of investments, shares trading and financial activities and is a single segment company.
- 2. Related Party Disclosure

As per accounting standard 18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions are disclosed below:

**A. Name of the related parties and description of relationship:**

**Key Management Personnel**

Mr. Umesh Chamdia

Mr. Praful Hande

**B. Disclosure of Related Parties Transactions: Nil**

- 3. As per information available with company, no amount is due to any undertakings \Enterprises covered under the Micro, Small and Medium Enterprise Development act 2006.
- 4. i) Previous Year Figures have been re-arranged and regrouped wherever found necessary.
- ii) Previous year figures above are mentioned in the bracket.

**5 Information pursuant to part IV of schedule VI to the Company act, 1956.****C. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details :**

Registration No.	94419	State Code:	21
Balance Sheet Date	31.03.2010		

**II. Capital Raised during the year (Amount in Rupees Thousands)**

Public Issue:	NIL	Right Issue:	NIL
Bonus Issue:	NIL	Private Placement:	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)**

Total Liabilities:	21,053	Total Assets:	21,053
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**Sources of Funds :**

Paid up Capital:	19,920	Reserves & Surplus:	1,133
Secured Loans:	NIL	Unsecured Loans:	NIL

**Application of Funds:**

Net Fixed Assets:	520	Investments	NIL
Net Current Assets:	20,308	Misc. Expenditure:	NIL
Accumulated Losses:	NIL	Deferred Tax Assets (Net)	225

**IV. Performance of Company (Amount in Rupees Thousands)**

Turnover	374	Total Expenditure	1101
Profit / Loss Before Tax	(727)	Profit/Loss After Tax	(502)
Earning per Share in Rs.	(0.25)	Dividend Rate%	NIL

**V. Generic name of three Products/Services of Company (as per monetary terms)**

Financing and Dealing in the Shares & Securities

**For R. Mahajan & Associates**

Chartered Accountants  
FRN 011348N

**Ratnesh Mahajan**

Partner  
M. NO. 85484

Place : Mumbai

Dated : 30/06/2009

**For and on behalf of the Board of Directors**

**(Praful Hande)**  
Director

**(Umesh Chamdia)**  
Director



# WOOLITE MERCANTILE COMPANY LIMITED

Regd. Office: E -18, 6th Floor, Everest Building, Tardeo, Mumbai - 400 034

## FORM OF PROXY

Regd. Folio No..... No of Shares held .....

DP ID No.....(applicable in case of shares held in demat)

I/We.....of..... in the District of  
..... being a Member / Members of **WOOLITE MERCANTILE COMPANY LIMITED** hereby appoint  
.....of ..... in the District of.....or failing  
him.....of.....as my/our /proxy to vote for me/us, on my /our behalf of at the  
**ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, the 30<sup>th</sup> day of September 2010 at 10.30 a.m. at  
E -18, 6<sup>th</sup> Floor, Everest Building, Tardeo, Mumbai 400 034 and at any adjournment thereof.

Place :  
Date : \_\_\_\_\_ 2010

\_\_\_\_\_  
**Signature of Member**

Revenue  
Stamp  
of Re.1

**Note:** This proxy must be deposited at the registered office of the Company at E -18, 6th Floor, Everest Building, Tardeo, Mumbai 400 034 not less than 48 hours before the time of the meeting.

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# WOOLITE MERCANTILE COMPANY LIMITED

Regd. Office: E -18, 6th Floor, Everest Building, Tardeo, Mumbai - 400 034

## ATTENDANCE SLIP

Regd. Folio No..... No. of Shares held .....

DP ID No.....(applicable in case of shares held in demat)

I, \_\_\_\_\_ (Name of the attending member / proxy), hereby record my presence at  
the Annual General Meeting to be held on Thursday, the 30th day of September 2010 at 10.30 a.m. at E -18, 6th Floor,  
Everest Building, Tardeo, Mumbai 400 034.

\_\_\_\_\_  
**Member's/Proxy's Signature**

Note: Please fill in this attendance slip and hand it over at the entrance of the meeting hall.

**BOOK-POST**

If undelivered please return to:

**Woolite Mercantile Company Limited**  
E -18, 6th Floor,  
Everest Building, Tardeo,  
Mumbai - 400 034