

# **ANNUAL REPORT 2009-10**

## **BOARD OF DIRECTORS**

Mr. Nilesh Khatri	- Chairman
Mr. Govind Senma	- Director
Mr. Hasmukhbhai Senma	- Director

## **AUDITORS**

**BHAGAT & CO.**  
Chartered Accountants  
Ahmedabad

## **REGISTERED OFFICE**

**202, Prasad Chambers,  
Pratap Road, Raopur,  
Baroda-390001,  
Gujarat, INDIA**

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## **NOTICE**

**NOTICE** is hereby given that the Annual General Meeting of the Members of **Jolly Merchandise Limited** will be held on **Thursday, 30th September, 2010** at 11.00 a.m. at registered office **202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA** to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on **31st March, 2010** and the Profit & Loss Account for the year ended as on that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of **Mr. Nilesh Khatri** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and fix their remuneration.

**By order of the Board  
For, Jolly Merchandise Limited**

**Place: Baroda  
Date: 01.09.2010**

**Sd/-  
Chairman**

### **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must reach the registered office of the Company not less than 48 hours before the time fixed for the Meeting.
2. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
3. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting. As Copies of Annual Report will not be distributed at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **24th September, 2010 to 30th September, 2010** (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

**DIRECTORS' REPORT**

To,  
The Shareowners,  
**Jolly Merchandise Limited**  
Vadodara, Gujarat.

Your Directors hereby present the Annual report of your Company together with audited accounts for the accounting year ended on **31st March, 2010**.

**FINANCIAL RESULTS:**

PARTICULARS	YEAR ENDED <b>31.03.2010</b>	YEAR ENDED <b>31.03.2009</b>
Sales and Other Income	0	0
Total Expenditure	496295	504095
Profit/ (Loss) Before Tax	(496295)	(504095)
Provision for Tax	0	0
Net Profit/ (Loss) for the year After Tax	(496295)	(504095)
Balance c/f to Balance Sheet	15483741	14987446

**DIVIDEND:**

Your Directors regret that inability to recommend any dividend for the year under review due to loss incurred.

**OPERATIONS:**

During the year under review the company has incurred loss of Rs. **496295/-** compared to loss of Rs. **504095/-** of last year. However, your directors are confident of achieving good results of the Company in future years.

**DIRECTORS:**

**Mr. Nilesh Khatri** Director of the Company who retire by rotation at the ensuing Annual General Meeting, being eligible and offers himself for re-appointment.

**CORPORATE GOVERNANCE**

Your directors are happy to report that your company is fully compliant as on **31st March 2010** with the SEBI guidelines on Corporate Governance as incorporated in Clause 49 of the Listing Agreement with the Stock exchanges.

A detailed report on this subject forms part of this report.

**LISTING AGREEMENT:**

The securities of the company are listed with the Bombay Stock Exchange Limited (BSE).

**INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:**

As required under rule 3 of the companies (Disclosure of Particulars in the report of board of directors) Rules 1988, the particulars relating to the conservation of energy, Technology absorption and there are **no foreign exchange earnings and outgo during the year**.

**AUDITORS & AUDITORS' REPORT:**

M/s. Bhagat & Co., Ahmedabad, Auditors of the Company, retires and are eligible for reappointment. The members at the ensuing Annual General Meeting are requested to consider their reappointment for the year to hold the office until the conclusion of the next Annual general Meeting. The Board recommends their appointment.

Notes forming part of the accounts, which are specifically referred to by the Auditors in their Report are self explanatory and therefore do not call for any further comments.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Management discussion and Analysis Report have been attached and forms part the Directors Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.**

The Directors confirm that;

- In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- Such accounting policies have been selected and consistently applied and judgments and estimates made 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 of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken 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;
- Annual account has been prepared on a going concern basis.

**PARTICULARS REGARDING EMPLOYEES:**

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and hence no information is required to be furnished.

**ACKNOWLEDGEMENT:**

The Directors sincerely express their deep appreciation to the Employee at all levels, Shareholders, Banks, Customers for their sustained support and co – operation during the year. Your Directors also acknowledge the support and guidance received from the RBI, SEBI, ROC, Stock Exchanges and other Regulatory Bodies. Banks and other Financial Groups also deserve special appreciation for significant contribution to your Company's operations.

**For and on behalf of the Board of Directors  
For, Jolly Merchandise Limited**

**Place: Baroda  
Date: 01.09.2010**

**Sd/-  
Chairman**

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW

The depression in the global economic scenario and the reduction in market demand had an adverse effect on manufacturing cycles globally. In such a situation, it was important for manufacturing industries across sectors to look for ways to sustain themselves. Our company took an intelligent and wise decision and forayed into trading activities in order to maintain its market share and continue to stay in competition. Even during the peak of the Economic meltdown the Indian Economy still withstood the on slot of the depression as compared to the other economies of the world. India has continued to show signs of a growing economy.

### PERFORMANCE

The company reported an Operating profit (PBIDT) of Rs. (4.96) Lacs. There has also been renewed focus on quality and customer service to develop long-term relationship with customers. The Company is focusing on Govt. business in line to develop new market in this regard.

### DEMATERIALISATIONS

Dematerialization of Company's Shares facility is available through our Share Transfer Agent M/s Purva Sharegistry India Private Limited

### INTERNAL CONTROL

The Company has an adequate system of Internal Control which enables reliable financial reporting, safeguards assets and encourages adherence to management policies. The Company also has a system for a speedy compilation of accounts and management information reports to comply with applicable laws and regulations. The Company has a reasonable budgetary control system. The actual performance is reviewed with reference to budgets monthly by the management. The Company has a well defined organization structure, authority levels, internal rules and guidelines for conducting business transactions.

### OUTLOOK

The company has continued to manufacture and deliver quality products in the market even though the competition at large. Your affiliation with the Company and the strong dealer relationship has played a crucial role in helping the Company face and sustain the negative factors inflicting and affecting the markets.

Despite the efforts the non-availability of stable raw material prices give rise to fluctuating manufacturing costs thus adversely affecting the productivity levels and production cost, particularly in relation to the cheap quality and low-priced products available in the market and spurious manufacturers.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of operations and in all inter-actions with its shareholders, employees, and the Government Company is committed to achieve the highest standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholder value, over a sustained period of time.

### 2. BOARD OF DIRECTORS:

The Board of Directors of the company is comprised of optimum number of Executive, non-executives and independent directors. The Board met [5 times](#) during the year on the following dates.

During the year, Board Meetings were held on 20.04.2009, 21.07.2009, 01.09.2009, 15.10.2009 and 25.01.2010.

S. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at Last AGM
1.	Mr. Nilesh Khatri	Promoter & Executive Director	2	N.A.
2.	Mr. Govind Senma	Promoter & Executive Director	2	N.A.
3.	Mr. Hasmukhbhai Senma	Non Executive & Independent Director	5	Yes

### 3. AUDIT COMMITTEE:

The Audit committee was reconstituted by the board and the present members of the audit committee are [Mr. Nilesh Khatri](#), [Mr. Govind Senma](#) and [Mr. Hasmukhbhai Senma](#)

The Committee has appointed [Mr. Nilesh Khatri](#) as chairman.

The terms of reference and powers of Audit Committee are as per Clause 49 of the Listing Agreement. The functions of the Audit Committee are as per Listing Agreement with the Stock Exchanges. This includes review of accounting and financial policies and procedures, review of financial reporting system and internal control procedure.

The Committee met [four times](#) during the year i.e. 20.04.2009, 21.07.2009, 15.10.2009 and 25.01.2010.

S. No.	Name of Audit committee member	No of meetings attended
1.	Mr. Nilesh Khatri	2
2.	Mr. Govind Senma	2
3.	Mr. Hasmukhbhai Senma	4

**4. REMUNERATION COMMITTEE:**

The company has not constituted the Remuneration Committee. But the Audit committee is entrusted with the responsibility of finalizing the remuneration of Executive Director.

**5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:**

The present members of Shareholders/Investors Grievance committee are [Mr. Nilesh Khatri](#), [Mr. Govind Senma](#) and [Mr. Hasmukhbhai Senma](#).

The role and functions of the said Committee are the effective redressal of the complaints of the shareholders regarding dematerialization, transfers, non-receipt of balance-sheet etc, The Committee will also recommend the steps to be taken for further improvement in the quality of services to the Investors.

The company has received no complaints during the year.

**6. GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2006-07	29th September, 2007	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA
2007-08	30th September, 2008	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA
2008-09	30th September, 2009	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA

No special Resolutions were put through postal ballot as recommended under clause 49 of the Listing Agreement of the Stock Exchanges, are placed for shareholders' approval at the forthcoming Annual General Meeting. There is no non-compliance nor any penalty or stricture imposed on the company by stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

**7. GENERAL SHAREHOLDER INFORMATION:**

- Financial Calendar 2010-11 (tentative) :
  - Results for the quarter ended June 30, 2010:  
Last week of July 2010.
  - Results for the quarter ended September 30, 2010.  
Last week of October 2010.
  - Results for the quarter ended December 31, 2010,  
Last week of January 2011.
  - Results for the quarter ended March 31, 2011,  
Last week of April 2011.
- Book closure date : 24th September, 2010 to 30th September, 2010  
(Both days inclusive)
- Registered Office : **202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.**  
  
E-mail: [jollymerchandise@ymail.com](mailto:jollymerchandise@ymail.com)
- Equity shares Listed on Stock Exchanges at : The Bombay Stock Exchange Ltd, Mumbai

**Annual General Meeting**

Date and Time Venue : September 30, 2010 at 11:00 A.M.  
: 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

Registered Office : 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

**5. Disclosures:**

1. All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties were not in the normal course of business to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
2. All Accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
3. Risk assessment and its minimizations procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
4. The company has not raised money through preferential allotment basis during the year.
5. The Company duly complies with all mandatory requirements of clause 49 of Listing Agreement with the Stock Exchange. However, the company has not adopted the non – mandatory requirement defined therein.
6. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.
7. No Penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**8. STOCK CODE**

- Trading Symbol at : The Bombay Stock Exchange Ltd, Mumbai  
Scrip Code: 519191

**9. STOCK MARKET DATA:** The details regarding the month wise high/low price during the year are as follows:

Note: As the Status of the Company is dormant, no Stock Market Data is available with the Company.

**10. REGISTRAR AND SHARE TRANSFER AGENT** : No Registrar and Share transfer agent was appointed during the year.

(Share transfer and Communication regarding Share certificates Dividends and change of Address)

**11. SHARE TRANSFER SYSTEM:**

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as "Investor / Shareholders Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 30 days from the date of receipt, if the relevant documents are complete in all respect.



**a. Distribution of Shareholding as on 31st March, 2010.**

Shareholding of nominal value as on 31st March, 2010	No. of Shareholders	% of No. of shareholders	No. of Shares	% of Shares
Up to 5000	1198	93.59	1605009	33.23
5001 - 10000	42	3.28	1359162	28.14
10001- 20000	22	1.72	382536	7.92
20001- 30000	6	0.47	337134	6.98
30001- 40000	4	0.31	261786	5.42
40001- 50000	2	0.16	214452	4.44
50001- 100000	3	0.23	90321	1.87
100001 and above	3	0.23	579600	12
<b>Total</b>	<b>1280</b>	<b>100.00</b>	<b>4830000</b>	<b>100.00</b>

**b. Category of shareholders as on 31st March 2010.**

Category	No. of Shares held	% of Shareholding
Directors and relatives	579600	12
Bodies corporate	1284500	26.59
Individuals holding nominal share capital upto Rs. 1 Lakh	2965900	61.41

**Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, conversion Date and Likely Impact on Equity:** None

**Address for correspondence:**

Shareholders correspondence should be addressed at registered office of the company at:

**REGISTERED OFFICE:** 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

**Compliance Officer:**

**Mr. Nilesh Khatri**

**Declaration:**

None of the Director of the Company is a Director of more than 15 companies and member of more than 10 committees or chairman of more than five committees across all companies in which he is a Director

**ANNEXURE TO REPORT****DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

The company has framed a specific code of conduct for the members of the Board of Directors of the Company pursuant to clause 49 of the listing agreement with Stock Exchanges to further strengthen corporate governance practices in the company.

All the members of the Board of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year [31st March, 2010](#).

**Place: Baroda**  
**Date: 01.09.2010**

**For, Jolly Merchandise Limited**

**Sd/-**  
**Chairman**

## Certification by CEO and CFO of the Company

## The Board of Director

JOLLY MERCHANDISE LIMITED

Baroda.

I Nileshkumar Khatri, CEO & CFO and Director of JOLLY MERCHANDISE LIMITED, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2010 and that to the best of my knowledge and belief.

- these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. I also certify, that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps. I have taken or propose to take to rectify these deficiencies.

4. I have indicated to the Auditors and the Audit Committee:

- significant changes in internal control, if any, over financial reporting during the year;
- significant changes, if any, in accounting policies during the year and that the financial statements;  
and
- instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.

5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2010.

FOR, JOLLY MERCHANDISE LIMITED

PLACE: BARODA  
DATE: 01.09.2010

Sd/-  
DIRECTOR

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**JOLLY MERCHANDISE LIMITED**  
Baroda, Gujarat

We have examined the relevant records pertaining to compliance conditions of Corporate Governance by Amradeep Industries Limited ("the Company"), for the year ended **31<sup>st</sup> March, 2010** as stipulated clause 49 of the Listing Agreement of the said Company which the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We have to state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company which were presented to the Investor Grievance Committee.

We further state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Place: Ahmedabad**  
**Date: 01.09.2010**

**For, Bhagat & Co.**  
**Chartered Accountants**

**Sd/-**  
**S. Bhagat**  
**(Proprietor)**  
**M. No. 52725**

# **BHAGAT & CO.**

## **CHARTERED ACCOUNTANTS**

Add : B-9 Goyal Plaza, Judges Bungalow Road, Ahmedabad. 380015.

### **AUDITORS' REPORT**

TO THE MEMBERS OF JOLLY MERCHANDISE LIMITED

We have audited the annexed Balance Sheet of Jolly Merchandise Limited as on 31st March 2010 and also the Profit & Loss Account for the period 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 accounting 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227(4A) of the Companies Act 1956, we give in the Annexure a statement on the matters specified in the said order to the extent applicable.
2. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. 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 such books.
4. The Balance sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts.
5. In our opinion, the Profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 subject to notes to accounts.
6. On the basis of representation received from the directors of the company and according to the information and explanation given to us, none of the directors of the company are prima facie as at 31<sup>st</sup> March 2009, disqualify from being appointed as directors of the Company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the statement on accounting policies and the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view: -
  - (i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2010.
  - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
  - (iii) In the case of cash flow Statement, of the cash flows for the year ended on that date.

**For, Bhagat & Co**  
Chartered Accountants

Place : Ahmedabad  
Dated : 01.09.2010

Sd/-  
**(S. Bhagat)**  
**Proprietor**  
M.No. 52725

**BHAGAT & CO.**  
**CHARTERED ACCOUNTANTS**

Add : B-9 Goyal Plaza, Judges Bungalow Road, Ahmedabad. 380015.

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**ANNEXURE TO THE AUDITORS REPORT**

(Referred to in Paragraph 3 of our report even date)  
The annexure referred to para ! of our report on even date on account of

**M/s. Jolly Merchandise Limited for the year 31-3-2010**

1. The Company has maintained proper records showing fully particulars including quantitative details and situations in respect of fixed Assets. Physical verification has been carried out by the Management once during the period. To the best of our knowledge no serious discrepancies have been noticed on verification.
2. None of the Fixed Asset have been revalued during the year.
3. On the basis of our examination of stock records, we are of the opinion that valuation of stock is fair and proper in accordance with normally accepted accounting principles.
4. The Company has not taken any loans secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 and / or to the Companies under the same Management as defined under sub-section 370-(1-B) of the Companies Act, 1956.
5. In respect of loans and advances, in the nature of interest free loans given by the Company to parties and employees have generally repaid, the principal amounts as stipulated or as rescheduled from time to time. In our opinion, having regard to the nature of loans, reasonable steps have been taken for recovery.
6. n 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 purchase of plant and machinery equipment and other assets.
7. The company does not accept any deposits, to which the provision of Section 58-A of the Companies Act, 1956 and the rules framed there under are applicable.
8. In our opinion the Company has an internal Control system Commensurate with the size of the Company & the nature of its business.
9. As per the information and explanation given to us, the provident, fund act does not apply to the company we are informed that the Company is not required to make any contribution under the Employees State Insurance Scheme.
10. According to the information and explanations given to us no undisputed amounts payables in respect Income Tax, Sales Tax, Customer Duty and Excise Duty were outstanding.
11. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and for the sale of goods. During the course of audit, we have not observed the continuing failure to correct major weakness in internal controls.

12. In opinion and according to the information and explanation given to us, there are no transactions of purchase and sales or services of goods and materials and made in pursuance of contracts or arrangements entered in the Registers maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50000/- or more in respect of each party.
13. The company has not accepted any deposits from public within the meaning of provisions of section 58 A & Section 58 AA of the Companies Act, 1956.
14. In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
15. As informed to us the company is not required to maintain cost accounts and records as prescribed by Central Government under section 290 (1)(d) of the Companies Act 1956.
16. According to the records of the company, statutory dues including Investor Education and Protection fund, Income Tax and other statutory dues have been generally deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2002 for a period of more than six months from the date of becoming payable.
17. The accumulated losses of the Company are not more than fifty percent of the net worth and the company has incurred cash loss in current financial year, The Company has also incurred cash loss in the previous financial year.
18. In our opinion and according to the information and explanations given to us, Company has not defaulted in Repayment of any dues to financial institutions or banks
19. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
20. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit/society. Therefore, clause 4(xiii) of the Companies (Audit Report) Order, 2003 is not applicable to the company.
21. In our opinion the Company has maintained records of transactions and contracts in respect of investment in shares, mutual funds and other investments and generally timely entries have been made therein. All the shares, mutual funds and other investments held by the companies are in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
22. In our opinion. The company has not given any guarantee for loans taken by others from banks or financial institutions.
23. The Company has not raised any new term loans during the year.
24. On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion, funds raised on short term basis have not been used during the year for long term investment and vice versa.
25. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
26. The Company has not issued any debentures till date.
27. The Company has not raised any money by public issue during the year.

28. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted audit practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Bhagat & Co.,**  
Chartered Accountants

Place : Ahmedabad

Dated : 01.09.2010

Sd/-  
**(S. Bhagat)**  
**Proprietor**  
M.No. 52725



# JOLLY MERCHANDISE LIMITED

202, PRASAD CHAMBERS, PRATAP ROAD, RAOPURA, VADODARA : 390 001.

## BALANCE SHEET AS AT 31ST MARCH, 2010

(Amt. in Rs. )

PARTICULARS	SCHEDULE	As At 31.03.2010	As At 31.03.2009
<b>SOURCES OF FUNDS</b>			
A Share Capital	A	48300000	48300000
B Reserve & Surplus			
C Differed Tax Liability		86430	86430
<b>LOAN FUNDS</b>			
A Secured Loans		0	0
B Unsecured Loans		0	0
<b>TOTAL.....</b>		<b>48386430</b>	<b>48386430</b>
<b>APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
A Gross Block		8916338	8916338
B Less : Depreciation		5328567	4909185
C Net Block		<b>3587771</b>	<b>4007153</b>
<b>2 Investment</b>	B	14308000	14308000
<b>3 Current Assets, Loans &amp; Advances</b>			
A Sundry Debtors	C	6330180	6330180
B Cash & Bank Balance	D	140892	179192
C Loans & Advances	E	5831648	5831648
D Trade Advances & Deposit	F	5858235	5858235
		18160955	18199255
<b>4 Less : Current Liabilities &amp; Provision, Loans and Advances</b>			
A Sundry Creditors		3165970	3165970
B Provision	G	65300	65300
		3231270	3231270
<b>5 Net Current Assets</b>		14929685	14967985
<b>6 Miscellaneous Expenses</b>			
Preliminary & Preoperative Exp. (To the extent not w/off or adjusted.)		77233	115846
<b>Profit &amp; Loss A/c.</b>		<b>15483741</b>	<b>14987446</b>
<b>TOTAL.....</b>		<b>48386430</b>	<b>48386430</b>

Note Forming Part of Account	J	
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As per our Attached report even date

For Bhagat & Co.  
Chartered Accountants

For Jolly Merchandise Limited

Sd/-  
S. Bhagat  
(Proprietor)  
Membership No. : 52725

Sd/-  
Director

Sd/-  
Director

Place : Ahmedabad  
Date : 01.09.2010

Place : Vadodara  
Date : 01.09.2010

# JOLLY MERCHANDISE LIMITED

202, PRASAD CHAMBERS, PRATAP ROAD, RAOPURA, VADODARA : 390 001.

## Profit & Loss account for the year ended as on 31st March, 2010

PARTICULARS	SCHEDULE	As At 31.03.2010	As At 31.03.2009
Other Income		0	0
<b>TOTAL.....</b>		<b>0</b>	<b>0</b>
EXPENDITURE			
Other Expenses	I	38300	46100
Preliminary Exp. W/off		38613	38613
Depreciation		419382	419382
<b>TOTAL.....</b>		<b>496295</b>	<b>504095</b>
Profit / Loss before Tax		-496295	-504095
Provision for Taxation		0	0
Profit After Tax		-496295	-504095
<b>Profit / Loss as per last Balance Sheet</b>		<b>14987446</b>	<b>14483351</b>
Amount Transfer to Balance Sheet		15483741	14987446

Note Forming Part of Account	J	
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As per our Attached report even date

**For Bhagat & Co.**  
Chartered Accountants

**For Jolly Merchandise Limited**

Sd/-  
**S. Bhagat**  
(Proprietor)  
**Membership No. : 52725**

Place : Ahmedabad  
Date : 01.09.2010

Sd/-  
**Director**

Sd/-  
**Director**

Place : Vadodara  
Date : 01.09.2010

Fixed Assets :

SCHEDULE - C

SR. NO.	Name of Assets	Gross Block As on 1/04/09	Addition During the year	Deduction during the year	As on 31- 03-10	Depreciation up to 31-03-2009	Depreciation for the year	Depreciation As on 31-03- 2010	Net Block 31- 03-10
1	Building	4352338	0	0	4352338	3482513	289940	3772453	579885
4	Land	2549000	0	0	2549000	0	0	0	2549000
5	Office premises	1815000	0	0	1815000	1426672	129442	1556114	258886
6	Trade Mark	200000	0	0	200000	0	0	0	200000
	<b>Total.....</b>	<b>8916338</b>	<b>0</b>	<b>0</b>	<b>8916338</b>	<b>4909185</b>	<b>419382</b>	<b>5328567</b>	<b>3587771</b>
	Previous Year.....	8916338	0	0	8916338	4489803	419382	4909185	4007153

# JOLLY MERCHANDISE LIMITED

202, PRASAD CHAMBERS, PRATAP ROAD, RAOPURA, VADODARA : 390 001.

## SCHEDULE FORMING PART OF BALANCE SHEET

PARTICULARS	AMT. (Rs.) As At 31.03.2010	AMT. (Rs.) As At 31.03.2009
SCHEDULE - A SHARE CAPITAL		
<b><u>Authorised Share Capital</u></b> 50,00,000 Equity Share of Rs. 10/- each.	50000000	50000000
<b><u>Issued and Subscribed &amp; Paid Up</u></b> 48,30,000 Equity Share of Rs. 10/- each.	48300000	48300000
	48300000	48300000

PARTICULARS	AMT. (Rs.) As At 31.03.2010	AMT. (Rs.) As At 31.03.2009
SCHEDULE - B <b><u>INVESTMENT AT COST</u></b>		
Unlisted Equity Shares of J.G.E.L	865000	865000
Unlisted Equity Shares of J.S.L.	4650000	4650000
Unlisted Equity Shares of J.E.D.L.	4043000	4043000
Unlisted Equity Shares of J.L.F.L.	4750000	4750000
Total .....	14308000	14308000

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - D</b>		
<b><u>SUNDRY DEBTORS</u></b>		
(Unsecured considered good recoverable in cash or in kind)	6330180	6330180
<b><u>Morthan Six months</u></b>		
Akai Tading	25542	25542
Avani Trading Company	55807	55807
Basit General Suppliers	78896	78896
Chirag Enterprises	43725	43725
Delux Cargo Carriers	22500	22500
Ghanshyam publicities	35000	35000
Himansu Trading Co.	172925	172925
H.T. Traders	68415	68415
Jayantilal M. shah	98303	98303
lal kariyana Stores	67270	67270
Laxmi Trading Co	48291	48291
Lilavani Traders	122523	122523
Mahesh Ind. Chem Pvt. Limited	47391	47391
Minda & Co	139685	139685
Mukta Jivan Filexi Pack	239458	239458
Nilam Traders	454525	454525
Nilesh Sales Agency	718779	718779
Prem Marketing	386807	386807
Rasi Traders	275090	275090
Raxa Marketing Pvt. Ltd.	125622	125622
Ketan Trading Co.	1162797	1162797
Ruchi Tea Traders	57997	57997
Sadguru Enterprises	20292	20292
Senthil General Traders	611507	611507
Shakti Printer	107947	107947
Shree Hari Trading Co	45930	45930
Shree Nar Narayan Trading Co	27761	27761
Shree Vardhman Tea Center	267880	267880
Shubhash Auto Geraje	22000	22000
Sita Ram Traders	84080	84080
Super Sales Corporations	48200	48200
Tarapolewala & Co.	44866	44866
Tarun Enterprises	301848	301848
The Top Hill Factory	24498	24498
Triveni Marketing	60080	60080
Unites Traders	142536	142536
Vijay Bidi Stores	51853	51853
Win Proline Plastics	21554	21554
<b>Total.....</b>	<b>6330180</b>	<b>6330180</b>

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - E</b>		
<u>CASH AND BANK BALANCE</u>		
Cash on hand	139729	178029
Balance with Schedule bnak	1163	1163
<b>Total .....</b>	<b>140892</b>	<b>179192</b>

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - F</b>		
<u>LOANS &amp; ADVANCES</u>		
Unsecured Considered Good receoverable in cash or in kind	5831648	5831648
<u><b>Loans &amp; Advances Others</b></u>		
Arun R. Chokshi	621160	621160
Goswami Enterprise	319982	319982
Tarunkumar & Ranhodhbhai	94280	94280
Vanita S. Patel	55000	55000
Advance Towards Capital Nature	2450000	2450000
<u><b>Loans &amp; Advances Group Co.</b></u>		
Bombay Estate Agency	680000	680000
Ishavku Finstock Pvt. Limited	1376975	1376975
Jolly Estate Developers Limited	50119	50119
Rainbow Agency	184133	184133
<b>Total.....</b>	<b>5831648</b>	<b>5831648</b>

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - G</b>		
<u>TRADE ADVANCES &amp; DEPOSITS</u>	5858235	5858235
Other Deposits		
Income Tax of Block Period	6277	6277
Interest on TDS (GLFL)	15272	15272
Jalaram Sales	576569	576569
RR Patel (GEB Deposit)	8400	8400
Tax Deducted at Source	1611217	1611217
Telephone Deposit	45500	45500
Vallabh Invest	1930000	1930000
Akshat Finance	1665000	1665000
<b>Total .....</b>	<b>5858235</b>	<b>5858235</b>

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - H</b>		
<u>Sundry Creditors</u>	3165970	3165970
<b>PROVISION</b>		
Provision for Auditors Remuneration	53500	53500
Provision for Taxation (2001-200)	11800	11800
<b>Total .....</b>	<b>65300</b>	<b>65300</b>

<b>PARTICULARS</b>	<b>AMT. (Rs.) As At 31.03.2010</b>	<b>AMT. (Rs.) As At 31.03.2009</b>
<b>SCHEDULE - I</b>		
<u>ADMINISTRATIVE, SELLING &amp; DISTRIBUTION EXP. &amp; FINANCE CHAREGES</u>		
Auditors Remuneration	2000	2000
Accounting charges	2500	2500
Repairing & Maintenance	6500	7500
Misc. Exp.	7500	8500
Consultancy Charges	12000	16000
Telephone Exp	5000	6800
Printing / Stationery / Postage	2800	2800
<b>Total .....</b>	<b>38300</b>	<b>46100</b>



## **SCEHDULE : J**

### **NOTES TO AND FORMING PART OF ACCOUNTS**

#### **1. SIGNIFICANT ACCOUNTING POLICIES :**

##### **METHOD OF ACCOUNTING**

Accounts of the company are maintained on the basis of Mercantile System of accounting, Accounting method not referred otherwise are in consistent with the generally accepted accounting practices.

##### **FIXED ASSETS :**

Fixed Assets are stated at cost less depreciation, Fixed assets purchased during the year are capitalized at cost inclusive of expense up to their completion or acquisition.

##### **INVESTMENT :**

Raw materials, stores and all other inventories are valued at cost or market value which ever is lower.

##### **MISCELLANEOUS EXPENDITURE :**

Preliminary Expenses and deferred revenue expenditure are written off at 10% every year to amortize over a period of 10 years.

#### **II. NOTES TO ACCOUNTS :**

1. Estimated amount of contract remaining to be executed on Capital Accounts not provided for is Rs. NIL (Previous year Rs. NIL)
2. The outstanding balances of Deposits, Loans and Advances Creditors, etc. are subject to confirmation, reconciliation and adjustments, if any.
3. Pre – Operative Expenses shall be allocated to Fixed Assets when the Company will commence commercial production.
4. In the opinion of the Board the Loans and advances and deposits are approximately of the value stated, if realized in the ordinary course of business.
5. In our opinion and to the best of our information and according to the explanation given to us the said accounts read with and subject to all the notes thereon given the information required in the Companies Act, 1956, in the manner so required and give a true and fair view.

6. inventories are valued at cost or market value which ever is lower.
7. The Accounts which have been adjusted by debit and credit entries & respective parties account are subject of confirmation.
8. No provision for gratuity is made, since there are no such employees eligible and same shall be accounted for us and when paid.
9. Previous years figures are regrouped wherever considered necessary to make them comparable with the figures of the year under report.
10. ACCOUNTING FOR TAXES ON INCOME :  
Current taxes have been accounted as per payable method. Deferred tax is provided on all timing difference which are recognized during the period. Deferred tax assets are recognized only if there is a reasonable certainty on the reliability of the assets.  
The valuation of inventories has been done as per the revised accounting standard on valuation of inventories (AS2) issued by the Institute of Chartered Accountants of India, which became effective from 1<sup>st</sup> April, 1999.
11. Previous year's figures have been regrouped / rearranged wherever considered necessary.

Signature of Schedules A to J

As per our report of even date.

For, Bhagat & CO.  
Chartered Accountants

Sd/-  
S. Bhagat  
(Proprietor)  
Mem No. : 52725

Place : Ahmedabad

Date : 01.09.2010

For, Jolly Merchandise Limited

Sd/-                      Sd/-  
Director                      Director

Place : Vadodara

Date : 01.09.2010

**JOLLY MERCHANDISE LIMITED**  
**Cash Flow Statement For the year ended 31st MARCH 2010**

			<b>As At</b>	<b>As At</b>
			<b>31.03.2010</b>	<b>31.03.2009</b>
			<b>Rupees</b>	<b>Rupees</b>
A	Net Profit / (Loss) before Tax & Extra ordinary Items		-496295	-504095
	Adjustment For			
	Provision for Tax		0	0
	Deprecation		419382	419382
	Preliminary Exp		38613	38613
	Loss on sale of Fixed Assets		0	0
	Operating Profit / (Loss) before working Capital change		-38300	-46100
	Adjustment For			
	sundry Debtors		0	0
	Trade Advances & Deposits		0	0
	Loan & Advances		0	0
	Trade Payable		0	0
	Cash generated from operations		-38300	-46100
	Tax Paid			0
	net cash from operating Activities	Total A	-38300	-46100
B	Cash flow from Investing Activities			
	Purchases / Sales of Fixed Assets		0	0
	Capital Work In Progress		0	0
	Purchases/Sale of Investment		0	0
	Net cash from Investing Activities	Total B	0	0
C	Cash flow from Financing Activities			
	Borrowings		0	0
	Repayment of Borrowing		0	0
	Net Cash from Financing Activities	Total C	0	0
	Net changes in Cash & Cash equivalents	Total A+B+C	-38300	-46100
	Net increase in Cash & cash equivalents			
	Cash & Cash Equivalents Op Balance)		179192	225292
	Cash & Cash Equivalents Closing Bal)		140892	179192
		c.flow	-38300	-46100

Date : 01.09.2010  
Place : Vadodara

**For Jolly Merchandise Limited**

**Sd/-**  
**Director**

**Sd/-**  
**Director**

**Auditors Certificate**

We have verified the above cash flow statement of Jolly Merchandise Ltd derived fro the audited annual financial statement for the year ended 31st March 2010 and found the same tobe drawn an accordance there with and also with the requirement of clouse 32 of the listing agreement with Stock Exchange Mumbai

Place : Ahmedabad  
Date : 01.09.2010

For Bhagat & Co.  
Chartered Accountants

Sd/-  
S. Bhagat  
Proprietor  
Membership No. : 52725

# JOLLY MERCHANDISE LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration No.	:	014435
State code	:	04
Balance Sheet Date	:	31.03.2010

### II. CAPITAL RAISED DURING THE YEAR

(Rs . In thousand)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement (Subscription to Memorandum)	:	NIL

### III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

<b>Total Liabilities :</b>	<b>48386430</b>	<b>Total Assets :</b>	<b>48386430</b>
----------------------------	-----------------	-----------------------	-----------------

#### Sources of funds :

Paid up Capital	:	48300000
Capital Incentive	:	-
Reserves & Surplus	:	-
Secured Loans	:	-
Unsecured Loans	:	-
Deferred Tax Lia.	:	86,430

#### Application of Funds :

Net Fixed Assets	:	3587771
Investments	:	14,308,000
Net Current Assets	:	14,929,685
Miscellaneous Expenditure	:	77,233
Accumulated Losses	:	15,483,741
Preoperative Expenses	:	-

### IV. PERFORMANCE OF THE COMPANY :

Turnover	:	-
Total Expenditure	:	496,295
Profit before tax	:	(496,295)
Profit after tax	:	(496,295)
Earning per Share	:	-

### GENERIC NAME OF THE PRINCIPLE PRODUCT & SERVICES OF THE COMPANY.

Item Code No.	:	N.A.
(ITC Code)	:	N.A..
Product Description	:	

**For Bhagat & Co.**

**For Jolly Merchandise Limited**

Chartered Accountants

Sd/-

**S. Bhagat**

(Proprietor)

**Membership No. : 52725**

Sd/-

**Director**

Sd/-

**Director**

Place : Ahmedabad

Date : 01.09.2010

Place : Vadodara

Date : 01.09.2010

**JOLLY MERCHANDISE LIMITED**

Regd. Office: – 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

**ATTENDENCE SLIP**

(to be handed over at the entrance of the meeting hall)

I Shri / Smt.....of ..... Being a member / proxy of **Jolly Merchandise Limited** do hereby record my presence at the Annual General Meeting of the members of the company held on **30th September 2010** at 11.00 A.M. at the registered office of the Company at – 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

FOLOI NO / CLIENT I.D.	
D.P. ID.	
D.P. NAME.	
NAME OF SHAREHOLDER	
NUMBER OF SHARE HELD	

Member's/ Proxy Signature

(To be signed at the time of handing over this slip)

NOTE: Please carry with you this attendance slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

-----TEAR HERE-----

**JOLLY MERCHANDISE LIMITED**

Regd. Office: – 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

**FORM OF PROXY**

FOLOI NO / CLIENT I.D.	
D.P. ID.	
D.P. NAME.	
NAME OF SHAREHOLDER	
NUMBER OF SHARE HELD	

I Shri/Smt .....being a member of **Jolly Merchandise Limited** holding .....Shares in the Company do hereby appointed Shri..... of .....or falling him Shri..... of ..... to remain present at the Annual General Meeting of the members of the company held on **30th September, 2010** at 11.00. A.M. at the registered office of the Company at – 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

**ATTENDENCE SLIP**

Affix  
Re. 1  
Revenue  
Stamp

Signed \_\_\_\_\_ day of \_\_\_\_\_ **2010**.

Signed by the said\_\_\_\_\_.

NOTE: The proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

Proxy form duly stamped, signed and completed in all respect should be deposited 48 hours before the time fixed for the meeting at the registered office of the company.