

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Trio Mercantile & Trading Limited will be held on Saturday, the 27th day of July, 2013, at 3.00 p.m. at 613/B, Mangal Aarambh, Near MC Donalds, Kora Kendra Road, Off S.V.Road, Borivali (West), Mumbai - 400 092 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the Financial Year ended March 31, 2013, the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jayesh Gandhi, who retires by rotation, and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Hiren Kothari, who retires by rotation, and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT**, M/s. Koshal & Associates (FR No-121233W), Chartered Accountants, be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

FOR AND ON BEHALF OF THE BOARD

HIREN KOTHARI
MANAGING DIRECTOR

Registered Office:

613/B, Mangal Aarambh, Near MC Donalds,
Kora Kendra Road, Off S.V.Road,
Borivali (West), Mumbai 400 092.

Place : Mumbai

Date : 28th June 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED, NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. All documents referred to in the accompanying Notice are open for inspection by the Members at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 25th July, 2013 to 27th July2013 (both days inclusive).
4. The shareholders are requested to intimate immediately any change in their address to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar and Transfer Agent, M/s SHAREX Dynamic (India) Pvt. Ltd having their office premises at, Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072, if the shares are held in the physical form.

FOR AND ON BEHALF OF THE BOARD

HIREN KOTHARI
MANAGING DIRECTOR

Registered Office:

613/B, Mangal Aarambh, Near MC Donalds,
Kora Kendra Road, Off S.V.Road,
Borivali (West), Mumbai 400 092.

Place : Mumbai

Date : 28th June 2013

DIRECTORS' REPORT

To,
The Members,
Trio Mercantile & Trading Ltd.

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULT

(Rupees in Lacs)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Total income	120.44	122.49
Profit Before Interest, Depreciation and Tax		
Less : Interest	0.34	7.14
Less : Depreciation	2.41	2.41
Less : Provision For Tax	6.38	5.30
Profit After Tax	12.91	5.17
Add : Balance brought Forward from last Year	98.28	92.70
Total available for appropriation	111.19	97.87
Less : Adjustment	--	1.26
Transferred to Reserve	2.44	0.85
Balance carried to Balance Sheet	108.75	98.28

DIVIDEND

The Directors do not recommend any Dividend for the year 2012-2013.

BUSINESS OPERATIONS

During the year the Company's Income was Rs.120.44 Lacs, as compared to Income of Rs.122.49 Lacs, during the last year. The Profit after tax during the year was Rs. 12.91 Lacs as compared to Rs.5.17 Lacs, during the last year.

FIXED DEPOSITS

Your Company has not accepted / renewed any public deposits, hence particulars required to be furnished under the Companies (Acceptance of Deposits) Rules, 1975 are not given herewith.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) That appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the Company for the said period.
- c) That 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.
- d) That the Annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION ANALYSIS REPORT**Economy Overview**

Policy paralysis by the Central Government, uncomfortably high inflation, worries about the burgeoning current account deficit etc, have created significant Headwinds for the economy reducing economic growth in the last year to a mere 5%. The FY 2012-13 was, on the whole, a mixed year for the Indian economy. All the statistics and other key indicators of economic health, point to this dual truth - that the Indian economy in the short term to medium term is suffering from adverse conditions, while on the other hand, its economic fundamentals continues to remain robust and unaffected. This paradox is due to a confluence of different factors acting together. While the domestic market on whole remains healthy and demand remains firm, there are increasing supply side constraints that distort the normal functioning of the economy. There are however, more recently, signs that a recovery may be in the offing. Inflation has eased to 6% (March 2013), very close to the RBI's tolerance threshold. This allows scope for more monetary easing. There are also signs that the Central Government has belatedly recognized the need to restart the growth engines. In many quarters there is even a nascent consensus that the growth deceleration may have bottomed out and a deeper recovery process will begin soon. It may not then be unrealistic to expect some new piecemeal reform process to begin soon

Industry overview

FII's inflows have surged to a record high of ` 1.4 Lakh Crores in this year and there are no indications of a waning appetite among foreign investors for Indian equities. As this class of Investors continue to outweigh domestic Investors, their continuous demand has led to increased valuations, propelling markets to hit all time highs. Meanwhile, to further strengthen the markets, the Central Government continues to implement measures to attract more domestic investors to the capital markets, in particular the Rajiv Gandhi Equity Saving Scheme (RGESS) which is expected to be a game changer for the Industry. The equity markets performed comparably better this year than the broader economy. The huge pools of liquidity generated abroad by Quantitative Easing (QE) and the lack of attractive investment options in those countries, has meant that India become the unintended beneficiary of these developments.

Outlook 2013-14

The economic woes of the last year might finally compel the central government to implement measures aimed to boost growth in the coming months. The recent reforms with regard to FDI in retail and airline sector seem to point the way in this regard. The forecast for the coming year is one of an improving economic climate. Similarly, circumstances also seem to have prompted the Central Government to get its fiscal house in order and manage the current account deficit better. With regard to inflation, the RBI has already declared that if inflation falls below 5%, i.e below its tolerance threshold, then it may be comfortable with more monetary easing. The global economy has shown meaningful improvement in the last year, with the US economy gaining significant traction in the last many months and the Euro Zone financial crisis showing signs of stabilizing.

Internal Control Systems

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the Management.

Opportunities and Threats

The company sees many opportunities for further growth, consolidation and expansion for the coming year. There is huge opportunity for trading business in agro business.

Risks and Concerns

The company appreciates the varied forms of risk inherent in our Industry and we continue to scrutinize and pull our risk management systems to make it the best in the Industry. The company also understands the risk of accidental oversight leading to unintentional regulatory compliance. To insure against this, we maintain vigilant compliance mechanism and take every possible step to ensure strict regulatory adherence.

CORPORATE GOVERNANCE REPORT

Reports on Corporate Governance analysis, & Auditors Certificate as stipulated under Clause 49 of the Listing Agreement are separately given and forms part of this Annual Report.

The Company has an audit committee, which oversee the Company's financial and operating processes and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jayesh Gandhi and Mr. Hiren Kothari, Directors of the Company will retire by rotation at the forthcoming 11th Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS

M/s Koshal & Associates, Chartered Accountants, retire as Statutory Auditors and have given their consent for re-appointment. As required under the provisions of Section 224 (1B) of the Companies Act, 1956, your Company has obtained written confirmation from the above auditor proposed to be re-appointed that the re-appointment, if made, would be in conformity with in the limits specified in the said section.

The Board proposes the re-appointment of M/s Koshal & Associates, Chartered Accountants, Mumbai as Statutory Auditors, based on the recommendations of the Audit Committee, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

Resolutions seeking your approval on these items are included in the Notice convening the Annual General Meeting. Members are requested to consider the appointment of M/s. Koshal & Associates, Chartered Accountant, Mumbai, for the current year, on a remuneration to be decided by the Board of Directors in consultation with the said firm of Auditors.

AUDITORS REPORT

The observations of Auditors in their report, read with the relevant notes to accounts are self explanatory and therefore do not require further explanation.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable to the Company.

PARTICULARS OF EMPLOYEES

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and hence, no particulars are attached.

ACKNOWLEDGEMENTS

The Directors place on record their gratitude to the bankers, shareholders and the clients for their valued and continued support and to the employees for their support and cooperation during the year.

FOR AND ON BEHALF OF THE BOARD

HIREN KOTHARI
MANAGING DIRECTOR

Place : Mumbai
Date : 28th June 2013

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. Corporate Governance lays strong emphasis on transparency, accountability and integrity.

1. BOARD OF DIRECTORS

a. Composition of Board

Board of Directors of the Company consists of Four (4) Directors as on 31st March, 2013. None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees including Trio Mercantile & Trading Limited

The composition of Board as on March 31, 2013 is as follows:

Sr. No.	Name of the Director	Category of Directorship	Directorship in other Companies (*)	No. of Committee positions held (Other than Trio Mercantile and Trading Limited)	
				Chairman	Member
1.	Mr. Hiren S.Kothari	Promoter, Executive	1	--	1
2.	Mr.Chetan S. Kothari **	Promoter , Non-executive	3	2	4
3.	Mr. Sadru Merchant	Executive & Non- Independent	--	--	--
4.	Mr. Jayant Tanksale **	Non-Executive & Independent	2	-	2
5.	Mr. Jayesh Gandhi	Non-Executive & Independent	1	--	--
6.	Mr. Umesh Khese	Non-Executive & Independent	1	--	1

** Ceases to be a director w.e.f. 31.12.2012

b. Board Meetings and Annual General Meeting

Four (4) Board Meetings were held during the financial year 2012-2013 viz: 14th May 2012, 13th August, 2012, 12th November, 2012, and 14th February, 2013. The Tenth Annual General Meeting (AGM) was held on 27th September, 2012.

Attendance of the Directors at the Board Meeting and AGM is as given below:

Director	No. of Board Meetings attended	Attendance at the last AGM
Mr. Hiren S.Kothari	4	Yes
Mr. Chetan S. Kothari **	3	Yes
Mr. Sadru Merchant	4	Yes
Mr. Jayant Tanksale **	2	Yes
Mr. Jayesh Gandhi	4	Yes
Mr. Umesh Khese	2	Yes

** Ceases to be a director w.e.f. 31.12.2012

2. Audit Committee

a. COMPOSITION OF COMMITTEE

The Audit Committee comprises of Three Directors, two of them are Non Executive and Independent Directors and other is Managing Director. All the Directors possess knowledge of corporate finance, accounts and company law. An Independent, Non Executive Director acts as Chairman of the Committee Meetings. The Statutory Auditors are also invited to the meetings. The quorum of the Audit Committee is two members.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting. Chairman of the Audit Committee Mr. Jayesh Gandhi was present at the last Annual General Meeting.

Audit Committee has reconstituted during the year and at present the Committee comprises of the following Members

Name of the Director	Position	Category
Mr. Jayesh Gandhi	Chairman	Non Executive and Independent
Mr. Hiren Kothari	Member	Promoter, Executive
Mr. Umesh Khese	Member	Non-Executive and Independent

b. TERMS OF REFERENCE

The terms of reference of the Audit Committee is as per the requirements of clause 49 of the listing agreement and the applicable provisions of the Companies, Act, 1956.

c. DETAILS OF MEETINGS HELD DURING THE YEAR

Four Meetings of Audit Committee were held during financial year 2012-2013 viz 14th May 2012, 13th August, 2012, 12th November, 2012, and 14th February, 2013

3. Shareholders /Investor's Grievance Committee

Shareholders' and Investors' Grievance Committee comprises of 3(three) Directors headed by Mr. Jayesh Gandhi, Non Executive Director. Mr. Mahesh Raut is the Compliance Officer of the company. The Investor Grievance Committee of the Board resolves the complaints like transfer of shares, non receipt of Annual Reports etc as received from the Investors and provides periodical reports to the Board of Directors of the Company.

a. COMPOSITION

Shareholders' and Investors' Grievance Committee has reconstituted during the year and at present the Committee comprises of the following Members

Name of the Director	Position	Category
Mr. Jayesh Gandhi	Chairman	Non Executive and Independent
Mr. Hiren Kothari	Member	Promoter, Executive
Mr. Umesh Khese	Member	Non-Executive and Independent

b. STATUS OF INVESTOR COMPLAINTS

The Company had not received any complaints during the year from the shareholders

4. SHAREHOLDER INFORMATION

a. GENERAL BODY MEETINGS

I. Location, time and date of the last three Annual General Meetings held:

Year	Location	Date	Time
2011-12	613/B, Mangal Aarambh, Near MC Donalds, Kora Kendra Road, Off S.V. Road, Borivali (West), Mumbai - 400 092.	27th September, 2012	3.00 A.M.
2010-11	613/B, Mangal Aarambh, Near MC Donalds, Kora Kendra Road, Off S.V. Road, Borivali (West), Mumbai - 400 092.	15th September, 2011	11.00 A.M.
2009-10	130, Great Western Building, 2nd Floor, Nagindas Master Road Extension, Fort, Mumbai - 400 023.	29th September, 2010	11.00 A.M.

II. There were no Extra Ordinary General Meetings held during the last three financial years.

c. SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31, 2013

Categories of Shareholders on 31st March, 2013

Category	No of shares of Rs. 10/- each	%
Indian Promoters	719070	12.88
Institutional Investors	3300	0.06
Private Bodies Corporate	812434	14.55
NRIs,/OCBs	-	-
General Public	4048471	72.51
Any Other (Foreign Companies)	-	-
Clearing Members	-	-
TOTAL	5583275	100.00

d. ANNUAL GENERAL MEETING**11th Annual General Meeting****Day** : Saturday**Date** : 27th July 2013**Time** : 3.00 p.m.**Venue** : 613/B, Mangal Aarambh, Near MC Donalds,
Kora Kendra Road, Off S.V.Road,
Borivali (west), Mumbai 400 092.**e. FINANCIAL CALENDAR OF THE BOARD MEETINGS TO ADOPT THE ACCOUNTS FOR THE FINANCIAL YEAR 2013-14**

Financial year: 1st April, 2013 to 31st March, 2014. For the year ending 31st March 2014, quarterly unaudited/annual audited results shall be announced by:

- For the quarter ending 30th June, 2013 : On or before 14th August 2013.
- For the quarter ending 30th September, 2013 : On or Before 14th November 2013.
- For the quarter ending 31st December, 2013 : On or before 14th February 2014.
- For the quarter ending 31st March, 2014 : On or before 30th of May 2014 (Audited).

f. DATE OF BOOK CLOSURE

25th July 2013 to 27th July 2013 (both days inclusive)

g. LISTING DETAILS

The Equity Shares of the Company are listed on Stock Exchanges at Ahmedabad Stock Exchange; Madras Stock Exchange and Jaipur Stock Exchange. Further Equity Shares of the Company get listed on BSE w.e.f. 06.12.2012.

ISIN number for NSDL & CDSL-INE234G01014

BSE Ltd Stock Code: 534755

There is no penalty or stricture imposed on the company by Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

h. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

No of shares	No of shareholders	% of shareholders	No.of shares	% of shareholding
Up to 100	213	15.84	11340	0.20
101 to 200	344	25.58	43292	0.78
201 to 500	259	19.26	77227	1.38
501 to 1000	161	11.97	104520	1.87
1001 to 5000	152	11.30	362698	6.50
5001 to 10000	97	7.21	813558	14.57
10001 to 100000	113	8.40	3401635	60.93
100001 to above	6	0.45	769005	13.77
TOTAL	1345	100.00	5583275	100.00

i) REGISTRAR AND TRANSFER AGENTS

M/s SHAREX (Dynamic) India Pvt.Ltd.
 Unit-1, Luthra Ind.Premises,
 Andheri Kurla Road, Safed Pool, Andheri (East),
 Mumbai 400 072.
 Website: www.sharexindia.com and
 e-mail id: sharexindia@vsnl.com

j) MARKET PRICE DATA

There was no trading in the equity shares of the Company during the financial year 2012-13 on Ahmedabad Stock Exchange, Madras Stock Exchange and Jaipur Stock Exchange.

Monthly high and low quotation of shares traded at BSE Ltd from December, 2012 as it was listed on 6th of December, 2012 compared to BSE Sensex during the financial year 2012-13 were:

	BSE		SENSEX	
	High	Low	High	Low
	(Rs.)	(Rs.)		
Dec 12	22.10	9.45	19612.18	19149.03
Jan 13	15.39	9.73	20203.66	19508.93
Feb 13	21.46	14.10	19966.69	18793.97
Mar 13	23.60	17.75	19754.66	18568.43

k. DETAILS OF SHARE CAPITAL IN PHYSICAL/DEMAT FORM AS ON 31ST MARCH 2013:

Particulars	Number of shares	% of shares
Number of shares in Physical form	11,18,452	20.03%
Number of shares in Demat form	44,64,823	79.97%
TOTAL	55,83,275	100%

I. SHARE TRANSFER SYSTEM:

The power to approve the transfer of securities has been delegated by the Board to the share transfer agent. Shareholder & Investor Grievance Committee has been formed for the final approval for transfer of the shares of the Company.

m. ADDRESS FOR COMMUNICATION

613/B, Mangal Aarambh, Near MC Donalds,
Kora Kendra Road, Off S.V.Road,
Borivali (west), Mumbai 400 092.

n. DISCLOSURES

- i. No transaction of material nature has been entered into the by the Company with its promoters, directors, relatives or management of the Company that may have potential conflict with the interests of Company.
- ii. The company has complied with the requirement of statutory/ regulatory authorities on capital market and no penalties/strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three years.
- iii. The Company does not have any whistle blower policy as of now.
- iv. None of the company's personnel was denied access to the Audit Committee.
- v. Adoptions of other non- mandatory requirements of the Listing Agreement are being reviewed by the Board from time to time.
- vi. Code of Conduct

The Company has adopted a Code of Conduct & ethics for Directors and Senior Management. The code has been circulated to all the members of the Board and Senior Management. The Board members and Senior Management has affirmed their compliance with the Code of Conduct and a declaration signed by two directors is given below:

It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for Directors and Senior Management of the Company for the year 2012-2013.

HIREN KOTHARI
MANAGING DIRECTOR

vii. Remuneration to Directors

- a) No remuneration is paid to the Non-Executive Directors of the Company.
- b) There is no performance linked incentive payable to any of the Directors of the Company.
- c) The Shareholding of the Executive & Non-Executive Directors of the Company as on 31st March, 2013 is as following:

Sl. No	Name of the Director	No. of Shares held
1.	Hiren Kothari	181055
2.	Jayesh Gandhi	165
3.	Sadruddin Merchant	165

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 28th June 2013

HIREN KOTHARI
MANAGING DIRECTOR

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the Board of Directors and senior management for the year ended 31st March, 2013

FOR AND ON BEHALF OF THE BOARD

HIREN KOTHARI
MANAGING DIRECTOR

Certificate of compliance with the Corporate Governance requirements under clause 49 of the Listing Agreement.

To the members of Trio Mercantile & Trading Limited

We have examined the compliance of conditions of corporate governance by Trio Mercantile & Trading Limited ('the Company') for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreements entered into by the Company with Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It 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, we certify that the Company has compiled the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance 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.

FOR KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No.121233W

CA KOSHAL MAHESHWARI
PROPRIETOR
Membership No 43746

Place : Mumbai
Date : 28th June, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TRIO MERCANTILE AND TRADING LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of TRIO MERCANTILE AND TRADING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary. In the absence of financial statement of the companies as specified in Note No. 10, we are not able to determine whether any adjustments might be necessary in Non-current Investment and Reserve & Surplus.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us except for the possible effect of the matter described in the Basis for Qualified Opinion

paragraph, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 121233W

KOSHAL MAHESHWARI
PROPRIETOR
Membership No 043746

Place : Mumbai
Date : 15th May, 2013

The Annexure referred to in paragraph 8 of the Our Report of even date to the members of TRIO MERCANTILE AND TRADING LIMITED. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. The company does not have an internal audit system.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the company has not taken any loan from financial institution, bank or debenture holders.
12. According to the information and explanations given 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 or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No.121233W

KOSHAL MAHESHWARI
PROPRIETOR
Membership No 043746

Place : Mumbai
Date : 15th May, 2013

BALANCE SHEET AS ON MARCH 31, 2013

	Note No.	AS AT 31.03.2013 (₹)	AS AT 31.03.2012 (₹)	AS AT 31.03.2012 (₹)
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2	55,832,750		55,832,750
(b) Reserves and Surplus	3	<u>89,268,846</u>		<u>87,978,001</u>
			145,101,596	143,810,751
(2) Non - current liabilities				
(a) Long term borrowings	4	42,578,663		16,396,857
(b) Deferred tax liabilities (Net)	5	580,015		679,538
(c) Other long term liabilities	6	<u>2,595,000</u>		<u>1,625,000</u>
			45,753,678	18,701,395
(3) Current Liabilities				
(a) Short term borrowings	7	5,840,859		7,500,000
(b) Trade payables	8	34		77,789
(c) Other current liabilities	9	<u>240,641</u>		<u>5,172,722</u>
			6,081,534	12,750,511
TOTAL		<u>196,936,807</u>		<u>175,262,657</u>
II. ASSETS				
(1) Non - current assets				
(a) Fixed Assets				
(i) Tangible assets	10	2,472,426		2,703,028
(b) Non - current investments	11	40,543,145		40,543,145
(c) Long term loans and advances	12	148,472,936		122,396,160
(d) Other non current assets	13	<u>191,467</u>		<u>2,632,220</u>
			191,679,974	168,274,554
(2) Current Assets				
(a) Inventories	14	2,607,647		354,224
(b) Trade receivables	15	145,553		-
(c) Cash and cash equivalents	16	2,455,318		1,469,301
(d) Short term loans and advances	17	1,450		5,117,713
(e) Other current assets	18	<u>46,865</u>		<u>46,865</u>
			5,256,833	6,988,103
TOTAL		<u>196,936,807</u>		<u>175,262,657</u>
Significant accounting policies	1			
Notes to accounts	27			

The notes attached form an integral part of the Balance Sheet

In Accordance with our Report attached

For and on behalf of the Board

FOR KOSHAL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Number: 121233W

(HIREN KOTHARI)
 Director

KOSHAL MAHESHWARI
 PROPRIETOR

(S.S. MERCHANT)
 Director

PLACE : Mumbai
 DATE : 15th May, 2013

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	AS AT 31.03.2013		AS AT 31.03.2012	
		(₹)	(₹)	(₹)	(₹)
I. Revenue from Operations	19		10,551,430		10,569,934
II Other Income	20		1,492,362		1,679,084
III Total revenue (I + II)			<u>12,043,792</u>		<u>12,249,018</u>
IV Expenses					
Purchases/conversion in stock in trade		8,502,442		3,025,704	
Changes in inventories of finished goods, work in progress and stock in trade	21	<u>(2,253,423)</u>		<u>1,002,877</u>	
			6,249,019		4,028,581
Employee benefits expense	22		1,379,202		1,181,355
Finance costs	23		34,152		714,021
Depreciation	24		241,092		240,835
Other expenses	25		2,311,006		5,082,730
Total Expenses			<u>10,214,471</u>		<u>11,247,521</u>
V Profit before tax (VII-VIII)			1,829,321		1,001,497
VI Tax expense:					
(1) Current tax		638,000		530,000	
(2) Deferred tax		<u>(99,523)</u>		<u>(45,993)</u>	
			538,477		484,007
VII Profit/(Loss) for the period (XI + VIV)			1,290,845		517,490
VIII Earning per equity share:					
(1) Basic	26		0.23		0.09
(2) Diluted	26		0.23		0.09
Significant accounting policies	1				
Notes to accounts	27				

The notes attached form an integral part of the Statement of Profit and Loss

In Accordance with our Report attached

FOR KOSHAL & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Number: 121233W

KOSHAL MAHESHWARI
 PROPRIETOR

PLACE : Mumbai
 DATE : 15th May, 2013

For and on behalf of the Board

(HIREN KOTHARI)
 Director

(S.S. MERCHANT)
 Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
Cash flows from operating activities				
Profit before taxation		18,29,321		10,01,497
Adjustments for:				
Depreciation and amortization expense	287957		287700	
Interest on income tax refund	(77,520)		(1,88,988)	
Interest received	(14,13,654)		(14,85,624)	
Dividends received	(1,188)		(180)	
Interest expenses	34,152		7,14,021	
		(11,70,253)		(6,73,072)
		6,59,068		3,28,425
(Increase)/ decrease in trade and other receivables	(1,45,553)		(53,53,895)	
(Increase)/ decrease in inventories	(22,53,423)		10,03,000	
Increase/ (decrease) in trade payables	(9,89,272)		(6,35,000)	
Prior year Profit	-		1,26,429	
		(14,09,704)		(48,59,466)
		(7,50,636)		(45,31,041)
Taxes paid		(1,81,911)		(4,92,000)
<i>Net cash from operating activities</i>		(9,32,547)		(50,23,041)
Cash flows from investing activities				
Purchase of property, plant and equipment	(10,490)		-	
Loans & advances given	(2,40,61,456)		-	
Repayment of Loans & advances given	51,16,263		-	
Proceeds from sale of investments	-		23,30,000	
Interest received	14,13,654		16,74,612	
Dividend received	1,188		(180)	
<i>Net cash from investing activities</i>		(1,75,40,841)		40,04,432
Cash flows from financing activities				
Proceeds from borrowings	2,61,81,806		39,73,000	
Repayment of borrowings	(16,59,141)		(74,99,000)	
Interest paid	(34,152)		(7,14,021)	
<i>Net cash from financing activities</i>		2,44,88,513		(42,40,021)
Net increase/(decrease) in cash and cash equivalents		60,15,125		(52,58,630)
Cash and cash equivalents at beginning of reporting period		(36,35,505)		16,23,125
Cash and cash equivalents at end of reporting period		23,79,620		(36,35,505)

In Accordance with our Report attached

For and on behalf of the Board

FOR KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Number: 121233W

(HIREN KOTHARI)
 Director

KOSHAL MAHESHWARI
 PROPRIETOR

(S.S. MERCHANT)
 Director

PLACE : Mumbai
 DATE : 15th May, 2013

NOTES TO FINANCIAL STATEMENTS

	Note No.	AS AT 31.03.2013		AS AT 31.03.2012	
		Number	(₹)	Number	(₹)
2. Share Capital:					
Authorized:					
Equity shares of Rs.10/- each		6,100,000	61,000,000	6,100,000	61,000,000
		<u>6,100,000</u>	<u>61,000,000</u>	<u>6,100,000</u>	<u>61,000,000</u>
Issued, subscribed and fully paid up:					
Equity shares of Rs.10 /- each					
At the beginning of the reporting period		5,583,275	55,832,750	5,583,275	55,832,750
Issued during the reporting period		-		-	
Bought back during the reporting period		-		-	
At the close of the reporting period		<u>5,583,275</u>	<u>55,832,750</u>	<u>5,583,275</u>	<u>55,832,750</u>

Other Information:

1. Terms / Rights attached to Equity Shares.
2. Particulars of equity share holders holding more than 5% of the total number of equity share capital:*
The Company has only one class of equity share having a par value of Rs. 10/- per share.
Each holder of equity share is entitled to one vote per share. All shares rank parri passu with regards to dividend.

No Shareholders are holding more than 5% of the total number of equity share capital	Nil	Nil
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*As per records of the company including its register of shareholders /members.

3. Reserves and Surplus:

Particulars	As at 31st March, 2013	As at 31st March, 2012
a) Security Premium		
Opening Balances	75,000,000	75,000,000
Add : Addition during the year on allotment	-	-
Closing Balances	<u>TOTAL A</u> <u>75,000,000</u>	<u>75,000,000</u>
b) Statutory Reserve		
Opening Balances	3,125,052	3,040,243
Add : Transfer from Profit and Loss Account	243,990	84,809
Closing Balances	<u>TOTAL B</u> <u>3,369,042</u>	<u>3,125,052</u>
c) Surplus (Profit and Loss Account)		
Opening Balances	9,852,949	9,293,839
Add : Profit/(Loss) for the year	1,290,845	517,490
Less: Transfer to Other Reserve	(243,990)	(84,809)
Add/Less:Short/Excess provision for Tax	-	126,429
Closing Balances	<u>TOTAL C</u> <u>10,899,804</u>	<u>98,52,949</u>
Total (A+B+C)	<u>89,268,846</u>	<u>87,978,001</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	AS AT March 31, 2013 (₹)	AS AT March 31, 2012 (₹)
4. Long term Borrowings		
1) Secured Loans:		
i) To Parties other than related parties		
Other loans and advances	1,781,806	-
2 Unsecured Loans:		
i) To Parties other than related parties		
Other loans and advances	40,796,857	16,396,857
	42,578,663	16,396,857
	42,578,663	16,396,857
In case of other loans & advance , no terms for interest and repayment has been stipulated. As inform by the management the above loans are expected to be repayable after 12 months.		
5. Deferred tax liability/ Assets :		
i) Deferred tax liability:		
a) On account of depreciation on fixed assets	580,015	679,538
b) On account of timing differences in recognition of expenditure	-	-
Total	580,015	679,538
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	-	-
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	-	-
	-	-
	580,015	679,538
Net Deferred tax (liability)/asset	580,015	679,538
6. Other Long term liabilities		
a) Others	2,595,000	1,625,000
	2,595,000	1,625,000
	2,595,000	1,625,000
7. Short term Borrowings		
1) Unsecured Loans:		
i) Other Loans & Advances	5,840,859	7,500,000
	5,840,859	7,500,000
	5,840,859	7,500,000
In case of other loans & advance , no terms for interest and repayment has been stipulated. As inform by the management the above loans are expected to be repayable within 12 months.		
8. Trade Payables		
i) Micro, Small, Medium Enterprises	-	-
ii) Others	34	77,789
	34	77,789
	34	77,789
The details of amount due to micro, small and medium enterprises is based on available information with the company and realised upon by the auditor.		
9. Other current liabilities:		
i) Other payables	156,211	5,172,722
ii) Statutory payables	6,646	33,514
iii) Indirect Tax Authorities Payable	77,784	-
	240,641	5,986,952
	240,641	5,986,952

NOTES TO FINANCIAL STATEMENTS

10. Fixed Assets:

Particulars	Rate	GROSS BLOCK (AT COST) (₹)			DEPRECIATION (₹)			NET BLOCK (₹)		
		01.04.2012	Additions for the year	Deductions during the year	31.03.2013	01.04.2012	For the year	Deductions	31.03.2013	31.03.2012
Tangible Assets										
Own assets										
Land	-	156,000	-	-	156,000	-	-	-	156,000	156,000
Plant & Machinery	4.75	4,465,508	-	-	4,465,508	2,063,570	212,112	-	2,275,682	2,401,938
Furniture & Fixtures	6.33	166,351	-	-	166,351	102,250	10,532	-	112,782	64,101
Vehicles	9.50	165,620	-	165,620	-	165,620	-	165,620	-	-
Office equipment	6.33	89,612	10,490	-	100,102	46,993	5,928	-	52,921	42,619
Computers	16.20	77,240	-	-	77,240	38,870	12,520	-	51,390	38,370
		5,120,331	10,490	165,620	4,965,201	2,417,303	241,092	165,620	2,492,775	2,703,028
TOTAL		5,120,331	10,490	165,620	4,965,201	2,417,303	241,092	165,620	2,492,775	2,703,028
PREVIOUS YEAEER		5,120,331	-	-	5,120,331	2,176,649	240,835	-	2,417,303	2,943,682

NOTES TO FINANCIAL STATEMENTS

11 Non Current Investments:

Details of Investments	Name of the Company	AS AT	AS AT
		March 31, 2013	March 31, 2012
		(₹)	(₹)

a) Investments in Equity Instruments:

i) Others - Non Trade

Fully paid up of ₹ 10/- each

Un Quoted

1,20,480 (1,20,480) Sh of Gujarat Fiscon Ltd	1,204,800	1,204,800
5,56,100 (5,56,100) Sh of Pushpanjali Floriculture Ltd	32,693,345	32,693,345
4,00,000 (4,00,000) Sh of Sinner Energy Ltd	4,025,000	4,025,000
200 (200) Sh of Rank Shipping Agency Pvt Ltd	1,620,000	1,620,000
1,00,000 (1,00,000) Sh of Pavillion Commercial Pvt Ltd	1,000,000	1,000,000
Total	40,543,145	40,543,145

Additional Information

i) Aggregate value of quoted investments:

Cost	40,543,145	40,543,145
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NOTES TO FINANCIAL STATEMENTS

Particulars	AS AT March 31, 2013 (₹)	AS AT March 31, 2012 (₹)
12 Long term loans and advances:		
i) Security Deposit	3,000	3,000
ii) Other loans & advances from relatives	349,405	389,405
iii) Other loans & advances	146,105,212	122,003,755
iv) Income Tax Paid (Net of Provision)	2015319	2,418,888
	<u>148,472,936</u>	<u>124,815,049</u>
13 Other non current assets		
Unsecured and Considered Goods		
i) Others	191,467	2,632,220
	<u>191,467</u>	<u>2,632,220</u>
14 Inventories:		
i) Stock in trade (certified by management)	2,607,647	354,224
	<u>2,607,647</u>	<u>354,224</u>
15 Trade receivables:		
i) Trade receivables exceeding six months	-	-
ii) others	145,553	-
	<u>145,553</u>	<u>-</u>
16 Cash and cash equivalents:		
i) Balances with banks		
- in Current Accounts	27,636	48,865
ii) Cash on hand	2,427,682	1,420,436
	<u>2,455,318</u>	<u>1,469,301</u>
17 Short term loans and advances:		
Unsecured and Considered Goods		
i) Others	1,450	5,117,713
	<u>1,450</u>	<u>5,117,713</u>
18 Other Current Assets		
i) Other		
Share Issue Exp	46,865	46,865
	<u>46,865</u>	<u>46,865</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	AS AT March 31, 2013 (₹)	AS AT March 31, 2012 (₹)
19 Revenue from operations:		
i) Sale of products		
Sale of Shares	106,624	2,209,179
Sale of Puree	5,569,806	
ii) Other operating revenues	4,875,000	8,360,755
	<u>10,551,430</u>	<u>10,569,934</u>
20 Other Income:		
i) Interest income	1,491,174	1,674,612
ii) Dividend Income		
- from long term investments	1,188	180
iii) Other non Operating Income	-	4,292
	<u>1,492,362</u>	<u>1,679,084</u>
21 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Traded goods		
Shares	2,607,647	354,224
Total	<u>2,607,647</u>	<u>354,224</u>
Less:		
Stocks at the beginning of the year		
i) Traded goods		
Shares	354,224	1,357,101
Total	<u>354,224</u>	<u>1,357,101</u>
	<u>(2,253,423)</u>	<u>1,002,877</u>
22 Employee Benefit Expenses:		
i) Salaries and wages	1,367,000	1,143,800
ii) Staff welfare expenses	12,202	37,555
	<u>1,379,202</u>	<u>1,181,355</u>
23 Finance Costs:		
i) Interest expense	34,152	714,021
	<u>34,152</u>	<u>714,021</u>
24 Depreciation and amortization:		
i) Depreciation	241,092	240,835
	<u>241,092</u>	<u>240,835</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	AS AT March 31, 2013 (₹)	AS AT March 31, 2012 (₹)
25 Other expenses:		
i) Rent	174,000	174,000
ii) Repairs others	5,250	62,805
iii) Payment to the auditors		
- as auditor	28,090	28,090
- for taxation matters	8,427	8,427
iv) Donations	-	650,000
v) Remuneration to whole time directors	688,200	776,400
vi) Legal and professional charges	686,387	595,218
vii) Miscellaneous expenses	702,006	684,822
viii) Share Trading Loss	18,646	2,102,969
	2,311,006	5,082,730
26 Earnings per share:		
Basic/Diluted		
Profit for the year after tax expense	1,290,845	517,490
Weighted average number of equity shares	5,583,275	5,583,275
Earning per share	0.23	0.09

NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.**Note No. 1****A. Significant Accounting Policies****1. Basis of Preparation of financial statement**

The Financial statements of Trio Mercantile & Trading Ltd have been prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) on the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by Central Government of India under section 211 (3C) Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India and the provisions of Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the period.

3. Fixed Assets :

- i) All Fixed Assets are stated at cost of acquisition less accumulated depreciation.
- ii) Depreciation on fixed asset has been provided using the Straight- Line Method at the rates prescribed in the schedule XIV of Companies Act, 1956.
- iii) Depreciation on additions to /deletions from fixed asset is provided on pro-rata basis from/up to the date of such addition/ deletion, as the case may be.

4. Investments

Long term investments are stated at cost. Provision for diminution in the value of the long term investments is made only if such a decline is other than temporary in the opinion of the management.

5. Valuation of inventories

Stock of finished goods (traded) is valued at cost or net realizable value whichever is lower.

6. Revenue Recognition:

- a) Dividend income is recognized when the unconditional right to receive the income is established.
- b) Income from services rendered is accounted for when the work is performed. Services income is exclusive of Service Tax.
- c) Income from interest on deposits and loans if any is recognized on the time proportionate method based on underlying interest rates.
- d) Profit/sale of investments and securities are accounted on the contract date.
- e) Taxation:

Current Tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rate. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

f) Earning Per Share:

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

g) Provisions, Contingent liabilities and Contingent Assets

Contingent liabilities if any, are disclosed by way of notes to the Balance sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialize in to liabilities after the year-end, till the finalization of the accounts, and have material effect on the position stated in the Balance Sheet. Contingent Assets are not recognized in the Financial statements.

h) Borrowing Costs :

- a. Borrowing costs that are attributable to the acquisition or construction of an asset are capitalized as part of cost of such assets till such time the asset is ready form its intended commercial use.
- b. Other borrowing costs are charged off to Revenue Account in the year in which they are incurred.

7. Statutory Reserve:

In accordance with the prudential Norms prescribed by the Reserve Bank of India (Amendment) Act,1997, Twenty percent of the Profit after Taxation of the current year have been transferred to the Statutory Reserve.

Note No. 27 - Notes to Accounts

1. Contingent Liabilities and Commitments (to the extended not provided for) : NIL (P.Y NIL)

2. Related Parties Disclosure

i) **Subsidiaries:** Nil

ii) **Key Managerial Personnel:**

A. Executive Director

- 1) Mr. Hiren S. Kothari(MD)
- 2) Mr. S.S.Merchant

B. Non Executive Director

- 1) Mr. Jayesh Gandhi
- 2) Mr. Umesh Khese

iii) **Entities having significant influence over the company**

1. Tricom Fruits Products Ltd.

	Other Related Parties	
	2013-12	2012-11
Transactions:		
Remuneration	688200	776400
Rent	280500	174000
Reimburse of Expenses	280500	180166
Amount due to / from Related parties		
Outstanding loans and advances given	349405	389405

3. The tax effect of significant timing differences during the year that have resulted in deferred tax assets and liabilities are given below:

Particulars	31.03.2013 (₹)	31.03.2012 (₹)
Deferred ax Liability/(Assets) as on 31.03.2012	580015	679538
Deferred Tax Liability /(Asset): Deferred Tax Already Provided	679538	725531
Net Deferred tax liability / (Assets)	(99523)	(45993)

4. In the opinion of the management and to the best of their knowledge and belief the value under the head of the current assets and non-current assets (other than Fixed assets) are approximately of the value stated, if realized in ordinary course of the business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

Signatures to Schedule 1 to 27
As per our report of even date attached

For **Trio Mercantile & Trading Ltd**

FOR KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Number:121233W

(HIREN KOTHARI)
DIRECTOR

CA KOSHAL MAHESHWARI
PROPRIETOR
MEMBERSHIP NO. 043746

(S. S. MERCHANT)
DIRECTOR

PLACE : Mumbai
DATE : 15th May, 2013

PLACE : Mumbai
DATE : 15th May, 2013

BOARD OF DIRECTORS:

HIREN S. KOTHARI - MANAGING DIRECTOR
** CHETAN S. KOTHARI - DIRECTOR
** JAYANT TANKSALE - DIRECTOR
JAYESH GANDHI - DIRECTOR
S.S. MERCHANT - EXECUTIVE DIRECTOR
UMESH KHESE - DIRECTOR

**Ceases to be a director w.e.f. 31.12.2012

BANKERS:

ORIENTAL BANK OF COMMERCE

AUDITORS:

KOSHAL & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTERED OFFICE:

613/B, MANGAL AARAMBH, NEAR MC DONALDS,
KORA KENDRA ROAD, OFF S.V.ROAD,
BORIVALI (WEST), MUMBAI - 400 092.

REGISTRAR AND TRANSFER AGENT:

M/S SHAREX (DYNAMIC) INDIA PVT.LTD.
UNIT-1, LUTHRA IND.PREMISES,
ANDHERI KURLA ROAD, SAFED POOL,
ANDHERI (EAST), MUMBAI 400 072.



Trio Mercantile &
Trading Limited

**11th ANNUAL REPORT
2012-2013**

BOOK-POST

To,


If undelivered, please return to:

TRIO MERCANTILE & TRADING LIMITED

613/B, MANGAL AARAMBH, NEAR MC DONALDS,
KORA KENDRA ROAD, OFF S.V. ROAD,
BORIVALI (WEST), MUMBAI - 400 092.

Form A

Format of covering Letter of the Annual Audit report to be filed with the Stock Exchange.

1.	Name of the Company	Trio Mercantile & Trading Ltd
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Repetitive
5.	To be signed by – <ul style="list-style-type: none">• Managing Director (Mr. Hiren Kothari)• Auditors of the Company (Mr. Koshal Maheshwari)• Audit Committee Chairman (Mr. Jayesh Gandhi)	 x  x 