



Parsharti

Investment Limited

21st ANNUAL REPORT 2012 - 2013

PARSHARTI INVESTMENT LIMITED

BOARD OF DIRECTORS

| | |
|-----------------------------|----------|
| Shri. Devendra Kumar Goyal | Chairman |
| Shri. Babulal Goyal | Director |
| Shri. Rameshwar Dayal Goyal | Director |
| Shri. Jitendra K. Panchal | Director |
| Shri. Amilesh Rai | Director |

AUDITORS

M/S. N.B. THAKORE & CO.
Chartered Accountants.
Mumbai

BANKERS

Bombay Mercantile Co-Operative Bank Ltd.
Corporation Bank

REGISTERED OFFICE.

3, National House, 1st Floor,
27, Raghunath Dadaji Street,
Fort, Mumbai – 400 001.

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of **PARSHARTI INVESTMENT LIMITED.**, will be held at 3, NATIONAL HOUSE, 1st FLOOR, 27, RAGHUNATH DADAJI STREET, FORT, MUMBAI-400 001 on Tuesday, 30th July, 2013 at 10.00 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Babulal Goyal, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Rameshwar Dayal Goyal, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

For & on behalf of the Board

Date: 30th May, 2013

D.K. Goyal
(Chairman)

Registered Office:

3, National House, 1st Floor,
27, Raghunath Dadaji Street,
Fort, Mumbai - 400 001.

NOTES

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER ON A POLL ONLY & SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, 30th July 2013.
3. Members are requested to intimate the change in their address, if any, immediately at the registered office of the Company.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report at the Meeting.
5. Members, proxies should bring the Attendance Slip duly filled in for attending the meeting.

For & on behalf of the Board

Place: Mumbai

Date: 30th May, 2013

D.K Goyal
(Chairman)

DIRECTORS' REPORT

To the Members,

Your Directors present the Twenty First Annual Report with the Audited Accounts for the year ended 31st March, 2013.

I. Financial Results

| | Year Ended 31.3.2013 | (Rs. In Lacs) Year Ended 31.3.2012 |
|---|-------------------------|--|
| Profit / (Loss) for the year before Depreciation & Taxation | (9.77) | (8.99) |
| Less : Depreciation | (0.11) | (0.11) |
| Net Profit/(Loss) after tax | <u>(9.88)</u> | <u>(9.10)</u> |

II. Dividend

In view of the accumulated losses, no dividend is recommended for the year under review.

III. Performance Review

For the financial year under review the company has incurred a net loss of Rs.9,87,590/- as against a loss of Rs. 9,10,819/- in previous year. During last year due to uncertain conditions like Rupee depreciated, inflationary pressure and higher rate of interest the stock market remains volatile. Liquidity conditions remained tight with the monetary policy focusing on controlling inflationary pressure. There was uncertainty about demand conditions given the global outlook and its likely contagion effect; regulatory issues as well as sector specific factors have impacted investments in India.

IV. Outlook

Looking at these volatile conditions, company has incurred loss in the financial year. Economic and financial conditions may be expected to improve gradually. Investment growth is likely to respond accordingly in 2013-14 as Indian economy continues to be an attractive investment destination.

The company expects current year to be another year for Equities, mainly because Indian economy is expected to grow further and perform better than previous year. Better prospects for the Company as compared to last year are therefore, expected.

V. Risk and Concerns

Company's performance is closely linked to Indian Capital Market & risks associated with market operations.

The value of company's Investments may be affected generally by factors affecting capital markets, such as price and volume volatility, interest rates, currency exchange rates, foreign investment, changes in government policy, political economic or other developments, crude oil prices and economic performance overseas.

Company believes that the long term growth story of India remains intact though there would be several short term upheavals like crude oil prices, balance of payment and interest rates etc, although these are softening recently and expected to continue the same trend. Our performance in the fiscal year 2013-14 is subject to some of these factors on the Indian Capital Market.

VI. Segment

The primary segment of the company is investment in capital market & allied services.

VII. Internal Control Systems and Adequacy

Adequate system of internal control is in place, which assures us of maintaining proper accounting records and reliability of financial information.

VIII. Cautionary Statement

(The statement in this report including Management's Discussion & Analysis report reflects Company's projections, estimates, expectations or predictions & contains forward looking statement that involves risks and uncertainty. The company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements that speak only of the expectations as on the date.)

IX. Directors

1. To appoint a Director in place of Shri Babulal Goyal, Director of the company retires by rotation and being eligible, offer himself for re-appointment.
2. To appoint a Director in place of Shri. Rameshwar Dayal Goyal, Director of the company retires by rotation and being eligible, offer himself for re-appointment.

A brief resume, expertise, shareholding in the company and details of other directorship of these Directors as stipulated under clause 49 of the Listing Agreement with the Stock Exchange forms part of the Report on Corporate Governance

X. Listed Stock Exchange

The Company has paid up to date listing fees to Bombay Stock Exchange Limited and the shares of the Company are traded at The Bombay Stock Exchange, (BSE) having nationwide terminals.

XI. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on 'going concern' basis.

XII. Corporate Governance

The company has complied with the requirements of Corporate Governance as stipulated in clause 49 of the listing agreement of the Stock Exchange. The Corporate Governance report for the financial year ended 31st March, 2013 is annexed hereto along with the Auditor's Certificate on its compliance.

XIII. Particulars of Employees

During the financial year, the Company had no employees on Company's rolls in receipt of remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956.

XIV. Conservation of Energy, Technology Absorption etc.

The Board has nothing to report under this head as the Company is in the Financial Sector.

XV. Fixed Deposits

The Company has not accepted any deposit during the current financial year.

VI. Auditors

M/s. N.B. Thakore & Co., Chartered Accountants, Auditors of the Company are retiring at the forthcoming Annual General Meeting & being eligible, have offered themselves for re-appointment.

VII. Acknowledgement

Your Directors acknowledge with gratitude and wish to place on record their appreciation for the support and cooperation received by the Company from its Bankers, Share Holders and Employees and look forward to their continued support.

For & on behalf of the Board

Place: Mumbai
Date: 30th May, 2013

D.K. Goyal
(Chairman)

**Annexure to Directors' Report
Report on Corporate Governance**

(Pursuant to Clause 49 of the Listing Agreement)

The Board of Directors of the Company supports the broad principles of Corporate Governance. Given below is a report on Corporate Governance:

A. MANDATORY REQUIREMENTS

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

The company believes in the practice of good Corporate Governance. A continuous process of delegation of powers commensurate with accountability, coupled with trust, faith and transparency has been embedded in the day-to-day functioning. The company will endeavor to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS:

- Size of the Board.
The Board of Directors of the Company consists of 5 Directors.
- Composition, category and their attendance at the Board Meeting during the year and at the last Annual General Meeting as also the number of other directorships / Memberships of Committees are as follows:

| Name of the Director | Attendance Particulars at the | | Outside Directorship (*) | Outside Committee Memberships | Outside Committee Chairmanships |
|--|-------------------------------|----------|--------------------------|-------------------------------|---------------------------------|
| | Board Meeting | Last AGM | | | |
| Promoter / Non Executive Directors | | | | | |
| Shri. Devendra K. Goyal | 4 | Yes | Nil | Nil | Nil |
| Shri. Babulal Goyal | 4 | Yes | Nil | Nil | Nil |
| Shri. Rameshwar D. Goyal | 4 | Yes | Nil | Nil | Nil |
| Non Executive & Independent Directors. | | | | | |
| Shri. J. K. Panchal | 4 | Yes | Nil | Nil | Nil |
| Shri. Amilesh Rai | 4 | Yes | Nil | Nil | Nil |

* Excludes alternate directorships, directorships in Indian Private Limited Companies.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting
Clause 49 (1) (a) of the Listing Agreement:

| Name of Director | Shri Babulal Goyal | Shri Rameshwar Dayal Goyal |
|--|---|--|
| Date of Birth | 22.05.1934 | 08.04.1963 |
| Date of Appointment | 30.07.2010 | 29.07.2011 |
| Expertise in specific functional areas | Trading and Commodities & Sarafa Business | Accounting, Finance & Commercial matters |
| Qualifications | Undergraduate | B.com, F.C.A. |
| No. of Shares | 1,90,101 | 4,500 |
| Directorship held in other Companies (Excluding private and foreign companies) | Nil | Nil |
| Position held in mandatory committees of other companies | Nil | Nil |

- **No. of board of meetings held during the year along with the dates of the meeting:**

During the year Board Meetings were held on 30.05.2012, 30.07.2012, 31.10.2012, 31.01.2013.

3. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board Members.

Code of conduct for members of the board and senior management personnel pursuant to clause 49(I) (D) of the listing agreement

The board of directors (the "Board") of the company, apart from the following in actual practice, has adopted the following written code of conduct and ethics (the "Code") for directors and senior management personnel of the company.

Senior management personnel shall mean all senior members of the management team, one level below the executive directors such as Sr. president / president of each division of the company, other functional heads and the secretary of the company. This code is intended to focus on all the board members and senior management personnel on areas of ethics, integrity and honesty, providing guidance to help.

4. AUDIT COMMITTEE :

In terms of clause 49 of the Listing Agreement audit committee of the Company has been constituted.

Composition, Meeting & Attendance:

An audit committee comprising of three non-executive directors viz:

| Members | Category | Meetings held | Meetings attended |
|---------------------|----------|---------------|-------------------|
| Shri. J. K. Panchal | Chairman | 4 | 4 |
| Shri. R. D. Goyal | Member | 4 | 4 |
| Shri Amilesh Rai | Member | 4 | 4 |

The Audit Committee has met during the year on 30.05.2012, 30.07.2012, 31.10.2012, 31.01.2013.

5. REMUNERATION COMMITTEE :

The Company has not been constituted any Remuneration Committee as no remuneration was paid to any of the directors during the year.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

• **Composition, Meeting & Attendances:**

The board of company has constituted a committee of directors, which also functions as 'Shareholders/ Investors Grievance Committee', comprising of three members, chaired by a non executive, Independent Directors viz.

| Members | Category |
|---------------------|-------------------------------------|
| Shri. Amillesh Rai | Chairman Independent, Non-Executive |
| Shri. J. K. Panchal | Member Independent, Non-Executive |
| Shri. R. D. Goyal | Member Non-Executive |

The Committee deals with various matters relating to:

- Transfer/transmission of shares;
- Issue of duplicate share certificates;
- Review of shares dematerialized and all other related matters;
- Investor's grievances and redressal mechanism.

The committee meets as and when required, to deal with the matters relating to transfer / transmission of shares and monitors redresses of complaints from shareholders relating to transfer, non receipt of balance sheet, dividend declared etc.

7. GENERAL BODY MEETING:

Location & time of last 3 Annual General Meetings were:

| Year | | Location | Date | Time |
|-----------|----------|--------------|------------|------------|
| 2011-2012 | 20th AGM | Fort, Mumbai | 30.07.2012 | 10.00 a.m. |
| 2010-2011 | 19th AGM | Fort, Mumbai | 29.07.2011 | 10.00 a.m. |
| 2009-2010 | 18th AGM | Fort, Mumbai | 30.07.2010 | 10.00 a.m. |

No special resolutions were required to be put through postal ballot in the last AGM nor are there any matters requiring postal ballot at these Meetings.

8. MEANS OF COMMUNICATION

- The board of directors of the company approves & takes on record the quarterly & half yearly financial results in the Performa prescribed by clause 41 of the listing agreement within one month of close of the respective period & Audited yearly financial results in the Performa prescribed by clause 41 of the listing agreement within three months of close of the year.
- The approved financial results are forthwith sent to the listing Stock Exchange & are published in English & Marathi newspaper. The said results are also available at the website of the company.
- Pursuant to Clause 51 of the listing agreement all data related to quarterly financial results, Shareholding Pattern etc. are sent to the Stock Exchanges.
- There were no presentations made to the institutional investors or to the analysts.
- The Management Discussion and Analysis report forms a part of this Annual Report.

GENERAL SHAREHOLDERS INFORMATION

| | | | |
|----|--|---|---|
| 01 | Registered Office | : | 3, National House, 1 st Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400 001. |
| 02 | Book Closure Date | : | 30 th July, 2013 |
| 03 | AGM Date & Venue | : | On Tuesday, the 30 th July, 2013 at 10.00 a.m. at 3, National House, 1 st Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400 001. |
| 04 | Listing on Stock Exchange | : | Bombay Stock Exchange Limited (BSE) |
| 05 | Listing Fees | : | Annual Listing fees as prescribed have been paid to the above stock exchange for the year 2012-13 |
| 06 | Stock CodeDemat ISIN NO. | : | 511702 INE 290 E01011 |
| 07 | Key Financial Reporting dates F.Y. | : | 2012 –2013 |
| | First quarter results ending 30 th June | : | Last week of July 12 |
| | Second quarter results ending 30 th September | : | Last week of October 12 |
| | Third quarter results ending 31 st December | : | Last week of January 13 |
| | Summarised audited results ending 31 st March | : | Last week of May 13 |
| 08 | Shareholder Assistance Investor Service Department | : | Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 |

Market Price data

High / Low during each month in last financial year ended 31st March, 2013

| Month / Year | BSE | |
|--------------|------------|-----------|
| | High (Rs.) | Low (Rs.) |
| April-12 | 14.20 | 10.09 |
| May-12 | 12.93 | 10.77 |
| June-12 | 13.23 | 8.80 |
| July-12 | 9.65 | 6.40 |
| August-12 | 8.49 | 7.00 |
| September-12 | 8.00 | 6.66 |
| October-12 | 9.40 | 8.11 |
| November-12 | 8.74 | 7.57 |
| December-12 | 8.00 | 6.31 |
| January-13 | 8.10 | 6.84 |
| February-13 | 8.15 | 7.32 |
| March-13 | 8.39 | 7.58 |

The Company's Shares are traded in the Stock Exchange compulsorily in Demat mode. All the applications received for transfer of physical shares are processed by Company's Registered & Transfer agent and are approved by the Share Transfer Committee, which normally meets once in a month depending on the volume of transfers. Share transfers are registered and returned normally within 30 days from the date of lodgment, if documents are complete in all respects.

Distribution of shareholding as on 31.03.2013

| No. of Shares | SHAREHOLDERS | | SHAREHOLDING | |
|---------------|--------------|---------------|------------------|---------------|
| | Nos. | % | Nos. | % |
| Upto 500 | 1,473 | 75.31 | 3,11,606 | 10.31 |
| 501-1000 | 242 | 12.37 | 1,94,347 | 6.43 |
| 1001-5000 | 191 | 9.76 | 4,52,975 | 14.98 |
| 5001-10000 | 24 | 1.23 | 1,68,036 | 5.56 |
| 10001-500000 | 26 | 1.33 | 18,96,336 | 62.72 |
| TOTAL | 1,956 | 100.00 | 30,23,300 | 100.00 |

Shareholding pattern as on 31.03.2013

| Shareholder | No. of shares | % of shareholdings |
|-------------------------------------|-------------------|--------------------|
| Directors & Relatives | 13,38,152 | 44.26 |
| Companies Associated with Directors | 2,46,200 | 8.14 |
| Domestic Companies | 2,06,701 | 6.84 |
| Foreign Investors | 24 | 0.01 |
| Other Indian Investors | 12,32,223 | 40.75 |
| TOTAL | 30, 23,300 | 100.00 |

Dematerialization of shares:

The Company's Shares are traded in the Stock Exchange compulsorily in Demat mode. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited, whereby the investors have the option to dematerialize their shares with either depositories.

Status of Dematerialization as on March 31, 2013

| Particulars | No. Of Shares | % to Total Capital | No. of Holders |
|--|-------------------|--------------------|----------------|
| National Securities Depository Limited | 9,15,779 | 30.29 | 658 |
| Central Depository Services(I) Limited | 15,32,423 | 50.69 | 533 |
| Total Dematerialized | 24,48,202 | 80.98 | 1,191 |
| Physical | 5,75,098 | 19.02 | 765 |
| Grand Total | 30, 23,300 | 100.00 | 1,956 |

Investor Education and Protection Fund:

No amount is required to be transferred to Investor Education and Protection Fund.

B. NON-MANDATORY REQUIREMENTS:

1. CHAIRMAN OF THE BOARD :

The company has a Non Executive Chairman and reimbursement of any expenses has not been made to the Chairman.

2. REMUNERATION COMMITTEE :

Please refer item no. 5 under the heading Mandatory Requirements.

3. SHAREHOLDER'S RIGHT :

As the company's quarterly results are published in English Newspapers which is in widely circulation and in a Marathi Newspaper circulated in Maharashtra, the same are not sent to each house of shareholders.

4. POSTAL BALLOT :

The provisions relating to Postal Ballot will be complied with in respect of matters where applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Trends and developments:

Your company has registered a loss of Rs.9,87,590/- during the financial year under review against a loss of Rs.9,10,819/- in previous year. Your company is constantly trying alternate avenues of business viz. financial / management consultancy which will improve the performance of your company.

The company expects current year to be better mainly because Indian economy is expected to grow further and inclusion of more services in the portfolio of the company.

Risk and concerns:

Your company being an Investment / Finance Company is primarily exposed to various risks relating to financing which includes the volatile stock market, interest rate risk, and change in government policies liquidity risk and last but not least is the competition risk.

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I Rameshwar Dayal Goyal, director of Parsharti Investment Ltd. do hereby certify that:

- a) I have reviewed the financial statements and the cash flow statement of the Company for the year 2012-13 and to the best of my knowledge, information and belief :
- (i) these statement do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
- b) To the best of my knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) The Company's other certifying officers and I are responsible for establishing and maintaining internal control for financial reporting and that I have evaluated the effectiveness of the internal control system 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 proposed to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee that :
- (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year; and
 - (iii) there are no instances of fraud during the year.

Place: Mumbai
Date: 30th May, 2013

R. D. Goyal
Director

Auditors Certificate on Corporate Governance

**To the Members of
Parsharti Investment Limited**

We have examined the compliance of conditions of Corporate Governance by Parsharti Investment Limited for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said 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 the 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 complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders / investors grievance committee.

We further 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 had conducted the affairs of the company.

For **N.B. THAKORE & CO.**
Chartered Accountants
Firm Reg. No: 110929 (W)

Nimish B. Thakore
(Proprietor)
Membership No. 034767

Place: Mumbai
Date: 30th May, 2013

AUDITOR'S REPORT

To

**THE MEMBERS OF
PARSHARTI INVESTMENT LIMITED.**

Report on the Financial Statements

We have audited the accompanying financial statements of PARSHARTI INVESTMENT 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 as on date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Profit and Loss Account, of the 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 and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 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, to the extent they are applicable to the company.
2. 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.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR N.B. THAKORE & CO.
Chartered Accountants
Firm Reg. No. 110929(W)

Place: Mumbai
Date: 30th May, 2013

Nimish B. Thakore
Proprietor
Membership No.034767

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2013 OF PARSHARTI INVESTMENT LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification-program, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us no discrepancies noticed on physical verification.
- (c) The company has not disposed off any substantial part of its fixed assets so as to affect its going concern;
- ii. The Company is an Investment company and does not have any inventory. Therefore the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- iii. (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the companies Act 1956. Accordingly, clauses (iii) b, c and d are not applicable.
- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act 1956. Accordingly, clauses (iii) f and g are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods and Services. During the course of our audit, we have not observed any continuing failure to correct major weakness in Internal control system.
- v. According to the information and explanation given to us, there is no Contract or Arrangement referred to in section 301 of the act that need to be entered into the register maintained under that section. Hence clause (v) b of the Order is not applicable
- vi. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion and according to the information and explanations given to us internal audit system is commensurate with the size of the Company and the nature of its business.
- viii. We are informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's activities.
- ix. (a) Accordingly to the records of the Company, it has been regular with little delay in depositing undisputed statutory dues including Income Tax, Service Tax, Sales Tax, Professional Tax and other Statutory Dues with the appropriate authorities ;

- (b) On the basis of our examination of the documents and records, the company does not have any disputed Statutory Liabilities.
- x. The Company has accumulated losses more than 50% of its net worth, and also has incurred cash loss during the financial year covered by audit and has incurred cash loss immediately preceding financial year.
 - xi. In our opinion and according to the information and explanations given to us, the Company has not dues payable to banks, financial institutions or debenture holders. Accordingly, provisions of clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 - xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities ;
 - xiii. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore the provisions of paragraph 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
 - xiv. In respect of shares, securities, debentures and other investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the company in its own name;
 - xv. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
 - xvi. According to the information and explanations given to us, no term loans have been raised by the Company during the year and hence, the provision of clause (xvi) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
 - xvii. The company has not raised any short term / long term fund during the year of audit therefore this clause is not applicable not commented
 - xviii. The company has not made an preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956'
 - xix. During the year under audit company has not issue any debenture therefore this clause is not commented.
 - xx. The Company has not raised any money by public issue during the year
 - xxi. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported by the Company during the year ;

For N.B. THAKORE & CO.
Chartered Accountants
Firm Reg. No: 110929 (W)

Nimish B. Thakore
(Proprietor)
Membership No. 034767

Place : Mumbai
Date: 30th May, 2013

Balance Sheet as at 31st March, 2013

| Particulars | Note No | 2012-13 (₹) | 2011-12 (₹) |
|--|---------|-------------------|-------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 30,233,000 | 30,233,000 |
| (b) Reserves and Surplus | 2 | (19,629,427) | (18,641,837) |
| (c) Money received against share warrants | | | |
| (2) Share application money pending allotment | | | |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | | - | - |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long term liabilities | | - | - |
| (d) Long term provisions | | - | - |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 3 | 12,716 | 11,620 |
| (b) Trade payables | | - | - |
| (c) Other current liabilities | 4 | 5,000 | 830,215 |
| (d) Short-term provisions | | - | - |
| Total | | 10,621,289 | 12,432,998 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 5 | 33,375 | 45,004 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 6 | 454,565 | 454,565 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | | - | - |
| (e) Other non-current assets | | - | - |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 7 | 4,210,809 | 5,093,035 |
| (c) Trade receivables | 8 | 8,300 | - |
| (d) Cash and cash equivalents | 9 | 119,160 | 149,551 |
| (e) Short-term loans and advances | 10 | 5,770,877 | 6,670,877 |
| (f) Other current assets | 11 | 24,203 | 19,966 |
| Total | | 10,621,289 | 12,432,998 |

NOTES TO ACCOUNTS

18

As per our report of even date attached.

For. **N.B THAKORE & CO.**
Chartered Accountants.
Firm Reg. No. 110929(w)

D.K Goyal Chairman

R.D Goyal Director

Nimish B. Thakore
Proprietor.
Membership No. : 034767
PLACE : MUMBAI
DATE : 30th May, 2013

Amilesh Rai Director

Statement of Profit and Loss for the year ended 31st March, 2013

| Particulars | Note No | 2012-13 (₹) | 2011-12 (₹) |
|---|---------|------------------|-------------------|
| II. Revenue from operations | | 1,555,303 | 31,680,180 |
| II. Other Income | 12 | 60,322 | 405,871 |
| III. Total Revenue (I +II) | | <u>1,615,625</u> | <u>32,086,051</u> |
| IV. Expenses: | | | |
| Cost of materials consumed | | - | - |
| Purchase of Stock-in-Trade | | 1,505,321 | 32,112,087 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 13 | 882,227 | 615,957 |
| Employee benefit expense | 14 | 59,735 | 102,961 |
| Financial costs | 15 | 1,385 | 985 |
| Depreciation and amortization expense | 16 | 11,629 | 11,629 |
| Other expenses | 17 | 138,456 | 153,251 |
| Total Expenses | | <u>2,598,753</u> | <u>32,996,870</u> |
| V. Profit before exceptional and extraordinary items and tax (III- IV) | | (983,128) | (910,819) |
| VI. Exceptional Items | | - | - |
| VII. Profit before tax (V- VI) | | <u>(983,128)</u> | <u>(910,819)</u> |
| VIII. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Tax for earlier year | | 4,462 | - |
| IX. Profit(Loss) for the Year (VII - VIII) | | <u>(987,590)</u> | <u>(910,819)</u> |
| X. Earning per equity share: | | | |
| (1) Basic | | (0.32) | (0.30) |
| (2) Diluted | | (0.32) | (0.30) |

NOTES TO ACCOUNTS

18

As per our report of even date attached.

For **N.B THAKORE & CO.**
Chartered Accountants.
Firm Reg. No. 110929(W)

D.K Goyal Chairman

R.D Goyal Director

Amilesh Rai Director

Nimish B. Thakore
Proprietor.
Membership No. : 034767
PLACE : MUMBAI
DATE : 30th May, 2013

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

| | For the year ended 31.3.2013 (₹) | For the year ended 31.3.2012 (₹) |
|---|---|---|
| Cash Flow from Operating Activities | | |
| Net Profit / (Loss) Before Tax & Extraordinary Items | (983,128) | (910,819) |
| Adjustment for : | | |
| Depreciaton | 11,629 | 11,629 |
| Dividend Received | (56,085) | (59,730) |
| Interest Income | (4,237) | (3,778) |
| Interest Expenses & Financial Charges | 1,535 | 1,385 |
| Loss on sale of Fixed Assets | - | - |
| Profit on sale of Investment | - | (232,064) |
| Operating Profit / (Loss) Before Working Capital Charges | (1,030,286) | (1,193,377) |
| Adjustment for : | | |
| Trade & Other Receivables | (8,300) | - |
| Inventories | 882,226 | 615,957 |
| Loans & Advances | 895,763 | (14,808) |
| Trade Payables | (825,215) | (48,672) |
| Cash Generated from Operations | (85,811) | (640,899) |
| Income Tax | - | - |
| Provision for tax for earlier year | (4,462) | - |
| Net Cash from Operating Activities - (A) | (90,273) | (640,899) |
| Cash Flow from Investing Activities : | | |
| Sale of Investment | - | 237,677 |
| Profit on sale of Investment | - | 232,064 |
| Dividend Income | 56,085 | 59,730 |
| Purchase of investment | - | - |
| Net Cash from Investing Activities - (B) | 56,085 | 529,471 |
| Cash Flow from Financing Activities | | |
| Sale of Machinery | - | - |
| Interest Expenses & Financial Charges | (1,535) | (1,385) |
| Interest Received | 4,237 | 3,778 |
| Net Cash from in Financing Activities - (C) | 2,702 | 2,393 |
| Net Increase in Cash & Cash Equivalents - (A+B+C) | (31,487) | (109,035) |
| Cash & Cash Equivalents as at the beginning | 137,931 | 246,966 |
| Cash & Cash Equivalents as at the end | 106,444 | 137,931 |

As per our report of even date attached.
For **N.B. THAKORE & CO.**
Chartered Accountants
Firm Reg. No. 110929(w)

D. K. Goyal Chairman

R. D. Goyal Director

Amilesh Rai Director

Nimish B. Thakore
Proprietor
Membership No. 034767
Place: Mumbai.
Date : 30th May, 2013

Notes Forming Part of the Balance Sheet as at 31st March, 2013

Note : 1 Share Capital

| Particulars | 2012-13 | | 2011-12 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number | (₹) | Number | (₹) |
| AUTHORIZED CAPITAL Equity Shares of Rs. 10/- each. | 5,000,000 | 50,000,000 | 5,000,000 | 50,000,000 |
| | 5,000,000 | 50,000,000 | 5,000,000 | 50,000,000 |
| ISSUED , SUBSCRIBED & PAID UP CAPITAL Equity Shares of Rs. 10/- each, Fully paid up | 3,023,300 | 30,233,000 | 3,023,300 | 30,233,000 |
| Total | 3,023,300 | 30,233,000 | 3,023,300 | 30,233,000 |

Note : 1.1 Reconciliation of the number of shares outstanding at the beginning and at the end of year

| Particulars | 2012-13 | | 2011-12 | |
|---|-----------|------------|-----------|------------|
| | Number | (₹) | Number | (₹) |
| Shares Outstanding at the beginning of the year | 3,023,300 | 30,233,000 | 3,023,300 | 30,233,000 |
| Add: Shares issued during the Year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares Outstanding at the end of the year | 3,023,300 | 30,233,000 | 3,023,300 | 30,233,000 |

Note : 1.2 Disclosure of shareholders holding more than 5% of the aggregate shares in the company

| Sr. No. | PARTICULARS | 2012-13 | | 2011-12 | |
|---------|-------------------------------------|--------------------|--------------|--------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | Devendra Kumar Goyal | 238,901 | 7.90 | 238,901 | 7.90 |
| 2 | Babulal Goyal | 190,101 | 6.29 | 190,101 | 6.29 |
| 3 | Nitu Goyal | 156,600 | 5.18 | 156,600 | 5.18 |
| 4 | Dhananjay Financial Services P. Ltd | 246,200 | 8.14 | 246,200 | 8.14 |

Note : 1.3

The company has only one Class of Equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

Notes Forming Part of the Balance Sheet as at 31st March, 2013

Note : 2 Reserve & Surplus

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|---------------------------------|---------------------|---------------------|
| 1 | Surplus (Profit & Loss Account) | (18,641,837) | (17,731,018) |
| 2 | Profit/ (Loss) during the year | (987,590) | (910,819) |
| | Total | (19,629,427) | (18,641,837) |

Note : 3 Short Term Borrowings

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|---------------------|----------------|----------------|
| 1 | Bank OD against F.D | 12,716 | 11,620 |
| | Total | 11,620 | 11,620 |

Note : 4 Other Current Liabilities

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|------------------------------|----------------|----------------|
| 1 | Creditors | - | 825,000 |
| 2 | Auditor Remuneration Payable | 5,000 | 2,500 |
| 3 | Expenses Payable | - | 2,715 |
| | Total | 5,000 | 830,215 |

Notes 5

Notes Forming Part of the Balance Sheet

Fixed Assets

| Sr. No. | Particulars | Rate | Gross Block | | | | Depreciation | | | | Net Block | |
|---------|-----------------------------|------|--------------------------|----------------------------|---------------------------|--------------------|--------------------------|----------------------------|---------------------------|--------------------|------------------------|------------------------|
| | | | Value at the beginning ₹ | Addition during the year ₹ | Deduction during the year | Value at the end ₹ | Value at the beginning ₹ | Addition during the year ₹ | Deduction during the year | Value at the end ₹ | WDV as on 31.03.2013 ₹ | WDV as on 31.03.2012 ₹ |
| 1 | Tangible Assets | | | | | | | | | | | |
| 1 | Office Equipment | 4.75 | 244,820 | - | - | 244,820 | 199,816 | 11,629 | - | 211,445 | 33,375 | 45,004 |
| 2 | Computer | | 173,550 | - | - | 173,550 | 173,550 | - | - | 173,550 | - | - |
| | TOTAL | | 418,370 | - | - | 418,370 | 373,366 | 11,629 | - | 384,995 | 33,375 | 45,004 |
| | Total (Current Year) | | 418,370 | - | - | 418,370 | 373,366 | 11,629 | - | 384,995 | 33,375 | 45,004 |
| | (Previous Year) | | 418,370 | - | - | 418,370 | 361,737 | 11,629 | - | 373,366 | 45,004 | - |

Note : 6 Non Current Investment

| Sr. No | Particulars | 2012-13 Quantity | 2011-12 Quantity | 2012-13 (₹) | 2011-12 (₹) |
|--------|--|---------------------|---------------------|----------------|----------------|
| | <u>Investment in Equity Instrument</u> <u>Quoted and Fully Paid Equity Shares</u> | | | | |
| | Bajaj Hindustan | 200 | 200 | 38,185 | 38,185 |
| | Bosch Limited | 8 | 8 | 40,441 | 40,441 |
| | Dhanalakshmi Bank | 1,000 | 1,000 | 165,437 | 165,437 |
| | Emco Ltd | 1,000 | 1,000 | 93,166 | 93,166 |
| | MRF Ltd | 5 | 5 | 30,787 | 30,787 |
| | New Delhi Television | 500 | 500 | 86,549 | 86,549 |
| | Total | 2,713 | 2,713 | 454,565 | 454,565 |

Aggregate Value of Quoted Investment

At Cost
at Market Value454,565
228,519454,565
238,861

Notes Forming Part of the Balance Sheet as at 31st March, 2013

Note :7 Inventories

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|----------------|------------------|------------------|
| 1 | Stock-in-Trade | 4,210,809 | 5,093,035 |
| | Total | 4,210,809 | 5,093,035 |

Note :8 Trade Receivables

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|--|----------------|----------------|
| 1 | Unsecured Outstanding for a period more than six months from the date they are due for payment Considered Good Considered Doubtful | - - - | - - - |
| | Less: Provision for Doubtful Debts | - | - |
| | Sub Total (A) | - | - |
| 2 | Other Debts: Considered Good (B) | 8,300 | - |
| | Total | 8,300 | - |

Note: 9 Cash & Cash Equivalent

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|--|----------------------------|----------------------------|
| 1 | Cash-in-Hand Cash Balance Sub Total (A) | 61,268 61,268 | 87,577 87,577 |
| 2 | Bank Balance With Schedule Bank in Current accounts With Schedule Bank in Fixed Deposit Sub Total (B) | 17,302 40,590 57,892 | 21,384 40,590 61,974 |
| 3 | Cheques on Hand (C) | - | - |
| | Total [A + B + C] | 119,160 | 149,551 |

Note :10 Short Terms Loans and Advances

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|--|------------------|------------------|
| 1 | Loans & Advances from related parties a) Secured, Considered Good : b) Unsecured, Considered Good : c) Doubtful | - - - | - - - |
| 2 | Others | 5,770,877 | 6,670,877 |
| | Total | 5,770,877 | 6,670,877 |

Note : 11 Other Current Assets

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|-----------------------------|----------------|----------------|
| 1 | Interest Receivable | 13,173 | 8,936 |
| 2 | TDS receiveable F.Y 2011-12 | 11,030 | 11,030 |
| | Total | 24,203 | 19,966 |

Notes Forming Part of the Profit & Loss Account for the year ended 31st March, 2013

Note : 12 Other Income

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|------------------------------|----------------|----------------|
| 1 | Interest on FDR | 4,237 | 3,778 |
| 2 | Profit on sale of Investment | - | 232,063 |
| 3 | Dividend | 56,085 | 59,730 |
| 4 | Consultancy Fees | - | 110,300 |
| | Total | 60,322 | 405,871 |

Note : 13 Change in Inventories

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|---------------------|----------------|----------------|
| | Opening Stock | 5,093,035 | 5,708,992 |
| | Less: Closing Stock | 4,210,809 | 5,093,035 |
| | Total | 882,226 | 615,957 |

Note :14 Employee Benefit Expenses

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|---------------|----------------|----------------|
| 1 | Salaries | 56,000 | 91,620 |
| 2 | Staff Welfare | 3,735 | 11,341 |
| | Total | 59,735 | 102,961 |

Note :15 Financial Cost

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|----------------------------|----------------|----------------|
| | Interest on Bank Overdraft | 1,385 | 985 |
| | Total | 1,385 | 985 |

Note : 16 Depreciation & Amortised Cost

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|--------------|----------------|----------------|
| | Depreciation | 11,629 | 11,629 |
| | Total | 11,629 | 11,629 |

Note : 17 Other Expenses

| Sr. No | Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--------|-------------------------------|----------------|----------------|
| 1 | Bank Charges & Commission | 150 | 400 |
| 2 | Telephone, Postage & Telegram | 3,942 | 10,178 |
| 3 | Printing & Stationary | 14,840 | 10,840 |
| 4 | Advertisement Expenses | 20,207 | 16,458 |
| 5 | Travelling & Conveyance | 11,009 | 28,394 |
| 6 | Auditors' Remuneration | 7,500 | 2,500 |
| 7 | Legal & professional fees | 500 | 2,000 |
| 8 | Miscellaneous Expenses | 80,308 | 82,481 |
| | Total | 138,456 | 153,251 |

SCHEDULE - 18: NOTES TO ACCOUNTS:

1. Significant Accounting Policies Followed:

(a) Basis of Preparation of financial statements: -

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

(b) Use of Estimates:-

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates.

(c) Accounting of Income/ Expenditure

All Income/ Expenditure items having a material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

(d) All the assets and liabilities have been classified as current or non- current as per the Company's normal operating cycle and other criteria set out in the schedule VI to the Companies Act, 1956. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(e) Fixed Assets

Fixed Assets have been carried at historical cost.

(f) Depreciation

Depreciation on Fixed Assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956, as per rates specified in Schedule XIV to the Companies Act, 1956.

(g) Investments

Long Term Investments have been shown at cost price.

(h) Stock in Trade

Stock in trade is valued at cost or Market value whichever is lower.

2. Particulars in respect of Opening Stock, Purchases, Sales & Closing Stock for Stock in Trade

| Particulars of Shares | 2012-13 Quantity | 2011-12 Quantity | 2012-13 Value (₹) | 2011-12 Value (₹) |
|-----------------------|---------------------|---------------------|----------------------|----------------------|
| Opening Stock | 1,88,891 | 1,65,689 | 50,93,035 | 57,08,992 |
| Purchases | 16,607 | 1,20,296 | 15,05,321 | 3,21,12,087 |
| Sales | 21,599 | 97,094 | 15,55,303 | 3,16,80,180 |
| Closing Stock | 1,83,899 | 1,88,891 | 42,10,809 | 50,93,035 |

3 STOCK IN TRADE CONSIST OF:

| SR. | NAME OF THE SCRIPT | 31.03.2013 | 31.03.2012 | 31.03.2013 | 31.03.2012 |
|------------------|--|----------------|----------------|------------------|------------------|
| | | QTY. | QTY. | AMOUNT | AMOUNT |
| 1 | ALPS INFOSYS | 22,000 | 22,000 | - | - |
| 2 | ANUGRAHA JEWELLERS LTD | 1,000 | 1,000 | - | - |
| 3 | ARTEFACT PROJECT LTD | 21,800 | 21,800 | 680,160 | 763,000 |
| 4 | ASEA BROWN B. | 50 | 50 | 24,438 | 35,500 |
| 5 | BANNARIAMMAN SUGAR | 3 | - | 2,586 | - |
| 6 | BETA CORPORATION LTD | 400 | 400 | - | - |
| 7 | BAJAJ HINDUSTAN | 100 | 100 | 1,895 | 3,110 |
| 8 | CHIRAU FINANCE LTD | 6,200 | 6,200 | - | - |
| 9 | DABUR INDIA LTD | 100 | - | 13,453 | - |
| 10 | ELGI RUBBER CO. LTD. Convert ELGI RUBBER INTERNATIONAL | 2,300 | 2,300 | 8,000 | 8,000 |
| 11 | ENG. INDIA | 600 | 600 | 92,790 | 100,404 |
| 12 | GUJ. MIN DEV (GMDC) | 1,000 | 1,000 | 90,834 | 90,834 |
| 13 | BENCHMARK -GOLDBEES | 1 | 1 | 2,148 | 2,148 |
| 14 | HANUNG | 975 | 975 | 121,534 | 123,679 |
| 15 | HIMACHAL FUT | 1,600 | 11,000 | 13,120 | 129,250 |
| 16 | HIND COPPER | 210 | 210 | 19,425 | 45,345 |
| 17 | IDFC | 100 | 100 | 13,376 | 13,500 |
| 18 | IFCI | 4,440 | - | 167,388 | - |
| 19 | INDIAN HOTELS CO LTD | 500 | 500 | 26,775 | 31,850 |
| 20 | INDRAYANI BIO | 2,100 | 2,100 | - | - |
| 21 | JSW Steel Ltd | 210 | 10 | 141,194 | 7,038 |
| 22 | K. S. OIL | 5,050 | 5,050 | 26,260 | 39,643 |
| 23 | LARSON & TOUBRO | 10 | 10 | 13,090 | 13,090 |
| 24 | NEHA INTERNATIONAL | 2,150 | 2,150 | 18,383 | 104,490 |
| 25 | NILA INFRASTRUCUTRE | 600 | - | 1,554 | - |
| 26 | PARICHAY INV | 28,150 | 29,800 | 1,795,970 | 2,697,795 |
| 27 | RM MOHITE | 793 | 793 | 16,653 | 16,653 |
| 28 | RADHA MADHAV CORP | 1,200 | 1,200 | 2,340 | 6,180 |
| 29 | REACTO PAPERS LTD | 20,700 | 20,700 | - | - |
| 30 | RELIANCE CAPITAL | 10 | 10 | - | - |
| 31 | RELIANCE COMMUNICATION | 200 | 200 | - | - |
| 32 | REL INFRA(RELIANCE ENERGY) | 15 | 15 | - | - |
| 33 | RELIANCE INDUSTRIES | 10 | 10 | 7,506 | 7,506 |
| 34 | RELIANCE POWER | 62 | 62 | 3,813 | 7,263 |
| 35 | RUCHI INFRASTRUCTURE | 1,800 | 1,800 | 29,070 | 29,070 |
| 36 | SHASHUN FINANCE LTD | 1,600 | 1,600 | - | - |
| 37 | SITA SHREE FOOD PRODUCTS | 500 | - | 2,250 | - |
| 38 | SMS PHARMACEUTICALS | 500 | 500 | 66,000 | 66,000 |
| 39 | SUPER SPINNING | 21,000 | 21,000 | 126,000 | 127,050 |
| 40 | SUPREME IND. | 2,065 | 1,850 | 148,948 | 75,783 |
| 41 | SUJANA TOWER | 10,500 | 10,500 | 77,700 | 79,800 |
| 42 | TATA INVESTMENT | 100 | 100 | 33,965 | 33,965 |
| 43 | TATA MOTORS | 250 | 250 | 18,200 | 18,200 |
| 44 | TCI IND. | 15 | 15 | 12,945 | 12,945 |
| 45 | VALECHAENG | 4,580 | 4,580 | 279,151 | 280,067 |
| 46 | VERTEX SECURITIES LTD | 10,000 | 10,000 | 68,000 | 76,900 |
| 47 | WALCHANI | 50 | 50 | 2,690 | 4,153 |
| 48 | WESTERN INDIA SHIPYARD | 6,000 | 6,000 | 38,700 | 40,319 |
| 49 | SITICABLE (WIRE & WIRELESS) | 300 | 300 | 2,505 | 2,505 |
| Total (A) | | 183,899 | 188,891 | 4,210,809 | 5,093,035 |

4. Auditor Remuneration Includes:

| | 2012-2013 (₹) | 2011-2012 (₹) |
|----------------------|------------------|------------------|
| Statutory Audit fees | 3,000 | 1,500 |
| Tax audit fees | 2,000 | 1,000 |
| In other capacity | 2,500 | - |
| Total | 7,500 | 2,500 |

5. No deferred tax assets is recognized in pursuant to Para 17 of the Accounting Standard 22 "Accounting for taxes on income" issued by the institute of Chartered Accountants of India, for the unabsorbed depreciation and carry forward of losses of earlier years. The company is not certain that sufficient future taxable income will be available against which such deferred tax assets could be realized.

6. Earning Per Share:

| Particulars | 2012-13 (₹) | 2011-12 (₹) |
|--|-------------|-------------|
| Profit After Tax | (9,87,590) | (9,10,819) |
| Weighted Average Number of Equity Shares | 30,23,300 | 30,23,300 |
| Nominal Value Per Share in Rs. | 10.00 | 10.00 |
| Basic and Diluted Earning Per Share in Rs. | (0.32) | (0.30) |

7. There is no Related party Transaction made during the financial year as required by Accounting Standard 18, "Related Party Disclosures," prescribed by the Companies (Accounting Standards) Rules, 2006.

8. The additional Information pursuant to Revised Schedule VI to the Companies Act, 1956 are either Nil or Not Applicable.

As Per our report of even date
For N.B.Thakore & Co.
Chartered Accountants
Firm Reg. No: 110929 (W)

D.K Goyal Chairman

Nimish B.Thakore
(Proprietor)
Membership No. 34767

R.D Goyal Director

Amilesh Rai Director

Place: Mumbai
Date : 30th May, 2013

PARSHARTI INVESTMENT LIMITED

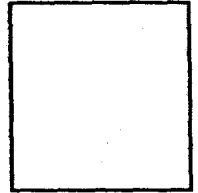
Regd. Office : 3, National House, 1st Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400 001.

PROXY FORM

Reg. Folio/DPID/Client ID No. _____ No. of shares held _____ I/We _____ being a member / members of **PARSHARTI INVESTMENT LIMITED** hereby appoint _____ of _____ or failing him/her _____ of _____ as my / our proxy to vote for me/us on my / our behalf at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 30th July 2013 at 10.00 a.m. at any adjournment thereof.

Signed this _____ day _____ of 2013

Signature



Note: This form duly completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

PARSHARTI INVESTMENT LIMITED

Regd. Office: 3, National House, 1st Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400 001.

ATTENDANCE SLIP

(To be handed over at the reception)

Twenty First Annual General Meeting – Tuesday, 30th July 2013

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company being held at 3, National House, 1st Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400 001 on Tuesday, the 30th July, 2013 at 10.00 a.m.

Full Name of Member (IN BLOCK LETTERS) _____ Reg. Folio/DPID/
Client ID No. _____ No. of Shares held _____ Full name of
proxy (IN BLOCK LETTERS) _____ Member's/Proxy's

Signature _____

NOTE:

- 1. Shareholders / Proxy holders are requested to bring the attendance slip with them duly completed and signed when they come to the meeting and hand them over at the reception.

BOOK - POST

To.

If undelivered, please return to :

Parsharti Investment Limited
3, National House, 1st Floor,
27, Raghunath Dadaji Street,
Fort, Mumbai - 400 001.