

Jayant Mercantile Company Limited

Annual Report 2010 - 11

DIRECTOR'S REPORT

Dear Members,

Your Directors have great pleasure to present their Annual Report together with Audited Financial Accounts for the year ended on 31st March, 2011.

FINANCIAL HIGHLIGHTS**(In Rs.)**

Particulars	2010-11	2009-10
Profit Before Tax	92,111	101,553
Less : Taxation	29,800	60,000
Profit After Tax	62,311	41,553

DIVIDEND

No dividend is declared or recommended by the Board of Directors of the Company during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s. 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

1. In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
2. They have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year under review and for profit of the Company for the same period.
3. They 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;
4. Annual Accounts are prepared on a going concern basis.

DIRECTORS

The Board of the Company is further strengthened with the induction of Mr. VinodKumar Govindbhai Menat and Mr. Pavan Mahendra Vishwakarma as Directors on the Board.

Mr. Sharad Singhania and Mrs. Laxmi Devi Singhania has shown their inability to continue as directors and has resigned from the Board.

Director who is eligible to retire by rotation at the ensuing General Meeting and being eligible has offered himself for re-appointment.

M/s. D M Oza & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

AUDITOR'S REPORT

The comments in the Auditor's Report with Notes of Accounts and Schedules are self explanatory.

PUBLIC DEPOSITS

During the year, the Company has not accepted any public deposit u/s. 58A of the Companies Act, 1956 and the rules made there under.

PARTICULARS OF EMPLOYEES

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed u/s. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

INDUSTRIAL RELATIONS

The industrial relations continue to be generally peaceful and cordial.

CORPORATE GOVERNANCE

Corporate Governance as per Clause 49 of the Listing Agreement is not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & EXPENDITURE

The Company has no activities relating to conservation of energy and technology absorption. There are no foreign exchange transactions during the year.

LISTING

The Equity Shares of the Company is listed at the Bombay Stock Exchange Limited (BSE).

ACKNOWLEDGEMENTS

Your Directors take opportunities to show gratitude towards the assistance and co-operation received from Banks and other Agencies and Shareholders resulting in improved performance during the year under review. Your Directors further appreciate the entire work force for their efforts and teamwork.

By order of the board
For **JAYANT MERCANTILE COMPANY LIMITED**

Place : Mumbai
Date : September 01, 2011

DIRECTOR

DIRECTOR

AUDITORS' REPORT

To,

THE MEMBERS OF JAYANT MERCANTILE COMPANY LIMITED

We have audited the attached Balance Sheet of **JAYANT MERCANTILE COMPANY LIMITED** (the Company) as at 31st March, 2011 and Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in an Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that;
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956. In the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
- (b) In case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For D M Oza and Associates
Chartered Accountants
Firm Regt. No. 119407W

Deepak M. Oza
Proprietor
Membership No.: 106993

**ANNEXURE AS REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF
EVEN DATE FOR THE YEAR ENDED 31st MARCH, 2011**

- (i) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) There are no disposals of any assets of the Company during the year under consideration.
- (ii) Since the Company is finance Company, hence clauses pertaining to inventories are not applicable to the Company.
- (iii) a) The Company has not given or taken loan or advances to party covered under the register maintained pursuant to section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (vi) Based on our scrutiny of the Company's records and according to the information and explanations provided by the Management, in our opinion, the Company has not accepted any public deposits so far upto 31st March, 2011.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) We have been informed by the Management, that the Company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of Section 209(1)(d) is not applicable to the Company. Hence, in our opinion, no comment on maintenance of cost records under Section 209(1)(d) is required.
- (ix) a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including Income-Tax, TDS & other statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom duties except profession tax of Rs.21070/- , which have remained outstanding as at 31-03-2011 for a period of more than six month from the date they become payable.
- c) According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited by the Company.
- (x) Since the Company does not have any accumulated losses as well as has not incurred cash losses during the financial year, this clause is not applicable in the case of Company and consequently in our opinion no comment is required under this clause.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to a financial institution and bank.
- (xii) According to the records of the Company, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to information and explanations given to us, the Company is maintaining adequate records regarding transactions and contracts regarding its activities in shares securities, debenture and other investment and timely entries have been transferred in the name of the Company.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institution.
- (xvi) According to the records of the Company, the Company has not obtained any term loans. Hence, comments under the clauses are not called for.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- (xviii) According to the records of the Company and the information and explanations provided by the Management, the Company has not made any preferential allotment of share to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the records of the Company, Company has not issued any debenture.
- (xx) The Company has not raised any money by public issue during the period covered by our audit report.

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

For D M Oza and Associates
Chartered Accountants
Firm Regt. No. 119407W

Deepak M. Oza
Proprietor
Membership No.: 106993

Date : September 01, 2011
Place: Mumbai

BALANCE SHEET AS ON 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As At 31.03.2011	As At 31.03.2010
I. SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
Share Capital	A	1,99,20,000	1,99,20,000
Reserves & Surplus	B	1,58,47,603	1,57,85,292
LOAN FUNDS			
Secured Loans	C	5,63,133	5,63,133
Unsecured Loans	D	20,000	3,20,000
TOTAL SOURCES OF FUNDS :		3,63,50,736	3,65,88,425
II. APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	E	1,21,126	1,21,126
Less : Depreciation		1,17,529	1,16,894
NET BLOCK		3,597	4,232
INVESTMENTS			
	F	12,07,186	12,07,186
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	G	2,68,911	2,64,251
Loans & Advances	H	3,33,67,828	3,33,72,828
Sundry Debtors	I	21,65,852	23,72,766
TOTAL (I) :		3,58,02,591	3,60,09,845
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	4,79,718	4,79,718
Provisions		1,82,920	1,53,120
TOTAL (II) :		6,62,638	6,32,838
NET CURRENT ASSETS (I - II) :		3,51,39,953	3,53,77,007
TOTAL APPLICATION OF FUNDS :		3,63,50,736	3,65,88,425
Significant Accounting Policies and Forming Part of Account	L	-	-
As per our Report of even date For D M Oza & Associates Chartered Accountants		Jayant Mercantile Company Limited	
Deepak Oza Proprietor Membership No. : 106993 Place : Mumbai Date : 01.09.2011		Director	Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

	PARTICULARS	SCHEDULE	AS AT 31st March, 2011	AS AT 31st March, 2010
I.	INCOME			
	Consultancy Charges		5,06,462	11,24,861
	Dividend Received		2,940	50
	Rent Received		-	36,000
	TOTAL (I) :		5,09,402	11,60,911
II.	EXPENDITURE			
	Operating Expenses	K	4,16,656	10,58,611
	Depreciation		635	747
	TOTAL (II) :		4,17,291	10,59,358
	Balance Profit (Loss) for the year (I-II)		92,111	1,01,553
	Less : Provision for Income Tax		29,800	60,000
	Net Profit/Loss After Tax		62,311	41,553
	Add : Balance Brought forward from last year		1,83,205	1,41,652
	Excess/Short provisions written back/off		-	-
	Balance carried to Balance Sheet		2,45,516	1,83,205
	NOTES ON ACCOUNTS	L		
	As per our Report of even date For D M Oza & Associates Chartered Accountants		Jayant Mercantile Company Limited	
	Deepak Oza Proprietor Membership No. : 106993 Place : Mumbai Date : 01.09.2011		Director	Director

Schedule forming part of the accounts

PARTICULARS	AMOUNT AS AT 31-03-2011 Rs.	AMOUNT AS AT 31-03-2010 Rs.
SCHEDULE "A"		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
20,000,000 Equity Shares of Rs. 1/- each	2,00,00,000	2,00,00,000
<u>ISSUED, SUBSCRIBED & PAID UP</u>		
19,920,000 Equity Shares of Rs. 1/- each	1,99,20,000	1,99,20,000
SCHEDULE "B"		
<u>RESERVES & SURPLUS</u>		
<u>General Reserve</u>		
As per last Balance Sheet	1,56,02,087	1,56,02,087
Profit & Loss Account	2,45,516	1,83,205
TOTAL :	1,58,47,603	1,57,85,292
SCHEDULE "C"		
<u>SECURED LOANS</u>		
Loan from H.D.F.C. (Secured against Equitable Mortgage of Flat No. 6, Gulmohar Vihar, Nashik Property) (Payable within one year is Rs. 563,133/-)	5,63,133	5,63,133
TOTAL :	5,63,133	5,63,133
SCHEDULE "D"		
<u>UNSECURED LOANS</u>		
From Directors	20,000	3,20,000
TOTAL :	20,000	3,20,000
SCHEDULE "G"		
<u>CASH & BANK BALANCES</u>		
Cash On Hand	2,54,868	2,53,455
Balance with Scheduled Banks in Current Account	14,043	10,796
TOTAL :	2,68,911	2,64,251
SCHEDULE "H"		
<u>LOANS & ADVANCES</u>		
(Unsecured, Considered Good otherwise Stated)		
Loans	3,32,48,635	3,32,53,635
Advances Recoverable in Cash or for value to be received	63,640	63,640
Advance Income Tax and T.D.S.	55,553	55,553
TOTAL :	3,33,67,828	3,33,72,828

Schedule forming part of the accounts

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
SCHEDULE "I"		
<u>DEBTORS</u>		
More than six months	21,65,852	23,54,766
Others	-	18,000
TOTAL :	21,65,852	23,72,766
SCHEDULE "J"		
<u>CURRENT LIABILITIES</u>		
Expenses Payable	4,79,718	4,79,718
TOTAL :	4,79,718	4,79,718
PROVISIONS		
For Taxation	1,82,920	1,53,120
TOTAL :	1,82,920	1,53,120
SCHEDULE "K"		
<u>OPERATING EXPENSES</u>		
Bank Charges & Commission	1,653	307
Consultancy Fees	33,723	78,000
Conveyance	-	48,640
Demat Charges	464	464
Electricity Expenses	4,720	-
Listing Fees & Filing Fees	12,530	12,114
Office Expenses	51,935	95,131
Printing & Stationery	300	66,248
Professional Fees	4,000	-
Rent Paid	1,00,000	96,000
Salary & Wages	1,62,000	5,21,860
Share Transfer Exp.	13,236	13,237
Staff Welfare Exp.	24,470	77,020
Telephone Expenses	7,625	13,103
Travelling Exp.	-	36,487
TOTAL :	4,16,656	10,58,611

SCHEDULE "E"**FIXED ASSETS**

PARTICULARS	----- GROSS BLOCK -----			----- DEPRECIATION -----			----- NET BLOCK -----	
	As At 01.04.2010	Addition (Deletion)	As At 31.03.2011	As At 01.04.2010	Addition (Deletion)	As At 31.03.2011	As At 31.03.2011	As At 01.04.2010
Furniture	1,21,126	-	1,21,126	1,16,894	635	1,17,529	3,597	4,232
TOTAL :	1,21,126	-	1,21,126	1,16,894	635	1,17,529	3,597	4,232
PREVIOUS YEAR :	1,21,126	-	1,21,126	1,16,147	747	1,16,894	4,232	4,979

SCHEDULE "F"**INVESTMENT**

PARTICULARS	No. of Shares	Face Value	31.03.2011	31.03.2010
Equity Shares (Quoted)	40,00,000	10	6,39,986	6,39,986
Immovable Properties			5,67,200	5,67,200
TOTAL			12,07,186	12,07,186

SCHEDULE L : NOTES FORMING PART OF THE ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES**a) SYSTEM OF ACCOUNTING :

The Company adopts the accrual concept in preparation of accounts.

b) FIXED ASSETS :

Fixed Assets are valued at cost less accumulated depreciation.

c) DEPRECIATION :

Depreciation of Fixed Assets is provided on written down value method at rates provided in Schedule XIV of the Companies Act, 1956 and provided on pro-rata basis with reference to the date of purchase. Depreciation is not charged on immovable properties held as investment.

d) TAXATION :

Provision for Current Tax is made after taking in to consideration benefits admissible under the I.T. Act, 1961.

e) INVESTMENTS :

Investments including immovable property are shown at cost.

2. Information pursuant to Para 3 & 4 of the Part II of Sch. VI of the Companies Act, 1956 : NIL

3. Loans & Advances and debit / credit balances are subject to confirmation.

4. The Company does not owe any sum exceeding Rs. 1,00,000/ to small scale undertaking which is outstanding for more than 30 days.

5. The Company has single reportable segment Viz Investment and Financial Activity for the purpose of Accounting Standard 17 on Segment reporting.

6. Related Party Disclosures :a) Enterprises where control exists :

SUBSIDIARY COMPANIES	:	NIL
CONTROLLING COMPANIES	:	NIL

b) Other related parties with whom Company had transactions etc. :Associates

International Knitting Ltd.
 Tarang Projects & Consultants Ltd.
 Orient Multimedia
 Unique Bytal Tube P. Ltd

Key Management Personnel :

Mr. Sanjaybhai Salvi

c) Related Party Transactions :

	- Current Year -		- Previous Year -	
	Associates	Key Mgt. Personnel	Associates	Key Mgt. Personnel
Sitting Fees	-	-	-	-
Loans Given	-	-	795,000	-
Receipt towards loans	-	-	200,000	-
Repayments	-	-	-	-
Loans Received	-	-	-	-
Repayment of Loans	-	-	-	-
Balance at the year end		-	13,053,475	-

7. As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earning per Share (EPS) is as follows :

	Current Year	Previous Year
Earning attributable to Equity Shareholders	62,311	41,553
Weighted average no. of equity shares outstanding	19,920,000	19,920,000
Basic Earning Per Share	0.0031	0.0020
Diluted Earning Per Share	0.0031	0.0020
Nominal value of shares	1	1

8. Previous year's figures have been regrouped / rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For **DM OZA & ASSOCIATES** **JAYANT MERCANTILE COMPANY LIMITED**
 Chartered Accountants

Deepak Oza

DIRECTOR

DIRECTOR

Proprietor

Place: Mumbai

Date: September 01, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

	PARTICULARS	As at 31.03.2011	As at 31.03.2010
(A)	Cash Flow from Operating Activities		
	Net Profit After Tax	62,311	41,553
	Profit for Income Tax	29,800	(6,880)
	Transfer to Reserves	-	-
	Adjustment for :		
	Loss on Sale of Investments	-	-
	Depreciation	635	747
	Net Operating Profit Before change in Operating Assets	92,746	35,420
	Increase / (Decrease) in Operating Assets		
	Increase in Debtors	2,06,914	(3,88,171)
	Increase / (Decrease) in Loans and Advances	5,000	(5,98,120)
	Increase in Creditors	-	10,500
	Provision for Taxation	-	-
	Net Cash Flow from Operating Activities (A)	3,04,660	(9,40,371)
(B)	Cash Flow from Investing Activities		
	Sale of Investment	-	-
	Net Cash Flow from Investing Activities (B)	-	-
(C)	Cash Flow from Financing Activities		
	Increase / (Decrease) Secured Loan	-	-
	Increase / (Decrease) Unsecured Loan	(3,00,000)	-
	Net Cash Flow from Financing Activities ©	(3,00,000)	-
	Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	4,660	(9,40,371)
	Cash & Cash Equivalent at the beginning	2,64,251	12,04,622
	Cash & Cash Equivalent at the end	2,68,911	2,64,251

As per our Report of even date
For **D M Oza & Associates**
Chartered Accountants

Jayant Mercantile Company Limited

Deepak Oza
Proprietor

Director

Director

Membership No. : 106993
Place : Mumbai
Date : 01.09.2011

Balance Sheet Abstract and Company's General Business Profile

1	CIN / Registration No.	L51900MH1985PLC035188
	State Code	11
	Balance Sheet Date	31.03.2011
2	Capital raised during the year	NIL
3	<u>Details of Mobilisation and Deployment of funds</u> (Rs. In Thousand)	
	Total Liabilities:-	36,350.74
	Total Assets :-	36,350.74
	<u>Sources of Funds</u>	
	Paid-up Capital	19,920.00
	Reserves & Surplus	15,847.60
	Secured Loans	563.13
	Unsecured Loans	20.00
	<u>Application of Funds</u>	
	Net Fixed Assets	3.60
	Investments	1,207.19
	Net Current Assets	35,139.95
	Misc. Expenditure	-
	Accumulated Losses	-
4	<u>Performance of Company</u> (Rs. In thousand)	
	Turn over / other Income	509.40
	Total Expenditure	417.29
	Profit before tax	92.11
	Provision for Taxation	29.80
	Profit after tax	62.31
	Earning per share (in Rs.)	0.0031
	Dividend rate %	-
5	Generic names of three principal products / Services of Company (as per monetary forms) :- Investment & Financing	
As per our Report of even date For D M Oza & Associates Chartered Accountants		Jayant Mercantile Company Limited
Deepak Oza Proprietor Membership No. : 106993 Place : Mumbai Date : 01.09.2011	Director	Director