



Jayant Mercantile Co. Limited

Annual Report 2011-12

DIRECTORS REPORT

Dear Shareholders,

Your directors have pleasure in presenting the Annual Report together with audited statements of Accounts for the period ended 31st March, 2012.

Financial Results

Particular	2011-2012	2010-2011
Profit/(Loss) before Depreciation & Interest	65,567	92,111
Less:- Provision For Taxation	20,500	29,800
Profit/(Loss) After Tax	45,067	62,311

Dividend

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

Public Deposits

The Company has not accepted deposits within the provision of Section 58A of the Companies Act, 1956.

Particulars of Employees

The provision of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employee) Rules, 1975 are not applicable to your company since none of the employee is employed on a remuneration of Rs.2,00,000/- P.M. or Rs.24,00,000/- P.A.

Directors Responsibility Statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that :

- (i) In the preparation of the annual accounts for the financial period ended March 31, 2012, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of the affairs of the Company as at March 31, 2012 and of the profit of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a 'going concern' basis.

Directors

Mr Vinod Kumar Menat is eligible to retire at the ensuing AGM and being eligible offered himself for the re-appointment.

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earning and Outgo

The Company did not undertake any activity during the year that would require disclosure under section 217(2)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo.

Corporate Governance

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

Listing

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

Auditors

The Auditor, M/s. D M Oza & Associates, Chartered Accountants, holds office until the conclusion of Next Annual General Meeting and is recommended for re-appointment. Certificate from auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Acknowledgements

The Directors take pleasure in thinking the Company's business associates / customers, and bankers for their continued support. The Directors also acknowledge the appreciation of the sincere effort, contribution and cooperation of the employees.

For and on behalf of the Board of Director

Director

Director

Date: 01/09/2012

Place: Mumbai

AUDITORS' REPORT

To the Members of Jayant Mercantile Company Limited

1. We have audited the attached Balance Sheet of **Jayant Mercantile Company Limited** (“**the Company**”) as at 31st March 2012 and the statement of Profit & Loss and the Cash Flow Statement for the year on that date annexed thereto (together referred to as ‘financial statement’). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (“the said Order”) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, on the basis of such checks of the books and records of the Company as we considered necessary and appropriate, and according to the information and explanations given to us, during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 the books;
 - (iii) the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance in all material aspect with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956 so far as they apply to the Company.

- (v) on the basis of the written representation received from the Directors as at 31.03.2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31.03.2012 from being appointed as director under Sec. 274 (1) (g) 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 financial statements read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the statement of the Profit and Loss, of the Profit 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

For D.M.Oza and Associates

Chartered Accountant

Firm Registration No.: 119407W

Deepak M Oza

Proprietor

M.No. 106993

Place: Mumbai

Date: 01/09/2012

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of our report of even date to the members of the **Jayant Mercantile Company Limited** on the financial statements for the year ended March 31, 2012

- i. a) The Company has 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. In our opinion, the frequency of verification of the fixed assets is reasonable having regards to the size of the Company and the nature of its fixed assets.
 - c) During the year, the Company has not disposed off any Fixed Assets. Hence clause 4(i)(c) of the Order is not applicable to the Company.
- ii. Since the Company is finance Company, hence clauses pertaining to inventories are not applicable to the Company.
- iii. The Company has neither granted nor taken any loans secured or unsecured loans to /from Companies, firms or other parties covered in the registers maintained under section 301 of the Companies Act, 1956. Consequently, paragraph 4(iii)(a),(b),(c),(d), (e),(f) and (g) of the Companies (Auditor's Report) Order ,2003 are not applicable .
- iv. According to the information and explanations given to us there are generally adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. The Company had no transactions of purchase of inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v. a. In our opinion and according to the information and explanations given to us , the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section .
 - b. According to the information and explanations given to us, there is no transaction (except advance received for acquisition of property) in excess of Rs. 5 lakhs in respect of any party and hence the question of reasonable price in respect of such transaction regards to the prevailing market prices does not arise.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under. We are informed that no order has been

passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any court or any other tribunal.

- vii. The Company have a formal internal audit system. However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
- viii. According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for any of the activities of the Company. Hence the question of reporting under clause 4(viii) of the said Order does not arise.
- ix.
 - a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Income Tax Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess & other material statutory dues applicable to it with the appropriate authorities.
 - b) As per records of the Company and according to the information and explanation given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax , Sales Tax, Customs Duty, & Excise Duty as at 31.03.2012 for a period more than six months from the date they become payable.
 - c) According to the information & explanation given to us, there are no dues of Sale Tax, Income tax, customs duty, Service Tax, wealth tax, excise duty and Cess which have not been deposited on account of any dispute.
- x. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- xi. According to information & explanations given to us, the Company has not raised any loan from Banks or financial institution, hence clause 4 (xi) of the order are not applicable to the Company.
- xii. According to information & explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. The provision of clause 4 (xiv) of the order are not applicable as the Company is not dealing in or trading in shares, securities, debentures, and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from a bank or financial institutions and hence the provision of clause 4 (xv) of the Order is not applicable to the Company.

- xvi. According to the information and explanations given to us, the Company has not taken any Term Loan and hence provision of clause 4(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and as on overall examination of the Balance Sheet of the Company, We report that no funds raised on short term basis have been used during the year for the long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. During the year covered by our audit report, the Company has not raised any money by way of public issue.
- xxi. During the course of our examination of the books of account, carried out in accordance with generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any incidence of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by management.

For D.M.Oza and Associates

Chartered Accountant

Firm Registration No.: 119407W

Deepak M.Oza

Proprietor

M.No. 106993

Place: Mumbai

Date: 01/09/2012

Jayant Mercantile Company Limited			
Balance Sheet As At 31st March, 2012			
PARTICULARS	Notes	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	1,99,20,000	1,99,20,000
(b) Reserves and surplus	3	1,58,92,670	1,58,47,603
		3,58,12,670	3,57,67,603
(2) Non-current liabilities			
(a) Long Term Borrowings	4	5,83,133	5,83,133
(3) Current liabilities			
(b) Other current liabilities	5	1,30,005	6,07,085
TOTAL		3,65,25,808	3,69,57,821
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		3,057	3,597
(b) Non Current Investments	7	12,07,186	12,07,186
(c) Long term loans & Advances	8	3,07,90,635	3,32,48,635
		3,20,00,878	3,44,59,418
(2) Current assets			
(a) Trade receivables	9	21,65,852	21,65,852
(b) Cash and cash equivalents	10	22,95,439	2,68,911
(c) Short term Loans and advances	11	63,640	63,640
		45,24,931	24,98,403
TOTAL		3,65,25,808	3,69,57,821
Summary of Significant accounting policies	1	0	
Notes forming part of the financial statements	17		
As per our report of even date			
For D.M.Oza and Associates			
Chartered Accountants		For and on behalf of the Board of Directors	
Firm Registration No. 119407W			
Deepak M.Oza			
Proprietor	Director		Director
Membership No. 106993			
Place : Mumbai			
Date: 01/09/2012			

Jayant Mercantile Company Limited			
Statement of profit and loss account for the year ended 31st March, 2012			
PARTICULARS	Note No	AS AT	AS AT
		31-Mar-12	31-Mar-11
		Amount in Rs.	Amount in Rs.
INCOME			
Revenue from operations	12	6,77,800	5,06,462
Other Income	13	6,388	2,940
Total		6,84,188	5,09,402
EXPENDITURE			
Employee Benefits Expenses	14	1,95,358	1,86,470
Finance Cost	15	1,158	1,653
Depreciation/Amortisation	6	540	635
Other Expenses	16	4,21,565	2,28,533
Total		6,18,621	4,17,291
Profit before Tax		65,567	92,111
Less : Provision for Taxation			
- Current tax - Current Year		20,500	29,800
- Deferred tax		-	-
Net Profit / (loss) for the year		45,067	62,311
[Net Profit after tax from continuing & discontinuing operations]			
Earnings per share [Equity Shares par value Re.1/- each]			
Basic and Diluted Earnings per Share		0.00	0.00
[Refer Note 18]			
Summary of Significant accounting policies			
Notes forming part of the financial statements	17		
As per our report of even date			
For D.M.Oza and Associates			
Chartered Accountants		For and on behalf of the Board of Directors	
Firm Registration No: 119407W			
Deepak M.Oza			
Proprietor	Director		Director
Membership No. 106993			
Place : Mumbai			
Date: 01/09/2012			

Notes forming part of the financial statements

I. 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/ Amortisation

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) Investments

Long term Investments are stated at cost.

(e) Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration the benefits admissible under the provisions of Income Tax Act, 1961.

2: Share Capital

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Authorised 20,000,000 Equity Shares of Re.1/- each	2,00,00,000	2,00,00,000
Issued, Subscribed and Paid up 19,920,000 Equity Shares of Re.1/- each fully paid up.	1,99,20,000	1,99,20,000
Total	1,99,20,000	1,99,20,000

2. a. The Details of Shareholders holding more than 5% shares:

Name	2011-2012		2010-2011	
	No. of Shares	%	No. of Shares	%
1. Archi Shares & Stock Brokers Pvt. Ltd	58,30,336	29.27%	58,30,336	29.27%
2. Surendra Fine Lab Pvt. Ltd.	25,60,000	12.85%	25,60,000	12.85%
3. Unicon Securities Pvr. Ltd.	70,00,000	1.65%	70,00,000	35.14%

b: Reconciliation of number of shares outstanding at the beginning and at the end of the reporting

Equity shares	AS AT 31-Mar-12	AS AT 31-Mar-11
No. of shares at the beginning of the year	1,99,20,000	1,99,20,000
Add: Issue of Shares during the year	-	-
No. of shares at the end of the year	1,99,20,000	1,99,20,000

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 the shareholders.

3: Reserves and Surplus

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
General reserves As per last year Balance Sheet	1,56,02,087	1,56,02,087
Surplus in statement of Profit and Loss		
Opening Balance	2,45,516	1,83,205
Add: Profits for the year	45,067	62,311
Balance Available for Appropriations	2,90,583	2,45,516
Total	1,58,92,670	1,58,47,603

4: Long Term Borrowings

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Unsecured Loan Loan from H D F C	5,63,133	5,63,133
Unsecured Loan From Directors	20,000	20,000
Total	5,83,133	5,83,133

5: Other Current Liabilities

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Sundry Creditors - For Expenses	26,028	4,79,718
Provision for Income Tax (net of advance tax)	1,03,977	1,27,367
Total	1,30,005	6,07,085

6: Fixed assets

DESCRIPTION OF ASSETS	Rate of Depreciation	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
		As at April 1, 2011	Additions	As at March 31, 2012	Up to March 31, 2011	For the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Furniture	15.00	1,21,126	-	1,21,126	1,17,529	540	1,18,069	3,057	3,597
Total		1,21,126	-	1,21,126	1,17,529	540	1,18,069	3,057	3,597
Previous Year		1,21,126	-	1,21,126	1,16,894	635	1,17,529	3,597	4,232

7: Non Current Investments

At Cost or Net Realisable whichever is lower. Cost is determined on FIFO basis.

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Investment in Shares		
Equity Shares (Quoted)		
Prrenneta Industries Limited (FV 10 & No. of Shares 40,00,000)	6,39,986	6,39,986
Immovable Properties		
Flat No. 6, Gulmohar Vihar, Nashik.	5,67,200	5,67,200
	12,07,186	12,07,186
The above investment yet to be transferred in the name of the company		

8: Long term loans & Advances

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Other loans & advances	3,07,90,635	3,32,48,635
Total	3,07,90,635	3,32,48,635

9: Trade Receivables

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Trade Receivable - Others Unecured, considered good	21,65,852	21,65,852
Total	21,65,852	21,65,852

10 : Cash and Cash Equivalents

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Cash in hand	22,37,893	2,54,868
Balances with banks: - in current accounts	57,546	14,043
Total	22,95,439	2,68,911

11: Short term Loans and advances

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Advances Recoverable in Cash or in Kind	63,640	63,640
Total	63,640	63,640

12: Income From Operations

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
<u>Revenue from operations</u>		
Consultancy charges	6,77,800	5,06,462
Total	6,77,800	5,06,462

13: Other Income

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Dividend on Mutual Fund	6,388	2,940
Total	6,388	2,940

14: Employee Benefits Expenses

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Salary, bonus and other allowances	1,80,000	1,62,000
Staff Welfare	15,358	24,470
Total	1,95,358	1,86,470

15: Financial Expenses

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Bank Commission	1,158	1,653
Total	1,158	1,653

16: Other Expenses

PARTICULARS	AS AT 31-Mar-12 Amount in Rs.	AS AT 31-Mar-11 Amount in Rs.
Telephone Expenses	10,698	7,625
Demat Charges	-	464
Listing Fees & Filing Fees	16,545	12,530
Office Expenses	18,843	51,935
Professional Fees & ROC	28,000	4,000
Printing & Stationery	1,500	300
Custodial Fees	35,648	13,236
Conveyance	22,575	33,723
Share Transfer Exp.	1,74,316	-
Rent Paid	1,08,000	1,00,000
Electric Exp.	5,440	4,720
Total	4,21,565	2,28,533

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

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

19. During the year under review, no employee was in receipt of remuneration in excess of the limits specified u/s.217 (2A) of the Companies Act, 1956.

20. Earning Per Share has been computed as under:

Earning Per share = Net Profit attributable to shareholders / Weighted Number of Shares Outstanding

Particulars	As At 31/03/2012	As At 31/03/2011
Net Profit After Taxation	45,067	62,311
Net Profit attributable to shareholders	45,067	62,311
Weighted Number of Shares Outstanding- Basic	19920000	19920000
Weighted Number of Shares Outstanding - Diluted	19920000	19920000
Earning Per share - Basic (Rs.)	0.00	0.00
Earning Per share - Diluted (Rs.)	0.00	0.00

21. The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date
For D.M. Oza and Associates
Chartered Accountants
Firm Registration No.: 119407W

For and Behalf of the Board of Directors

Deepak M Oza
Proprietor
Membership No: 106993

Director

Director

Place: Mumbai
Date: 01/09/2012

Jayant Mercantile Company Limited		
Cash Flow Statement for the year ended 31st March 2012		
Particulars	Amount 31.03.2012	Amount 31.03.2011
(A) Cash Flow from Operating Activities		
Net Profit After Tax	45,067	62,311
Provision for tax	20,500	29,800
Adjustment for :		
Depreciation	540	635
Net Operating Profit before change in Operating Assets	66,108	92,746
Increase / (Decrease) in Operating Assets		
Increase in Debtors	-	2,06,914
Increase / (Decrease) in loan & Advances	-	5,000
Increase in Creditors	(4,53,690)	-
Provision for Taxation	(43,890)	-
Net Cash Flow From Operating Activities (A)	(4,31,472)	3,04,660
(B) Cash Flow from Investing Activities		
Sale of Investment	-	-
Net Cash Flow From Investing Activities (B)	-	-
(C) Cash Flow From Financing Activities		
Increase / (Decrease) in Secured Loan		
Increase / (Decrease) in Unsecured Loan	24,58,000	(3,00,000)
Net Cash Flow From Financing Activities (C)	24,58,000	(3,00,000)
Net Increase/(Decrease) in		
Cash & Cash Equivalent (A+B+C)	20,26,528	4,660
Cash & Cash Equivalent as at beginning	2,68,911	2,64,251
Cash & Cash Equivalent as at end	22,95,439	2,68,911
As per our report of even date		
For D.M.Oza and Associates	Jayant Mercantile Company Limited	
Chartered Accountants	For and on behalf of the Board of Directors	
Firm Registration No : 119407W		
Deepak M.Oza	Director	Director
Proprietor		
Membership No. 106993		
Place : Mumbai		
Date: 01/09/2012		