

24th
Annual Report & Accounts
2008-2009

PMC

**PRITI MERCANTILE
COMPANY LIMITED**

**Annual General Meeting on 25.09.2009
on Friday at the Registered office of
the Company at 10-B, VIP Colony,
Civil Line, Rampur (U.P.)**

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PRITI MERCANTILE COMPANY LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R.K.Modi
Mr. D.K.Gupta
Mr. Krishan Gupta
Mr. Sanjay Singh
Mr. R. A. Tripathi

STATUTORY AUDITORS

M/S M.M.Goyal & Co.
Chartered Accountants
208, Allied House, Inderlok,
Delhi-110035.

PRINCIPAL BANKERS

HDFC Bank Ltd.
Bank of Baroda
The Bank of Rajasthan Ltd.

REGISTERED OFFICE

10-B, VIP Colony, Civil Line,
Rampur,(U.P.)

REGISTRAR & SHARE TRANSFER AGENT

Indus Portfolio Pvt. Ltd.
G-65, Bali Nagar, New Delhi - 110 015

CORPORATE OFFICE

15/76, Old Rajender Nagar
2Nd Floor, New Delhi - 110 060.

***STOCK EXCHANG WHERE COMPANY'S
SHARE IS LISTED***

The Uttar Pradesh Stock Exchange
Association Ltd.

ISIN NO.

INE 793G01019

PRITI MERCANTILE COMPANY LTD.

NOTICE

Notice is hereby given that the Twenty Forth Annual General Meeting of the Members of **M/S PRITI MERCANTILE COMPANY LIMITED** will be held on 25.09.2009 on Friday at the Registered office of the Company at 10-B, VIP Colony, Civil Line, Rampur (U.P.) at 10:00 A.M. to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2009 and the reports of the Directors and the auditors thereon.
2. To declare dividend.
3. Mr. R. K. Modi, Director of the Company retire by rotation and offer himself for re-appointment.
4. Mr. D. K. Gupta, Director of the Company retire by rotation and offer himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s M. M. Goyal & Co., Chartered Accountants be and are hereby reappointed as statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on Such remuneration and other terms and conditions as may decided by the Audit Committee/ Board of Directors.

SPECIAL BUSINESS :

6. To consider any thought fit, to pass with or without modifications the following resolution as a **Special Resolution:**

"RESOLVED THAT" Subject to the approval of members at the Annual General Meeting by way of special resolution, in terms of section 81(1A) and all other applicable provisions, if any, of the companies Act, 1956 (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and in accordance with the Guidelines, Rules and Regulations of the Securities and Exchange Board of India (SEBI), including the SEBI (Substantial Acquisition of shares and Takeover) Regulations, 1997, the Reserve Bank of India , and the Government of India (including any statutory amendment(s) or re-enactments(s) thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company and subject to such terms, conditions and modifications as may be considered appropriate and approved by the Board of Directors of the company (hereinafter referred to as "the Board" which expression shall include any committee thereof for time being to which all or any of the power conferred on the Board by this Resolution, may have been delegated) and subject also to such approvals, consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any, required by the appropriate authorities, as may be required and such terms and conditions, if any, as may be prescribed while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors be and is hereby authorised to offer, issue and allot 50,00,000 warrants to the Non-Promoters and table hereinafter:

Sr. No.	Name of Non-Promoters	No. of Warrants
1.	Economy Suppliers Private Limited	10,00,000
2.	Embassy Sales Private Limited	10,00,000
3.	Seabird Distributors Private Limited	10,00,000
4.	Seabird Retails Private Limited	10,00,000
5.	Seabird Vincon Private Limited	10,00,000
	Total	50,00,000

PRITI MERCANTILE COMPANY LTD.

Providing holder of warrant entitlement of one fully paid up equity shares for one warrant at a subscription price of Rs.40/- per Equity shares (inclusive of premium of Rs.30/- per Equity shares, or at price as may be mutually agreed but not less than price calculated as per DIP Guidelines 13.1.1.1 being higher of the following:

- a) The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- b) The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date per equity shared on a preferential allotment basis for cash.
 - (i) The issued equity shares for exchange of warrants shall be subjects to Memorandum and Articles of Association of the company;
 - (ii) The issued equity shares shall rank pari passu in all respects with the existing equity shares of the company including right to dividend; and
 - (iii) The Relevant Date" for the preferential issue, as per SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended up to date, for the determination of the applicable price for the issue of the abovementioned equity shares is 13th August, 2009 being the date 30 days prior to the date of Passing of this Resolution.
 - (iv) An amount equivalent to at least Twenty Five per cent of the price fixed in terms of Clause 13.1.1.1 above shall become payable for the warrants on or before the date of the allotment and balance amount shall be paid before the exchange of Warrants for equity shares otherwise and the said amount be forfeited, in case the option to acquire equity shares in not exercised within period of 18 months from the date of issue of warrants.
 - (v) The amount referred to in sub-clause (iv), shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option for the purpose.

The allotment is excepted to be completed within 15 days of the date of passing of the resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority such as getting in principle approval of the Stock Exchange or any Central Government, the allotment is expected to be completed within 15 days from the date of such approval.

RESOLVED FURTHER THAT the warrants (including equity shares issued on exchange of warrants) issue to the allottees being non promoters shall bear a lock-in period of 12 months from the date of allotment of warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of fresh Equity shares, to effect any modification to the foregoing (including any modification to the terms of the issue) in the best interests of the company and its shareholders and to execute all such writings and instrument as the Board may in its absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board is hereby authorised to accept such terms and conditions as the SEBI and or Stock Exchange may stipulated in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the power conferred on its by or under this Resolution to any Committee of Directors of the Company any other officer(s) or employee(s) of the Company or any professional as it may consider appropriate in order to give effect to this Resolution."

PRITI MERCANTILE COMPANY LTD.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **special Resolution:**

"RESOLVED THAT to provide liquidity to securities, increase in value of share holder and protect interest of investors by ensuring full disclosure in this regard the Board of Directors recommends to list company shares also at The Calcutta Stock Exchange Association Ltd presently the company are listed at The Uttar Pradesh Stock Exchange Association Ltd., there have been no trading in the shares of the company on the exchange for past 3-4 years.

RESOLVED FURTHER THAT the Board Of Directors be and is hereby authorized to take all necessary steps in this regard in order to comply with all the procedural formalities to grant approval for listing of shares in accordance with the provision of the securities contract (Regulations) Act, 1956, securities (Regulations) Rules 1957, companies Act, 1956, guidelines issued by the SEBI and Rules Bye Laws and Regulations and further to authorized any in director/officers of the company to do all such act as may be necessary to give effect to this resolution.

**By Order of the Board.
For PRITI MERCANTILE COMPANY LIMITED**

Place : New Delhi
Date : 14.08.2009

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

NOTES:

1. Member entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Member requested to bring their attendance slip along with the copy of Annual Reports at the Meeting.
4. An Explanatory pursuant to Section 173(2), of the Companies Act, 1956 relating to the special business to be transacted at the meeting is enclosed herewith.
5. The Instruments appointing a proxy should however be deposited at the registered office of the company not less then 48 Hours before the commencements of the meeting.
6. The shares Transfer Book and Members Register of the company will remain closed from 21ST Sep. 2009 to 25TH Sep. 2009 (both days inclusive) in terms of the provision of section 154 of the companies act.1956.
7. As required the listing agreement, details of the Directors retiring by rotation (item no. 3,4 & 5 notice) and are eligible for re-appointment is annexed herewith.
8. The shares holder are requested to notify changes in these respective addresses if any to the registered office / Registrar & Share Transfer agent of the Company quoting their folio no.

PRITI MERCANTILE COMPANY LTD.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be re-appointed.

At the ensuing Annual general Meeting, Mr. R. K. Modi & Mr. D.K. Gupta, directors of the company retire by rotation and being eligible offer themselves for re-appointment.

The brief resume, experience, functional expertise and the membership on various Board and Committees, of the Directors proposed to be re-appointed at item no. 3 and 4 of the notice as per the corporate Governance code defined under clauses 49 of the Listing Agreement are furnished below:

Mr. R. K. Modi : Mr. Raj Kumar Modi has over 15 years of experience in management & Marketing in field of financial sector and capital market.

Mr. D. K. Gupta : Dhirender Kumar Gupta has over 8 years experience in Capital Market.

Name of the Directors	Mr. R. K. Modi	Mr. D. K. Gupta
Date of Birth	13th November 1967	1st Apr. 1970
Age	42 years	39 years
Date of Appointment	27.01.2003	27.01.2003
Experience in Specified Functional area	Rich & vast experience of over 15 years In financial Market	Experience in Capital Market.
No. of Share Held in the Company	30000 Shares	21600 Shares
Qualification	B.Com	B.Com
List of other companies in Which associated as director	i) RRP Management Services Private Limited ii) Prabhat Management Services Private Limited.	Nil
Chairmen Membership of the Committee of the Board of other Companies in which associated as Director.	Nil	Nil

PRITI MERCANTILE COMPANY LTD.

EXPLANATORY STATEMENT UNDER 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

It has proposed to raised funds through preferential issue and allotment of warrants entitling the warrant holders to exchange one equity share to one warrant in future, in term of resolutions to persons mentioned in the resolution being non promoter at price not being less than the price calculated as per SEBI DIP guidelines 2000.

The securities so issued shall be in a lock-in period of 12 month from the date of allotment.

The relevant date for purpose of calculating the price of the warrant being allotted pursuant to this resolution is 13th August 2009 being the date 30 days prior to the date of passing of this resolution .

The proposed preferential allotment shall not result in any change in the management / control, and that the existing promoters will remain in management and control.

Disclosures pursuant to the SEBI DIP Guidelines.

The Following disclosures are made pursuant to the provisions of SEBI DIP guidelines.

(i) Object of the issue through preferential offer.

The funds raised through preferential issue have been mainly utilized for the purpose of re-payment of unsecured loan & creditors of the company and enhance finance business activity to maximized return.

(ii) Promoter do not intend to subscribe.

(iii) Proposed time within which the allotment will be completed:

The allotment of the equity shares in expected to be completed within 15 days of the date pf passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority such as getting in principal approval of the Stock Exchange or any Central Government, the allotment is expected to be completed within 15 days from the date of such approval.

(iv) The identities of the proposed allot tees and the percentage of the preferential issue capital that may be held by them:

The proposed allottees are non promoters and bodies corporate known to the promoters of the company and the percentage of the post preferential issue capital is a mentioned herein above under item no. (iii) of Disclosures pursuant to the SEBI DIP Guidelines.

(v) The consequential changes in shareholding pattern will be as follows:

	Existing Share Holding		Post Conversion of warrants to be allotted on	
	No. of Shares	%	No. of Shares	%
Promoters	1434772	29	1434772	14.32
Economy Suppliers Pvt. Ltd.	0	0	1000000	9.98
Embassy Sales Pvt. Ltd.	0	0	1000000	9.98
Seabird Distributors Pvt. Ltd.	0	0	1000000	9.98
Seabird Retails Pvt. Ltd.	0	0	1000000	9.98
Seabird Vincon Pvt. Ltd.	0	0	1000000	9.98
Public	3583028	71	3583028	35.78
TOTAL	5017800	100	10017800	100

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A copy of the certificate of Statutory Auditors of the Company certifying that the issue of warrants is being made in accordance with the requirements of SEBI Guidelines for preferential issue in the SEBI DIP Guidelines shall be placed before the shareholders at this General Meeting.

Issuance of Share of preferential basis, inert alia, by the provision of section 81(1A) of the Companies Act, 1956 and the relevant provisions of the SEBI DIP Guidelines and which requires approval of the members of the company by way of special resolutions for issuance of warrants on preferential allotments basis.

The Board recommended for consent of the shareholders by passing special resolution pursuant to the provisions of section 81 (1A) and other applicable provisions of the companies Act 1956 and in terms of the provisions of the listing agreement executed by the company with the Stock Exchange in India where the equity shares of the company are listed.

The said special resolutions, if passed, shall have the effect of allowing the Board on behalf of the company to issue and a lot the securities otherwise than on pro-rata basis to the existing shareholders.

The Board of Directors believe that such issue is in the interest of the company and thereof recommended this special resolutions for your approval.

None of the directors are concerned and interested to the extent of their acquisition of warrants.

Item No. 7

Presently, the Company's Equity Shares are listed at The Uttar Pradesh Exchange Association Ltd. There have been no trading in the equity shares of the company on the stock exchange for past 3-4 years. Further, owing to Expansion of the Calcutta Stock Exchange & their extensive networking and extension of their terminal investor have access to online dealing in the company's equity shares on such terminal, the Company Equity Shares are one of the scripts which the SEBI has specified for settlement only in dematerialized form by all investors since 25th September 2000 and accordingly there is no physical movements (giving or taking delivery) of share certificate for transaction taking place in the stock exchange.

In this background the Board of Directors Recommended for your approval by special resolution, for listing of Equity Shares of the Company also at The Calcutta Stock Exchange and requisites approval to be obtained from them in terms of the SEBI guidelines.

The Board of Directors believe that such issue is in the interest of the company share holders and therefore recommended this special resolutions for your approval.

None of the Directors are concerned or interested in this resolutions.

**By Order of the Board.
For PRITI MERCANTILE COMPANY LIMITED**

Place : New Delhi
Date : 14.08.2009

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

PRITI MERCANTILE COMPANY LTD.

DIRECTORS REPORT

To,

The Shareholders,

PRITI MERCANTILE COMPANY LIMITED

Your Directors have pleasure in presenting the Twenty Forth Annual Report along with the audited accounts of your Company for the year ended on 31st March 2009.

BUSINESS PERFORMANCE :

	Year ended 31.03.09	Year ended 31.03.08
Gross Income	149283183	18862190
Total Expenditure	133278621	15251032
Net Profit /Loss For The Year	16004562	3611158
Less: Provision For Tax	1826317	422654
Profit after Tax	14178245	3188504
Less: Deferred Tax Liabilities/Assets	3059	1162
	14175186	3189666
Profit / Loss brought from Pr.Year	2352667	2098414
Amount available for Appropriation	16527853	5288080
Proposed Dividend	5017800	2508900
Tax On Proposed Dividend	852775	426513
Balance Carried to Balance Sheet	10657278	2352667

DIVIDEND

Keeping with the improved performance of your company during the year 2008-09, your Directors are pleased to recommend a dividend of 10%, i.e. Re. 1 per share on the equity shares for the year ended 31st March. 2009,

PERFORMANCE

Your Director are pleased to inform you that your company has achieved spectacular growth in turnover & profit. The resources of the company were optimally utilized to maximized the return with minimized risk. The proactive & pragmatic approach of the company has reflected in the results.

CONSULTANCY & FINANCIAL SERVICES

Your Company continues to get good assignment in field of financial services. During the year, your company earned a gross income of Rs. 50.75 Lacs from financial services & there is wide scope of development of financial services & consultancy services. Your company is keen to develop this activity. This year your company to focus on the retail / inter-corporate loan segment as in earlier year, new loans during the year amounted to Rs. 1407 lacs as against Rs. 356 lacs for the previous year.

INVESTMENT DIVISION

Your company continues to explore good opportunities to invest fund of the company to enhance the shareholders value. Although income from investment activities has demonstrated modest growth during the year and your company has adopted a policy of long term investments, which will also definitely give the very good result in near future.

NBFC REGISTRATION

The company has registered with Reserve Bank Of India as Non Banking Finance Company vide Registration No. 12.00128 dated. 1st April 1998. The company has a net worth of above Rs. 10.00 Crores.

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DEPOSITS

The company did not invite / accept / renew any fixed deposit during the year within the meaning of section 58 (A) of the Companies Act. 1956 and Companies (Acceptance of deposits) Rules 1975.

UTILISATION OF PREFERENTIAL ISSUE PROCEEDS

The company raised 20.00 Crores through preferential issue of 50.00 Lacs warrants. The funds raised through preferential issue have been utilized for the purpose of re-payment of unsecured loan & creditors of the company.

DEMATERILISATION OF SHARES

Your Company has connectivity with the NSDL for dematerilisation of its equity share. The ISIN no. INE 793G01019 been allotted for the company. Therefore, the member and/ or investors may keep their share holding in the electronic mode with their Depository Participates

DIRECTORS

Mr. R.K. Modi, Mr. D. K. Gupta, Directors of the Company retire by rotation, being eligible offers himself for re-appointment. The Board of Directors Recommends their re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act 1956, relating to the Directors responsibility statement it is hereby confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departure.
2. The Directors had selected such 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 affairs of the company as at 31st March 2009 and of the profit of the company for the year ended on that date.
3. The Directors had taken proper and sufficient care for the maintenance of adequate 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. The Directors had prepared the annual accounts on a "going concern" basis.

AUDITORS

M/S M.M.Goyal & Co., The Auditors Retire at the ensuing annual general meeting but being eligible offer themselves for re- appointed. The Company has received the letter from the auditors to the effect that their appointment if made it would be within the prescribed limits under section 224 (1A) of the Companies Act. 1956. Your Directors Recommended reappointment of M/s M.M.Goyal & Co. as the Auditors of the Company.

AUDITORS REPORTS

The observation of the Auditors in the reports, read with noted annexed to accounts, are self explanatory and therefore do not call for the any future comments and explanation Under Section 217 (3) of the Companies Act. 1956.]

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of the Energy, Conservation Research and Development activities undertaken by the company along with the information in accordance with provision of section 217 (6) of the Companies Act. 1956 read with the companies (Disclosure of the particulars in respect of the Board Of Directors), Rules , 1998 is given in the annexure.

PRITI MERCANTILE COMPANY LTD.

PERSONNEL

Your Directors wish to acknowledge the support and valuable contributions made by the employees, at all levels. We continue to train and motivate our workforce to enhance their contributions, towards the goal of your company.

Particular of the employees, as required under section 217(2a) of the companies Act. 1956 read with the companies (Particulars of Employees) Rules, 1975 are given in a separate annexure, attached and forms part of this report.

STATEMENT PURSUANT TO LISTING AGREEMENTS

The Company's shares are listed with U.P. Stock Association Ltd. your company has paid the respective Annual Listing fee up to date and there are no arrears.

CORPORATE GOVERNANCE REPORT

As required by clause 49 of the listing agreement, Corporate Governance, management decisions and Analysis and Auditor Report on compliance with the corporate governance requirements have been included in this Annual Report as separate section.

ACKNOWLEDGEMENT

The Directors with the place on record their appreciation of the contribution made by the employees at the all level, achieve better results. The Directors also wish the thanks customer, bank, etc. for their continued support. Finally your Directors would like to express their sincere & while hearted gratitude to all of you for your faith in us in your corporation & never failing support.

By Order of the Board.
For PRITI MERCANTILE COMPANY LIMITED

Place : New Delhi
Date : 14.08.2009

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

PRITI MERCANTILE COMPANY LTD.

ANNEXURE TO DIRECTORS' REPORT

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. Philosophy on code of Corporate Governance:

The Fundamental object of Corporate Governance is the enhancement of Shareholder value, keeping in view the interest of other stakeholders. It refers to a blend of law, regulations and voluntary practices, which enable the Company to harness financial and human capital, perform efficiently and expediently, and thereby perpetuate it into generating long term association and economic value for its Shareholders, while respecting interests of other stakeholders and the society at large.

It aims to align interests of the Company with its Shareholders and other key stakeholders. The principal Characteristics of Corporate Governance are Transparency, Independence, Accountability, Responsibility and Social Responsibility.

To sum, Corporate Governance focuses on equitable treatment of all shareholders and reinforces that it is "Your Company" as it belongs to you, the Shareholders.

The Chairman and the Board of Directors are your fiduciaries and trustees pushing the business towards maximizing value for its shareholders.

2. Board of Directors

The Board of Directors comprises of optimum combination of Executive Directors and Non- Executive Directors, each with an expertise in their field of operation. The Composition of Board of Directors is as under:-

Non-Executive	2 No.
Executive	1 No.
Independent	2 Nos.
	<u>5 Nos.</u>

During the year 2008 - 09, the Board met 9 (Nine) times (as against the minimum requirement of four meetings) on the following dates, namely:-

April 05, 2008, April 30, 2008, July 31, 2008, August 30, 2008, September 15, 2008, October 31, 2008, January 05, 2009, January 31, 2009 and March 05, 2009.

The following table gives details of directors, attendance of directors at the board meetings and at the last Annual General Meeting :-

Sl. No.	Name	Category Membership	Attendance Particulars	
			Board Meeting	Last AGM
01.	Sh. R. K. Modi	Director (Executive)	9	Yes
02.	Sh. D. K. Gupta	Director (Non- Executive)	9	Yes
03.	Sh. Kishan Gupta	Director (Non-Executive)	0	No
04.	Sh. R. A. Tripathi	Director (Independent)	9	Yes
05.	Sh. Sanjay Singh	Director (Independent)	9	Yes

None of the Directors is a member in more than ten committees across all companies in which he is a director.

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Particulars of Directors:

Directors seeking re-appointment :

Mr. R. K. Modi : Mr. R. K. Modi : Mr. Raj Kumar Modi has over 15 years of experience in management & Marketing in field of financial sector and capital market.

Mr. D. K. Gupta : Dhirender Kumar Gupta has over 8 years experience in Capital Market.

Name of the Directors	Mr. R. K. Modi	Mr. D. K. Gupta
Date of Birth	13th November 1967	1st Apr. 1970
Age	42 years	39 years
Date of Appointment	27.01.2003	27.01.2003
Experience in Specified Functional area	Rich & vast experience of over 15 years In financial Market	Experience in Capital Market.
No. of Share Held in the Company	30000 Shares	21600 Shares
Qualification	B.Com	B.Com
List of other companies in Which associated as director	i) RRP Management Services Private Limited	Nil
	ii) Prabhat Management Services Private Limited.	
Chairmen Membership of the Committee of the Board of other Companies in which associated as Director.	Nil	Nil

3. Compliance report

The Board periodically reviews compliance report of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.

4. Code of Conduct

Pursuance to the provisions of clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team.

All Board Members and Senior Management Team have affirmed compliance of code of conduct as on 31.03.2009 and a declaration to that effect signed by Director is attached and forms part of this report.

5. Risk Management

Your Company is aware of the risks associated with its business in the present day business scenario and volatile economic environment.

It has started analysing the various risks involved and has initiated corrective action for mitigating/managing the same. The company has also laid down procedures to inform the Board members about the risk assessment and procedures for minimizing the same.

6. Audit Committee

A) Composition and Meeting of the Audit Committee:

The Audit Committee acts as a link between the Management, the Statutory and internal Auditors and the Board of Directors. The current composition of the Audit Committee is as under:

During the financial year 2008-09, meetings of the Audit Committee were held 4 (Four) times i.e. on April 30, 2008, July 31, 2008, August 30, 2008, and January 31, 2009.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. D. K. Gupta	4	4
Sh. R. A. Tripathi	4	4
Sh. Sanjay Singh	4	4

B) Powers of Audit Committee

The audit committee of the company is vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

C) Role of Audit committee

The Terms of reference/role stipulated by the Board for the Audit Committee, as contained under Clause 49 of the Listing Agreement are as follows:

1. Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters require to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies, practices and the reasons for the same.
 - c. Significant adjustments made in the financial statement arising out of audit findings.
 - d. Compliance with the listing and other legal requirements relating to the financial statements.
 - e. Disclosure of any related part transactions.
 - f. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.

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7. Discussions with external auditors before the audit commences, nature and scope of audit as well as have post audit discussions to ascertain any area of concern.
8. To look into reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends).

D) Review of information by Audit Committee

The audit committee reviews the following information:

1. Management Discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.

7. Remuneration Committee:

No remuneration is paid to executive and Non-executive Directors except sitting fees for attending the meeting of Board of Directors and committee thereof. The fees paid for the year ended 31st March 2009 to the Directors are as follows:

Sl. No.	Name of the Directors	Amount in Rs.
1.	Sh. R. K. Modi	18000.00
2.	Sh. D. K. Gupta	34000.00
3.	Sh. R. A. Tripathi	34000.00
4.	Sh. Sanjay Singh	34000.00

8. Secretarial Audit

A qualified practicing Company Secretary carry out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) certify the total issued and listed capital. The secretarial audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of shares held in dematerialized form with NSDL.

9. Shareholders Grievance Committee

The working of the Shareholders Grievance Committee of your Company and its composition and other details are given below:

During the financial year 2008-09, meetings of the Shareholders Grievance Committee were held 4 (Four) times i.e. on April 30, 2008, August 30, 2008, September 15, 2008 and January 31, 2009.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. D. K. Gupta	4	4
Sh. R. A. Tripathi	4	4
Sh. Sanjay Singh	4	4

No complaint were pending at the end of the year.

10. General Body Meeting

Details of location, time and date of last three AGMs are given below:-

Financial year	Date	Time	Place
2005-2006	30.09.2006	12.30 P.M.	B/10, VIP Colony, Civil Lines, Rampur (U.P.)
2006-2007	29.09.2007	10.30 A.M.	Same as above
2007-2008	27.09.2008	11.30 A.M.	Same as above

Special Resolutions passed at the last 3 (three) AGMs:

Financial year	Items
2005-2006	NIL
2006-2007	NIL
2007-2008	NIL

Note: No Postal ballots were used/invited for voting at these meetings in respect of special resolutions passed as there were no requirements for compliance at that time.

11. Means of Communication

The Company communicates with the shareholders at large through its Annual report and financial results published therein.

The quarterly results are published in the newspaper and are not being sent to the shareholders.

12. Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company has not issued GDRs/ADRs/Warrants etc.

13. Management discussion and analysis

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance

14. Market price Data

There has been no trading in the U.P. Stock Exchange, Kanpur, during the year 2008-09.

15. Disclosures

The related party transactions have been disclosed in Notes of Account forming part of the Statement of Accounts for the financial year ended 31st March, 2009 and since the necessary disclosures were made in respect of the said transactions to the respective Board of Directors meeting, no transaction is considered to be in potential conflict with the interests of the company at large.

There has not been any non-compliance, penalties or strictures imposed on the company by the stock exchange (s), Securities and Exchange Board of India or any other statutory authority, on any matter relating to the capital markets, during the last three years.

PRITI MERCANTILE COMPANY LTD.

16. GENERAL SHAREHOLDER INFORMATION

16.1 Annual General Meeting	
Date and Time	September 25, 2009 at 10.00 A.M.
Venue	B/10, VIP Colony, Civil Lines, Rampur (U.P.)
16.2 Financial Year (2009-10)	
Annual General Meeting For the next year ending 31st March, 2010	Before September 30, 2010
16.3 Book Closure date	21.09.09 to 25.09.09
16.4 Dividend Payment date	25.10.2009
16.5 Listing of Equity Shares on Stock Exchange at	U.P. Stock Exchange
16.6 Stock Code	
ISIN Number	Equity Shares INE 793G01019
16.7 Registrar and Share Transfer Agent	INDUS PORTFOLIOS PVT. LIMITED G-65, Bali Nagar, New Delhi-110015

16.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of 15 (fifteen) days from the date of receipt provided the documents are complete in all respects. The Board of Directors has authorised the Registrar to approve all share transfers. The Registrar on receipt of Share transfer request, after confirming all details transfer the shares as per law and directly dispatches the same to the transferee.

16.9 Distribution of Share holding as on 31st March 2009.

Category	No. of Shares	% of Shares
Promoters' Holding(including foreign Promoters if any)	1434772	29%
Non Promoters' Holding	3583028	71%
TOTAL:	5017800	100%

16.10 Address for Correspondence:

Share Transfer and Demat

INDUS PORTFOLIOS PVT. LIMITED
G-65, Bali Nagar, New Delhi-110015

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Any query on Annual Report:

Secretarial Department
Priti Mercantile Company Limited
15/76, Old Rajinder Nagar,
IInd Floor, New Delhi-110060

PRITI MERCANTILE COMPANY LTD.

DECLARATION

To,
The Members of
Priti Mercantile Company Ltd.

Sub :- Declaration under clause 49 of the listing Agreement.

I hereby declare that all the Directors and the designations personnel in the senior Mangement of the Company have affirmed compliance with their respective codes for the financial year ended 31st March, 2009.

For Priti Mercantile Company Ltd.

Place : New Delhi
Date : 14.08.2009

R. K. Modi
Director

PRITI MERCANTILE COMPANY LTD.

To,

The Members of

Priti Mercantile Company Ltd.

Re: Financial Statements for the year ended 31st March, 2009 - Certification by Director.

I, R. K. Modi Director of the Company, to the best of my knowledge and belief, certify that:

1. I have reviewed the financial statements and cash flow statement for the year 31st March, 2009 and that to the best of my knowledge and belief:
 - (a) these statement do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading.
 - (b) these statement together present a true and faire view of the company's affairs and are in compliance with existing accounting standards applicable laws & regulations.
2. There are to the best of my knowledge and belief, no transaction entered into by the during the year which are fraudulent illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintain internal controls 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 control, if any of which I am aware and the steps I have taken or propose to take rectify theses deficiencies.
4. I have indicate to the Auditors and the Audit Committee :
 - (a) Significant changes in the internal control over financial reporting during the year under review.
 - (b) Significant changes in accounting policies during the year.
5. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the listing Agreement, for the current year.

Place : New Delhi

Date : 14.08.2009

R. K. Modi

Director

PRITI MERCANTILE COMPANY LTD.

**AUDITORS'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE
GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

To,

The Members

Priti Mercantile Company Ltd.

1. We have examined the compliance of the conditions of Corporate Governance by Priti Mercantile Company Ltd. For the year ended 31st, March, 2009 as stipulated in clause 49 of the listing agreement of the said company with Stock Exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with guidance not on certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement) issued by the Institute of the Chartered Accountants of India and was limited to the 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 the opinion on the financial statement of the company.
3. In our opinion and to the best of our information and explanation given to us and the representation made by the Directors and the management we certify that the company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.
4. We Further report that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. M. GOYAL & CO.
Chartered Accountants

Place : New Delhi
Dated: 14.08.2009

(Manmohan Goyal)
Partner
M.No. 86085

PRITI MERCANTILE COMPANY LTD.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC OVERVIEW

The financial crisis worldwide has called into question several fundamental assumptions and beliefs governing economic resilience and financial stability. Like all emerging economics, India too has impacted by the crisis. After clocking an annual growth of 8.9 percent on an average over the last five years (2003-08), India was affected by the global meltdown and clocked a modest GDP growth of 6.7 percent in the year 2008-09.

Despite the adverse impact noted above, there are several comforting factors that have helped India weather the crisis. First our financial markets, particularly our banks have continued to function normally, second, India's comfortable foreign exchange reserves provide confidence in our ability to manage and dampened capital flows. Third, headline inflation, as measured by the wholesale price index (WPI), has declined sharply, consumer price inflation too has begun to moderate fourth, because of the mandated agriculture lending and social safety-net programmes, rural demand to be robust.

OVERVIEW

The company is engaged in trading in shares, financial services and investment activities where the outlook of the business seems to be encouraging over and above we have been diversified into different businesses ranging from third party product distributions (lowest balance sheet risk) to originating unsecured personal loans (highest balance sheet risk). Priti Mercantile Company Ltd. carries out NBFC activities like financing corporate loan & personal loan.

FINANCIAL PERFORMANCE

The company has made an turnover of Rs. 14.92 Crore during the year with net profitability of Rs. 1.60 Crore. The company's income from operations primarily includes income from trading and distributions of financial products such as insurance, Mutual Fund, Bond and retail / QIB subscription for initial public offering, interest income from inter-corporate loan and long term investments.

FUTURE OUTLOOK

The future outlook of the company is very prospective and it urges to diversify the various areas related to financial market. Besides continuing aggressively in the existing growth areas, there are certain specific initiatives that we would like to highlight which the company would be undertaking in the financial year 2009-10. The Company is effectively putting together a growth strategy in the area of personal loans, inter-corporate loan and other financial services market.

Financial year 2008-09 was one of the most dismal year for investment fraternity. The liquidity crunch in September-October 08 forced a lot of corporate to defer their plans. Besides, the negative sentiment in the equity markets would have made fund raising difficult. With the sudden change in sentiment and market outlook, corporate activity is expected to increase.

SEGMENT REPORTING

Accounting standard 17 regarding Segment-wise Reporting does not apply to the Company since revenues are derived from only one segment i.e. finance activity.

OPPORTUNITIES & THREATS

India is one booming nation, with a median age of 30 and high disposable income. This shift in demographics also plays a catalyst for the financial service industry to grow manifold.

The finance & service sector in the country has been growing progressively and has a vast potential for further growth.

PRITI MERCANTILE COMPANY LTD.

Factors that may adversely affect the Indian economy and in turn the business include slowdown in GDP growth, rise in interest, inflation change in tax, Fiscal & Monetary policy etc.

A weak economic environments possess a huge threat to providers of financials services as the slowdown in the economy leads to liquidity crunch and FIIs withdraws themselves from investing in offshore economics.

RISK MANAGEMENT

The company gives importance to risk management in all its business dealings. The company has an enterprises-wide approach to risk management which lays emphasis on identifying major risk in operations and strategic risks. Through its approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the company's future performance. Within the organization, every decision taken, is after weighing the pros and cons of such a decision making taking note of the risk attributable.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The board has also constituted an Audit Committee which meets periodically inter-alia to review the financial results, and the accuracy of financial records.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company believes that the success of an organization largely on the quality of its workforce. Employee relations both at the office and at work site remained cordial and peaceful throughout the year.

CAUTIONARY STATEMENT

Any statement made in this report relating to company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable securities laws and regulations which may differ from the actual results.

PRITI MERCANTILE COMPANY LTD.

AUDITORS REPORT

To,

The Shareholders

M/S Priti Mercantile Company Limited

Rampur (U.P.)

1. We have audited the attached Balance Sheet of M/S Priti Mercantile Company Limited as at 31st March, 2009 and also the Profit & Loss Account & Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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.
3. As required by the companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act,1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. We further 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 accounts, as required by law, have been kept by the company so far as appears from our examinations of such of those books.
 - c) The Balance Sheet and the Profit & Loss Account & cash Flow Statement referred to in this report are in agreement with the books of Accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss and Cash Flow Statement dealt with by this report comply with all mandatory Accounting Standards which are referred under Section 211 (3C) of the Companies Act 1956.
 - e) On the basis of written representation received from the Directors as on 31st March 2009 and taken on report by the Board of Directors, we report that none of the Directors is disqualified from being appointed as director under clause (g) of sub - Section (1) of Section 274 of the Companies Act,1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the notes thereon, gives the information required by the Companies Act,1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March,2009; and
 - (ii) in the case of Profit & Loss account, of the Profit for the year ended on that date.
 - (iii) in the case of Cash Flow Statement of Cash ended on that date.

For M. M. GOYAL & CO.
Chartered Accountants

Place : New Delhi
Dated: 14.08.2009

(Manmohan Goyal)
Partner
M.No. 86085

PRITI MERCANTILE COMPANY LTD.

ANNEXURE TO THE AUDITORS REPORT

1. (a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
(b) According to the information and explanation given to us, the Fixed Assets have been physically verified by the management during the year in a phased periodical manner which in our opinion is reasonable, having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
(c) No Fixed assets was sold, hence this clause is not applicable.
2. (a) Inventory has been physically verified during the year by the management. In our opinion frequency of such verification is reasonable having regard to the size of the company and the nature of its business.
(b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of inventories followed by the anagement are reasonable and adequate in relation to the size of the company and nature of its business.
(c) The company is maintain proper records of inventory and there is no discrepancies noticed during the physical verification of inventory.
3. (a) The company has not granted any secured / unsecured loans to / from Companies, firms or other parties covered in the register maintained U/S 301 of the companies act, 1956. Consequently the requirements of clause (3b), (3c) and (3d) of paragraph 4 of the order are not applicable.
(b) The company has not taken any secured / unsecured loans to / from Companies, Firms or other parties covered in the register maintained U/S 301 of the companies act, 1956. Consequently the requirements of clause (3f) and (3g) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company. and the nature of its business for the purchase of Fixed assets & inventory. During the year we have not found any major weakness in the internal control.
5. There were no transaction that need to be entered into the register maintained under section 301 of the Companies Act,1956 have been so entered.
6. The Company has not accepted deposits from the public with in the meaning of section. 58 A and 58 AA of the Companies Act, 1956 & the Companies (acceptance of deposits) rules, 1975. So this clause is not applicable.
7. In my Opinion internal audit system adopted by the management in the Company are satisfactory commensurate to the nature of business and size of the Company.
8. We have informed that the maintenance of the cost record U/S 209 (1) (9d) of the Companies Act 1956 is not required by the Company.
9. The Company is regular in paying the statutory dues including Income Tax, P.F., Excise Duty, Investor Education Protection Fund and State Insurance Funds, Custom Duty, Wealth Tax and other material statutory Dues that are applicable to the Company during the year.
10. In our opinion, the Net Worth of the Company is positive and the Company has no Accumulated losses. The Company has not incurred any cash losses during the F.Y. 2008-09.
11. According to the information & explanations given to us, the Company has not failed in repayment of dues to the financial institution or Bank.
12. The Company has not granted any loans and advances on the basis of the securities by way of pledge of Shares, Debentures and other securities.

PRITI MERCANTILE COMPANY LTD.

13. In our opinion, the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund therefore the provisions of clause 4 (XIII) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the company is dealing in or trading in Shares, Securities, Debentures and other Investments and the company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments, are held in the name of the company or are in process of being transferred in the company's name.
15. The Company has not given any guarantee for loans taken by others from Bank or Financial Institution
16. The Company has not Defaulted in repayment of dues to a financial Institution or bank.
17. According to the information & explanations given to us, and on an overall Examination of Balance Sheet of the Company, we report no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets.
18. According to the information & explanations given to us, the Company has not made any preferential allotment of shares to parties and companies registered under Sec-301 of the Companies Act, 1956.
19. No Debentures have been issued during the year hence the provisions of clauses 4 (XIX) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information & explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M. M. GOYAL & CO.
Chartered Accountants

Place : New Delhi
Dated: 14.08.2009

(Manmohan Goyal)
Partner
M.No. 86085

PRITI MERCANTILE COMPANY LTD.

BALANCE SHEET AS AT 31-03-2009

PARTICULARS	SCHEDULE	AS ON 31.03.2009	AS ON 31.03.2008
SOURCES OF FUNDS :			
SHARE HOLDERS FUNDS			
Capital Equity	1	50,178,000.00	50,178,000.00
Reserves & Surplus	2	46,144,278.53	37,839,667.85
		96,322,278.53	88,017,667.85
LOAN FUND'S			
Secured Loan	3	413,386.63	—
Unsecured Loan	4	90,500,000.00	—
Deffered Tax Liabilities		6,447.00	3,388.00
		90,919,833.63	3,388.00
TOTAL		187,242,112.16	88,021,055.85
APPLICATION OF FUNDS			
FIXED ASSETS	5	713,089.00	14,833.00
INVESTMENTS	6	134,821,583.00	41,617,400.00
CURRENT ASSETS LOANS & ADVANCES			
Inventories	7	7,157,062.18	13,981,628.70
Debtors	8	11,992,976.45	961,976.63
Cash & Bank Balances	9	12,495,461.82	616,092.77
Loan & Advances	10	219,019,765.60	56,211,931.50
		250,665,266.05	71,771,629.60
LESS:CURRENT LIABILITIES & PROVISIONS	11	199,171,575.89	25,382,806.75
NET CURRENT ASSETS		51,493,690.16	46,388,822.85
MISCELLANEOUS EXPENDITURE			
Share Issue Expenses	12	213,750.00	—
TOTAL		187,242,112.16	88,021,055.85
NOTES TO FINANCIAL STATEMENTS	15		

Schedules referred to above forms an integral part of the Balance Sheet

As per our report of even date attached

For PRITI MERCANTILE COMPANY LIMITED

FOR M. M. GOYAL & CO.

Chartered Accountants

(MANMOHAN GOYAL)

PARTNER
M.No. 86085

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

Place : New Delhi
Date : 14.08.2009

PRITI MERCANTILE COMPANY LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31-03-2009

PARTICULARS	SCHEDULE	31-03-2009	31-03-2008
INCOME			
Sale of Shares		131,726,808.83	5,575,000.00
Interest		6,009,414.48	2,766,342.38
Brokrage/Commission Recd.		5,075,734.00	2,207,062.00
Dividend		338.18	300,376.00
Profit on Sale of Long Term Investment		15,096,814.19	2,295,903.22
Profit / Loss on Dealing in Comodities		(1,065,883.94)	—
Pofit / Loss on Dealing in Cash Market		(923,550.94)	—
Profit / Loss on Dealing in Future & Option		188,074.84	—
Increase / Decrease in Stock	13	(6,824,566.52)	5,717,506.99
TOTAL		149,283,183.12	18,862,190.59
EXPENDITURE			
Purchase of Share		129,220,709.86	11,517,506.99
Salaries		1,425,139.70	828,402.00
Rent & Electricity Charges		118,842.00	80,000.00
Professional Charges		41,700.00	11,000.00
Board Meeting Fees		120,000.00	96,000.00
Auditor's Remuneartion		22,060.00	11,230.00
Depreciation		130,434.00	8,941.00
Other Expenses	14	2,098,165.88	2,688,105.11
Security Transaction Tax		77,820.00	5,640.00
Preliminary Expenses W/O		—	4,207.00
Share Issue Expenses W/O		23,750.00	—
TOTAL		133,278,621.44	15,251,032.10
Profit/(Loss) before Tax		16,004,561.68	3,611,158.49
Provision for Taxation	1,813,317.00		371949.00
Provision for Fringe Benefit Tax	13,000.00		8703.00
Income Tax paid for earlier yrs	—	1,826,317.00	42002.00
Profit/(Loss) after Tax		14,178,244.68	3,188,504.49
Add/Less:Deffered Tax Assets / Liability		(3,059.00)	1,162.00
		14,175,185.68	3,189,666.49
Brought forward Profit (Loss) from last year		2,352,667.85	4,881,969.65
Amount Available for Appropriation		16,527,853.53	11,261,302.63
Proposed Dividend		5,017,800.00	2,508,900.00
Tax On Proposed Dividend		852,775.00	426,513.00
Balance Carried to Balance Sheet		10,657,278.53	2,352,667.85
NOTES TO FINANCIAL STATEMENTS	15		

Schedules referred to above forms an integral part of the Profit & Loss A/c

As per our report of even date attached

For PRITI MERCANTILE COMPANY LIMITED

FOR M. M. GOYAL & CO.

Chartered Accountants

(MANMOHAN GOYAL)

PARTNER

M.No. 86085

Place : New Delhi

Date : 14.08.2009

(R. K. MODI)

DIRECTOR

(D. K. GUPTA)

DIRECTOR

PRITI MERCANTILE COMPANY LTD.

SCHEDULES FORMING PART OF ANNUAL ACCOUNTS AS ON 31.03.2009

	<u>31-03-2009</u>	<u>31-03-2008</u>
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
10000000 Equity Share of Rs. 10/- Each (Previous Year 5250000 Equity Shares of Rs.10/- each)	<u>100,000,000.00</u>	<u>52,500,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
(5017800 Equity Shares of Rs.10/- each fully paid in cash)	<u>50,178,000.00</u>	<u>50,178,000.00</u>
SCHEDULE 2		
RESERVE & SURPLUS		
Profit & Loss A/c	<u>10,657,278.53</u>	2,352,667.85
Share Premium	<u>35,487,000.00</u>	<u>35,487,000.00</u>
	<u>46,144,278.53</u>	<u>37,839,667.85</u>
SCHEDULE 3		
SECURED LOAN		
Car Loan (Tata Capital Ltd.) (Secured by hypothication of Motor Car)	<u>413,386.63</u>	—
	<u>413,386.63</u>	—
SCHEDULE 4		
UNSECURED LOAN		
From Body Corporates	<u>90,500,000.00</u>	—
Others	—	—
	<u>90,500,000.00</u>	—

SCHEDULE 5
FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	BAL. AS ON 1-4-08	ADD.	BAL AS ON 31-3-09	BAL. AS ON 1-4-08	DURING THE YEAR	BAL AS ON 31-3-09	AS ON 31-3-09	AS ON 31-3-08
COMPUTER	57475.00	35200.00	92675.00	44517.00	14287.00	58804.00	33871.00	12958.00
MOBILEPHONE	3350.00	—	3350.00	1475.00	261.00	1736.00	1614.00	1875.00
CAR	—	792000.00	792000.00	—	115726.00	115726.00	676274.00	—
ELECTRIC EQUIP.	—	1490.00	1490.00	—	160.00	160.00	1330.00	—
TOTAL	60825.00	828690.00	889515.00	45992.00	130434.00	176426.00	713089.00	14833.00

PRITI MERCANTILE COMPANY LTD.

	31-03-2009	31-03-2008
SCHEDULE- 6		
INVESTMENT		
QUOTED		
Geefcee Finance Ltd. (86053 Shares) (Previous Year 183400 Shares)	946,583.00	2,017,400.00
UNQUOTED		
Swati Menthol & Allied Chemicals Pvt. Ltd.	35,000,000.00	—
Gill India Communication Pvt. Ltd.	—	1,500,000.00
Search Finvest Pvt Ltd.	—	2,400,000.00
Narayan Commodities Brokers Pvt. Ltd.	—	4,100,000.00
Chandan Fragrance Pvt. Ltd.	2,500,000.00	2,500,000.00
Hues India Pvt. Ltd.	—	1,500,000.00
Bhayana Interiors & Furnishing Pvt. Ltd.	—	500,000.00
Kuber Khadyann Pvt. Ltd.	—	10,500,000.00
Higrow Impex Pvt. Ltd.	—	1,000,000.00
Marudhara Marketing Pvt. Ltd.	—	5,000,000.00
Narain Dwelling Pvt. Ltd.	—	600,000.00
SDS Electronics Pvt. Ltd.,	—	4,000,000.00
SR Sealing Product Pvt. Ltd.	—	1,000,000.00
Sonagiri Finlease Pvt. Ltd.	—	2,500,000.00
Bhairav Embro Desgin Pvt. Ltd.	—	2,500,000.00
Abhijit Bhaduri Enterprises Ltd.	5,000,000.00	—
Abhinav Vinimay Pvt. Ltd.	5,000,000.00	—
Aspen Holding Pvt. Ltd.	2,500,000.00	—
Bansal Trade Linkers Pvt. Ltd.	3,000,000.00	—
Bir Engg. Solutions Pvt. Ltd.	500,000.00	—
Brij Gopal Constructions Co. Pvt. Ltd.	10,000,000.00	—
Competent Transport Pvt. Ltd.	1,000,000.00	—
Gold Square Builders & Promoters Pvt. Ltd.	2,400,000.00	—
Greendot Health Food Ltd.	2,500,000.00	—
Gyan Shree Industrial Consultants Pvt. Ltd.	2,000,000.00	—
Kaithal Timbers Pvt. Ltd.	3,000,000.00	—
Kavin Metpack Pvt. Ltd.	5,000,000.00	—
Kawatra Papers Pvt. Ltd.	5,000,000.00	—
Kuber Guest Line Pvt. Ltd.	1,000,000.00	—
Kuber Brewarage Pvt. Ltd.	5,500,000.00	—
Kushagra Steel Pvt. Ltd.	1,500,000.00	—
Maple Staffing Solutions Pvt. Ltd.	1,000,000.00	—
Marc Papers Pvt. Ltd.	500,000.00	—
Nara Exim Pvt. Ltd.	3,525,000.00	—
Omega Man Power Pvt. Ltd.	5,500,000.00	—
Priya Fashion Wear Pvt. Ltd.	1,250,000.00	—
Raj Kamal Plywood India Pvt. Ltd.	4,000,000.00	—
Rakesh Papers Pvt. Ltd.	500,000.00	—
Rashi Cables Pvt. Ltd.	1,000,000.00	—
Sanjivani Industries Pvt. Ltd.	3,500,000.00	—
Shivalik Merchant Pvt. Ltd.	5,000,000.00	—
Shree Ganesh Fincap pvt. Ltd.	1,500,000.00	—
Shresth Properties Pvt. Ltd.	1,000,000.00	—
SM Homes Pvt. Ltd.	5,000,000.00	—
United Scaffolding Pvt. Ltd.	5,000,000.00	—
VRC Constructions India Pvt. Ltd.	2,500,000.00	—
YAS Softel Pvt. Ltd.	700,000.00	—
TOTAL	134,821,583.00	41,617,400.00

PRITI MERCANTILE COMPANY LTD.

**SCHEDULE- 7
INVENTORIES**

Name of the Company	Face Value	No. of Shares	As at 31.03.2009	No. of Shares	As at 31.03.2008
QUOTED					
BRIJ LAXMI LEASING & FINANCE LIMITED	1/-	6000	40436.00	6000	40436.00
SURYA INDIA LIMITED	10/-	238125	726281.25	238125	726281.25
FAIRY LAND AMN. LTD.	1/-	13500	165142.78	908500	11113497.69
AHMED NAGAR FORGING LIMITED	2/-	6	222.72	6	222.72
SAIL	10/-	100	6636.17	100	6636.17
PENTAFOR SOFTWARE LIMITED	10/-	200	1566.61	200	1566.61
INDSWIFT LAB LIMITED	10/-	100	26994.23	100	26994.23
GKW LIMITED	10/-	—	—	500	7497.04
MAHARASHTRA INDL. L&F LIMITED	10/-	6666	25000.00	6666	25000.00
SHALIMAR PRODUCTION LIMITED	1/-	15790	28826.37	790	740.00
INCA FINLEASE LTD	10/-	21900	3353551.41	35200	2032756.99
GEEFCEE FINANCE LTD.	10/-	2	240.00	—	—
JAIPAN INDUSTRIES LTD.	10/-	5094	227093.67	—	—
ASIAN TEA & INDUSTRIES LTD.	10/-	25979	2075070.97	—	—
AKSHANA GLOBAL STEEL LTD.	10/-	160000	480000.00	—	—
TOTAL		493462	7157062.18	1196187	13981628.70

31-03-2009

31-03-2008

SCHEDULE - 8

SUNDRY DEBTORS

(Unsecured Considered Goods)

More Than Six Month

Others

—	869,976.63
11,992,976.45	92,000.00
11,992,976.45	961,976.63

SCHEDULE 9

CASH & BANK BALANCE

Balance with Scheduled Bank in C/A

Margin Money A/C

Fixed Deposit with Bank

Cash in Hand

7,521,282.51	186,663.84
—	167,300.00
2,800,000.00	—
2,174,179.31	262,128.93
12,495,461.82	616,092.77

SCHEDULE 10

LOANS & ADVANCES

Loans including Interest

Advances (Recoverable in Cash or
in Kind or for value to be recd.)

Share Application Money Paid

Advance Income Tax/ TDS

Fringe Benefit Tax Refundable

140,740,186.10	35,605,419.00
59,355,794.50	20,447,697.50
18,750,000.00	—
166,880.00	151,910.00
6,905.00	6,905.00
219,019,765.60	56,211,931.50

PRITI MERCANTILE COMPANY LTD.

	31-03-2009	31-03-2008
SCHEDULE 11		
CURRENT LIABILITIES & PROVISIONS		
Advances	169,020,001.00	21,165,000.00
Sundry Creditors	23,564,961.08	960,414.94
Prvisions		
Proposed Dividend	5,017,800.00	2,508,900.00
Tax On Proposed Dividend	852,775.00	426,513.00
Fringe Benefit Tax Payable	13,000.00	—
Expenses Payable	703,038.81	321,978.81
	<u>199,171,575.89</u>	<u>25,382,806.75</u>
SCHEDULE 12		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses (To the extent not written off)	—	4,207.00
Less: Preliminary Exp. W/O	—	4,207.00
	<u>—</u>	<u>—</u>
Share Issue Expenses (To the extent not written off)	237,500.00	—
Less: Share Issue Exp. W/O	23,750.00	—
	<u>213,750.00</u>	<u>—</u>
SCHEDULE 13		
INCREASE/DECREASE IN STOCK		
Opening Stock of Shares	13,981,628.70	8,264,121.71
Closing Stock of Shares	7,157,062.18	13,981,628.70
	<u>(6,824,566.52)</u>	<u>5,717,506.99</u>
SCHEDULE 14		
LIST OF OTHER EXPENSES		
Bank Charges	35,258.82	7,281.97
Demat Charges	2,540.79	1,948.09
Legal Charges	12,000.00	12,000.00
Roc Filling Fees	271,626.00	1,500.00
Listing Fees	14,750.00	14,750.00
Donation	—	21,000.00
Misc. Expenses	31,371.40	4,800.00
Loss on Sale/Purchase of Shares	—	2,310,000.00
Bad Debts	1,114,653.63	—
Interest Paid To Bank	68,631.00	—
Certification Charges	32,730.00	—
Finance Charges	32,421.63	—
Motor Car Expenses	101,042.55	47,670.00
Office Exp.	72,943.00	58,897.00
Books & Periodical	28,394.00	17,466.00
Postage & Courier	45,533.00	27,567.00
Printing & Stationery	64,085.50	44,858.00
Telephone Exp.	53,733.56	41,521.05
Travelling Exp.	82,020.00	51,650.00
Stock Exchange Expenses	14,431.00	4,746.00
Share Transfer Charges	8,989.00	8,989.00
NSDL custody Exp	11,011.00	11,461.00
	<u>2,098,165.88</u>	<u>2,373,280.06</u>

PRITI MERCANTILE COMPANY LTD.

SCHEDULES FORMING PART OF THE ANNUAL REPORT

SCHEDULE - 15

NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

- (a) Financial Statements are prepared under the historical cost convention method in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211(3C) of The Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent and in consonance with prudent accounting principles.
- (b) **Use of Estimates:** The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2. REVENUE RECOGNITION: -

All income and expenditure are accounted for on accrual basis. Shares/ Securities are capitalized at cost inclusive of brokerage, Service Tax, Education Cess. Depository Charges, Securities Transaction Tax and other miscellaneous transaction charges, which due to practical difficulty cannot be identified/ allocated to a particular transaction, are charged directly to Profit & Loss Account.

3. FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation and amortization.

4. DEPRECIATION:

Depreciation is provided on fixed assets on Diminishing Balance Method at the rates and in the manner specified in schedule XIV to The Companies Act, 1956.

5. INVESTMENTS:

Long Term Investments are stated at cost.

6. INVENTORIES

Stock of shares is valued at cost. Cost is determined on First-In-First-Out (FIFO) basis.

7. EMPLOYEE BENEFITS:

Employee Benefits are recognized / accounted for on the basis of revised AS-15 detailed as under:

- (a) Short-term employee benefits are recognized at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (b) Termination benefits are recognized as an expense as and when incurred.
- (c) Employee benefits under defined benefit plans comprise of gratuity, which is accounted for as at the year-end based on actuarial valuation.
- (d) The actuarial gains and losses arising during the year are recognized in the Profit and Loss Account of the year without resorting to amortization.

8. BROKERAGE/COMMISSION INCOME:

Brokerage/Commission Income is accounted for as and when the bills are raised. In respect of contracts pending for execution, the income or brokerage is recognised on the date of performance of the contract.

PRITI MERCANTILE COMPANY LTD.

9. INCOME FROM INVESTMENTS:

Income from investments, where appropriate are taken into full on declaration or receipt and tax deducted at source thereon is treated as advance tax. other privileges to the company.

10. MISCELLANEOUS EXPENDITURE

All items included in Miscellaneous Expenditure have been amortized in equal installments over a period of ten years.

11. TAXATION:

Tax expenses for the year comprises of Current Tax and Deferred Tax charge or credit. The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax law are recognized only if there is virtual certainty of its realization. Other Deferred Tax assets are recognized only to the extent there is a reasonable certainty of realization in future. Deferred Tax assets/ liabilities are reviewed at each Balance Sheet Date based on development during the year, further future expectations and available case laws to re-assess realization/liabilities.

12. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(B) NOTES FORMING PART OF ACCOUNTS:

1. In the opinion of the Board, the Current assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of the business. The provision of all known liabilities is adequate.
2. (A) In the opinion of Management, the Company is mainly engaged in the activities of Sale/ Purchase of Shares & Securities & other related ancillary services in current year and therefore there are no separate reportable segments as per Accounting Standard (AS-17) "Segment Reporting".
(B) The Company operates in India and hence there are no reportable geographical segment.
3. Details of Contingent Liabilities.
- Service Tax Payable 309000/-
4. Fixed deposit with bank of Rs. 2800000/- has been pledged against short term overdraft facility.
5. There are no amount payable to any micro enterprises & small enterprises as identified by management from the information available with the company & relied upon by auditor

PRITI MERCANTILE COMPANY LTD.

6. **Related Party Disclosures:**

(A) List of related parties where (Where transactions have taken place)

S. NO.	NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
1	Enterprises owned / controlled by key management.	Director
a	RRP Management Services Pvt. Ltd.	
b	Prabhat Management Services Pvt. Ltd.	

(B) Transaction with related parties:

S.No.	Particulars	Enterprises owned/controlled by key management.
1	Sundry Creditors (Outstanding)	
a	RRP Management Services Pvt. Ltd.	767552/-
2	Sundry Debtors (Outstanding)	
a	Prabhat Management Services Pvt. Ltd.	5,10,000/-
3	Advances Received / Returned / Outstanding	
a	RRP Management Services Pvt. Ltd.	5,75,25,000/- Cr. 1,75,25,000/- Dr. 4,00,00,000/- Cr.
b	Prabhat Management Services Pvt. Ltd.	4,00,00,000/- Cr. 1,10,00,000/- Dr. 2,90,00,000/- Cr.

(C) Related parties are identified by the management & relied upon by the Auditor.

(D) No balance in respect of related parties have been written off.

7. Documents of Car No. DL 3C BA 2675 of the company is in the name of Sh. R. K. Modi director of the company.

8. Balance Sheet Abstract and Company's General Business Profile.

9. Provision for tax is made for both Current and Deferred Taxes. Provision for current Income Tax is made on the current tax rates based on assessable income. The Company has provided for deferred tax in accordance with AS-22.

10. **Deferred Tax (Net)**

	Deferred tax Liab. As at 31.03.2008	Current Year Deferred Tax Liab.	Deferred tax Liab. As at 31.03.2009
(Difference between book and tax Depreciation)	3388.00	3059.00	6447.00

11. Director's Remuneration Rs.Nil.

12. Expenditure on employee's in respect of remuneration in aggregate of not less than Rs. 24,00,000/- P.A. or Rs.2,00,000/- P.M. when employed for a part of the year.

13. Balance due to / from some of the parties are subject to confirmation.

14. Previous year's figures are re-classified, re-grouped, re-arranged where is necessary.

15. **Payment to auditors:**

- Audit Fees

	Current Year	Previous Year
	22060.00	11230.00
	22060.00	11230.00

PRITI MERCANTILE COMPANY LTD.

16. Quantative information pursuant to the provisions of paragraphs 3, 4C, 4D pf Part II of Schedule VI of the Companies Act.

Shares, Securities & Bonds	Qty.	Amount
Opening Stock (Previous Year)	1196187 478987	13981628.70 8264121.71
Purchases (Previous Year)	511715 810200	129220709.86 11517506.99
Sales (Previous Year)	1214440 1481900	131726808.83 5575000.00
Closing Stock (Previous Year)	493462 478987	7157062.18 8264121.71

Confirmation of schedule 1 to 15 which form an integral part of the accounts.

As per our report of even date attached

For PRITI MERCANTILE COMPANY LIMITED

FOR M. M. GOYAL & CO.

Chartered Accountants

(MANMOHAN GOYAL)

PARTNER

M.No. 86085

(R. K. MODI)

DIRECTOR

(D. K. GUPTA)

DIRECTOR

Place : New Delhi

Date : 14.08.2009

PRITI MERCANTILE COMPANY LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2009

(Previous year figures have been rearranged in accordance with the new presentation)

	(Rs.)	(Rs.)
	As on 31-03-2009	As on 31-03-2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	16,004,562	3,611,158
Adjustments for:		
Depreciation	130,434	8,941
Misc. Expenditure W/Off	23,750	4,207
Operating Profit Before Working Capital Changes	16,158,746	3,624,306
Adjustments for Working Capital Changes:		
Trade Receivables	(11,031,000)	149,224
Inventories	6,824,567	(5,717,506)
Loans & Advances	(162,807,834)	(3,450,324)
Current Liabilities	173,788,770	14,746,573
Cash Generated from Operations	22,933,248	9,352,273
Taxes Paid / Provided	(1,826,317)	(422,654)
Proposed Dividend	(5,017,800)	(2,508,900)
Dividend Tax	(852,775)	(426,513)
Cash Flow Before Extraordinary Items	15,236,356	5,994,206
Net Cash From Operating Activities (A)	15,236,356	5,994,206
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/ Sale of Investments	(93,204,183)	(6,567,400)
Purchase of Fixed Assets	(828,690)	—
Share Issue Expenses	(237,500)	—
Net Cash from Investing Activities (B)	(79,034,017)	(573,194)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	—	—
Proceeds from Long Term Borrowings:		
Secured Loans	413,387	—
Unsecured Loans	90,500,000	—
Deferred Tax Liability	—	—
Net Cash from Financing Activities (C)	90,913,387	—
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	11,879,370	(573,194)
Closing Balance of Cash & Cash Equivalents	12,495,462	616,092
Less: Opening Balance of cash & Cash Equivalents	616,092	1,189,286
Net Increase / (Decrease) in Cash & Cash Equivalents	11,879,370	(573,194)

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Date : 14/08/2009

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

PRITI MERCANTILE COMPANY LTD.

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Priti Mercantile Company Limited for the year ended March 31, 2009 Derived from audited financial statements, prepared by the Company in accordance with clause 32 of the Listing agreement with the Stock Exchanges and found the Same in accordance therewith.

For M. M. Goyal & Co.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 14-08-2009

(Man Mohan Goyal)
Partner
M.No. 86085

PRITI MERCANTILE COMPANY LTD.

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

(AS PER SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956)

(A) REGISTRATION DETAILS :		
CIN	:	U27109UP1985PLC006998
State Code :	:	20
Balance Sheet Date	:	31st March, 2009
(B) CAPITAL RAISED DURING THE YEAR(AMOUNT IN Rs. '000)		
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
(C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS(AMOUNT IN Rs. '000)		
Total Liabilities	:	187242
Total Assets	:	187242
SOURCES OF FUNDS :		
Paid up Capital	:	50178
Reserve & Surplus	:	46144
Secured Loans	:	413
Unsecured Loans	:	90500
Deferred Tax Liability	:	6
APPLICATION OF FUNDS :		
Net Fixed Assets	:	713
Investments	:	134821
Net Current Assets	:	51493
Misc.Expenditure	:	213
Accumulated Losses	:	NIL
(D) PERFORMANCE OF THE COMPANY(AMOUNT IN Rs. '000)		
Total Income	:	149283
Total Expenditure	:	133278
Profit/(Loss) Before Tax	:	16004
Profit/(Loss) After Tax	:	14178
Earning per share (Rs.)	:	2.82
Dividend Rate(%)	:	10%
(E) GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :		
(As per Monetary Terms)	:	
Principal Service	:	Consultancy, Financial Activity

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Date : 14/08/2009

(R. K. MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

PRITI MERCANTILE COMPANY LIMITED

Regd.Office : B-10, VIP Colony, Civil Lines, Rampur, U.P.- 244901

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

#FOLIO NO..... **#NO OF SHARES HELD.....**

CLIENT ID.

NAME OF THE MEMBER.....

(in block letters)

NAME OF PROXY.....

(if any)

I hereby record my presence at the 24th Annual General Meeting of the company held on Friday, 25th September, 2009.

.....
Signature of the Member/Proxy

#ADMISSION SLIP WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

PRITI MERCANTILE COMPANY LIMITED

Regd.Office : B-10, VIP Colony, Civil Lines, Rampur, U.P.- 244901

PROXY FORM

FOLIO NO. **NO. OF SHARES HELD**

CLIENT ID.

I/Weof.....in the district of.....being member/
members of the above named company hereby appoint.....of failing
him/her.....of.....in the district of.....as my/our proxy to
attend and vote for me/us our behalf at the 24th Annual General Meeting of the company to held on
Saturday, 25th September, 2009 at 10.00 a.m. at Regd. Office and any adjournment thereof.

Signed this.....day of.....2009.

Signature.....

Affix Revenue Stamp

Note : This form should signed across the stamp as per specimen signature with the company.The proxy must reach the Registered Office of the company not less than 48 Hours before the time fixed for holding the aforesaid meeting.