

**27th
Annual Report
2011-12**

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CORPORATE INFORMATION

Board of Directors

- | | |
|-----------------------|--------------------------|
| 1. Mr. R. K. Modi | <i>Managing Director</i> |
| 2. Mrs. Rekha Modi | <i>Director</i> |
| 3. Mr. D. K. Gupta | <i>Director</i> |
| 4. Mr. Pramod Gupta | <i>Director</i> |
| 5. Mr. V. B. Aggarwal | <i>Director</i> |

Company Secretary

Mr. Raman Kumar

Registered office

10-B, VIP Colony, Civil Lines,
Rampur - 244901 (U.P.)

Corporate Office

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

Statutory Auditors

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

Registrar & Share Transfer Agent

Indus Portfolio Pvt. Ltd.
G-65, Bali Nagar, New Delhi - 110 015
Phone : 011-47671214

Principal Bankers

HDFC Bank Ltd.
ICICI Bank Limited
Bank of Baroda

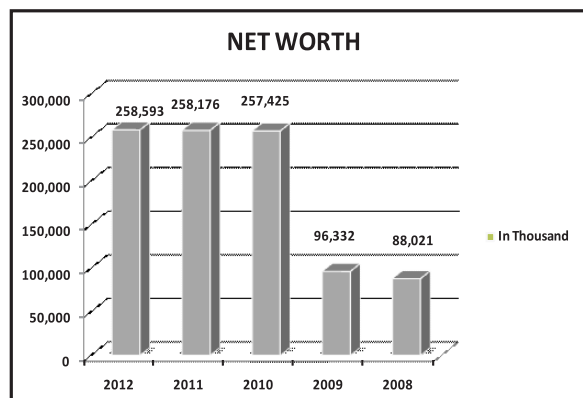
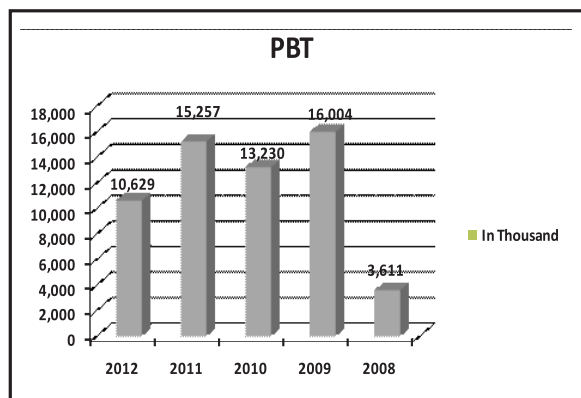
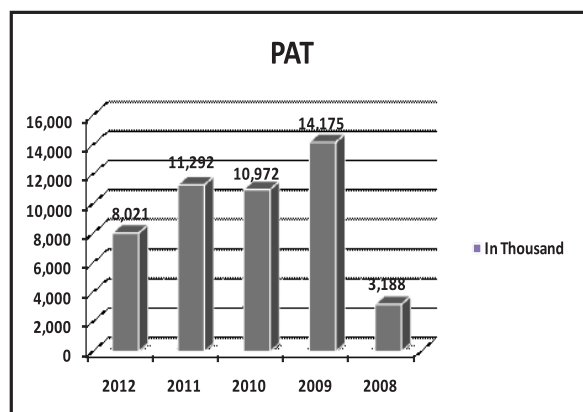
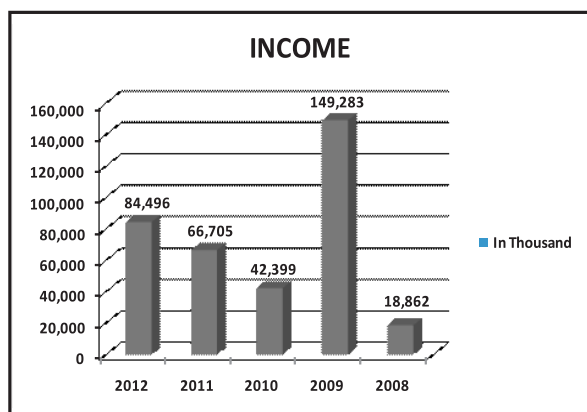
Website

<http://www.pmcfinance.in>

LAST FIVE YEARS AT A GLANCE

(Rs. in Thousand)

Sl. No.	Particulars/Financial Year	2011-12	2010-11	2009-10	2008-09	2007-08
1	Sales/Income from operation	84506	66705	42399	149283	18862
2	PBT	10781	15257	13230	16004	3611
3	Tax/Deferred Tax	2609	3975	2258	1826	422
4	PAT	8172	11282	10972	14175	3188
5	Dividend	5%	10%	10%	10%	5%
6	Equity Capital	133767	89178	89178	50178	50178
7	Reserve & Surpluse	124832	169164	168247	46144	37839
8	Net Worth	258599	258342	257425	96332	88021
9	EPS (Rs.10/- per share)	0.71	1.26	1.23	2.82	0.63
10	Book Value	19.33	28.97	28.86	19.19	17.53



NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of **PRITI MERCANTILE COMPANY LIMITED** will be held on Monday, the 24th day of September, 2012 at 10.00 A.M. at the Registered Office of the Company at 10-B, VIP Colony, Civil Lines, Rampur - 244901 (U.P.) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit & Loss for the year ended on that date, together with reports of the Directors' and the Auditors' thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Mr. V. B. Aggarwal Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pramod Gupta Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors' of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. M.M. Goyal & Co., Chartered Accountants the retiring Statutory Auditors are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 310, Schedule - XIII & other applicable provisions (if any) of the Companies Act, 1956 and subject to the approval of Central Govt. as may be required, consent of the members of the Company be and is hereby accorded for payment of remuneration to Mr. R. K. Modi, Managing Director of the Company w.e.f. 01.04.2012 on the terms and conditions given below with an authority to the Board of Directors to alter or vary the terms & conditions in accordance with law from time to time in force :

Remuneration : For the purpose of this resolution remuneration includes & shall consist of Basic Pay of Rs. 1,25,000/- per month.

By Order of the Board

For PRITI MERCANTILE COMPANY LIMITED

Place : New Delhi
Date : 30.08.2012

(RAMAN KUMAR)
Company Secretary

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 authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

3. Members are requested to bring their attendance slip along with the copy of Annual Reports at the Meeting.

4. The Instruments appointing a proxy should however be deposited at the registered office of the company not less than 48 Hours before the commencement of the meeting.

Inspection of documents: All materials documents relating to the aforesaid items of the agenda of the notice are available for inspection by the members at the Regd. Office of the company on any working day between 11:00 AM to 01:00 PM prior to the date of meeting.

5. The Shares Transfer Book and Members Register of the Company will remain closed from 21st September, 2012 to 24th September, 2012 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.

6. Members are requested to note that pursuant to the provisions of section 205c of the companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund" constituted by the Central Government. Shareholders who have not encased their dividend warrant(s) for the year 2010-11 are requested to make claim with the company as no claim shall lie against the fund of the company in respect of individual amount once credited to the said fund.

7. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agents of the company M/s Indus Portfolio Pvt. Ltd., G-65 Bali Nagar New Delhi-110015 quoting registered folio no. change in their address, if any with pin code number. The following information to be incorporated on the dividend warrants may also be furnished:

1 Name of sole/first joint holder and the folio number

2 Particulars of bank account, viz.

(a) Name of the bank

(b) Name of the branch

(c) Complete address of the bank with pin code number

(d) Bank account number allotted by the bank and nature of the account (saving/current etc.)

8. In terms of section 109A of the Companies Act, 1956, the shareholders of the company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death shareholders desirous of availing this facility may submit nomination in Form 2B.

9. Members desirous of seeking any information/clarification on accounts or operations of the company are requested to write to the company at least 10 days before the date of the meeting to enable the management to keep the information ready.

10. In case of joint holders attending the meeting only such joint holders who are higher in the order of names will be entitled to vote.

11. In respect of the matters pertaining to bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrar and Share Transfer Agents, in respect of Shares held in physical form and the respective depository Participants in case of shares held in electronic form. In all correspondence with the company's registrar and Share Transfer Agents members are requested to quote their account/folio numbers or DP ID and Client ID for Physical or electronic holding respectively.

12. To facilitate trading in equity shares in dematerialized form, the company has entered into agreement with NSDL and CDSL members can open account with any of the depository Participant's registered with NSDL or CDSL.

13. The Securities and Exchange Board of India vide its circular no. CIR/CFD/DIL/10/2010, dated 16 December 2010, amended clause 5A of the Equity listing agreement for the dealing with unclaimed shares in physical form. In compliance with this amendment, the company has sent all three reminders to such shareholders whose share certificates are in undelivered from requesting them to update their correct details viz. postal addresses, PAN details etc. registered with the Company. The company has transferred all the shares into the folio in the name of "Unclaimed Suspense Account".
14. As a part "Green initiative in the Corporate Governance", the ministry of Corporate Affairs vide its Circular no's.17/2011 and 1/2011 dated 21.04.2011 and 29.04.2011 respectively, has permitted the companies to serve the documents, namely , notice of general meeting, balance sheet, profit & loss account, auditors' report, Directors 'report, etc., to the members through e-mail. The shareholders holding shares in physical form are requested to register their e-mail address with the registrar & share transfer agents by sending duly signed request letter quoting their folio no., name and address in case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).
15. The dividend, if declared at the meeting, will be paid on or before 23rd October, 2012 to those Members or their mandates:
 - (a) whose names appear at the end of the business hours on 20th September, 2012 in the list of Beneficial Owners to be furnished by Depositories (NSDL and CDSL) in respect of the shares held in dematerialised form; and
 - (b) Company's Register of Members after giving effect to valid share transfer requests in physical form lodged with Registrar & Share Transfer Agent (RTA) of the Company on or before 20th September, 2012.
16. Brief resume of all Directors proposed to be appointed, nature of their expertise in specific functional area, name of companies in which they hold directorships and memberships/Chairmanships of Board of Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided in the report on Corporate Governance forming part of the Annual Report.
17. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business under item nos. 6 of the Notice is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board and/or Committee thereof are authorised to fix remuneration for Managing Director with the limites stipulated in the resolution. The Committee of the Company recommended the following remuneration payable to Mr.R.K.Modi as Managing Director of the Company which was duly approved by the Board of Directors of the Company. It is proposed to pay Mr. R. K. Modi a Basic Pay of Rs.125000/- pm as detailed in the resolution. The remuneration payable to Mr. R. K. Modi, Managing Director is in consonance & comparable with Industry norms and in accordance with the provisions of Companies Act, 1956 read with Schedule XIII (if applicable), and other applicable provisions of the Companies Act, 1956.

This may be treated as the abstract of the terms and conditions for payment of remuneration to Mr. R. K. Modi u/s 302 of the Companies Act, 1956.

None of the Directors except Mr. R. K. Modi is considered and deemed to be interested in this resolution. The Directors consider the remuneration payable, to Mr.R.K.Modi reasonable and recommend the members to approve the same.

DIRECTORS' REPORT

To,

The Shareholders,

PRITI MERCANTILE COMPANY LIMITED

Your Directors have pleasure in presenting the 27th Annual Report along with the Audited Accounts of your Company for the year ended on 31st March 2012.

FINANCIAL HIGHLIGHTS

	Year ended 31.03.12	Year ended 31.03.11
Gross Income	84,506,336	66,705,291
Total Expenditure	73,724,582	51,448,204
Net Profit for the year	10,781,754	15,257,087
Less: Provision for Tax	2,611,054	3,965,085
Profit after Tax	8,170,700	11,292,002
Less/Add: Deferred Tax Assets/Liabilities	1,696	(10,429)
	8,172,396	11,281,573
Profit brought from previous year	16,677,988	15,760,905
Profit available for Appropriation	24,850,384	27,042,778
Proposed Dividend	6,688,350	8,917,800
Tax on Proposed Dividend	1,085,018	1,446,690
Balance Carried to Balance Sheet	17,077,016	16,677,988

DIVIDEND

Keeping in view the improved performance of your Company during the year 2011-12, your Directors recommend a dividend of 5% i.e Rs. 0.50 per equity share for the financial year 2011-12.

PERFORMANCE, RESULTS & BUSINESS

Your Directors are pleased to inform you that your company has achieved spectacular growth in turnover & profit. The resources of the company were optimally utilised to maximise the returns with minimise risk. The proactive & pragmatic approach of the company has reflected in the results.

Your Company continues to get good assignments in the field of financial services. During the year, your company earned a gross income of Rs. 167.49 Lacs from financial services & there is wide scope of development of financial services as advisory, arranger, distributions of mutual fund, debt syndication, private placement, corporate Bonds. Your company is keen to develop this activity. This year your company focused on the retail / inter-corporate loan segment as in earlier year, new loans during the year amounted to Rs. 6216 lacs as against Rs. 5415 lacs for the previous year.

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

NBFC REGISTRATION

The company has been registered with Reserve Bank of India as Non Banking Finance Company vide Registration No. 12.00128 dated. 1st April 1998.

PUBLIC DEPOSITS

The Company did not invite / accept any fixed deposits during the year within the meaning of Section 58 (A) of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975.

DEMATERILISATION OF SHARES

Your Company has connectivity with NSDL & CDSL for dematerilisation of its equity shares. The ISIN no. INE 793G01019 has 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. V.B. Aggarwal & Mr. Pramod Gupta, Directors of the Company retire by rotation, being eligible offers themselves 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 confirmed 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 2012 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 Statutory Auditors retire at the ensuing annual general meeting but being eligible offer themselves for re-appointment. 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 (1B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s M.M.Goyal & Co. as the Statutory Auditors of the Company.

AUDITORS REPORTS

The observation of the Statutory Auditors in their reports, read with notes annexed to accounts, are self explanatory and therefore do not call for the any further comments and explanations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provision of Section 217 (1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption in not applicable on the company. During the year under review their has been no foreign exchange earnings and outgo.

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.

There has been no employee who has drawn remuneration as stipulated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence not applicable.

LISTING INFORMATION

The Company's shares are listed with U.P. Stock Exchange Ltd., Kanpur (U.P.) and BSE Limited, Mumbai. Your company has paid the Annual Listing Fee up to date and there are no arrears.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year ended 31 March 2012 is annexed hereto.

CORPORATE GOVERNANCE REPORT

As required by Clause 49 of the Listing Agreement, Corporate Governance, Management Discussion 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 place on record their appreciation of the contributions made by the employees at all levels, for achieving better results. The Directors also wish to thank customers, banks, etc. for their continued support. Finally your Directors would like to express their sincere & whole 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 : 30.08.2012

(R. K. MODI)
Managing Director

(D. K. GUPTA)
Director

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 objects 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:-

Executive	1 No.
Non-Executive	1 No.
Independent	3 Nos.
	5 Nos.

During the year 2011 - 12, the Board met 6 (Six) times (as against the minimum requirement of four meetings) on the following dates, namely:-

May 23, 2011, June 25, 2011, July 30, 2011, September 06, 2011, November 15, 2011 and February 10, 2012.

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

SI. No.	Name	Category Membership	Attendance Particulars	
			Board Meeting	Last AGM
01.	Sh. R. K. Modi	Managing Director	6	Yes
02.	Mrs. Rekha Modi	Director (Non-Executive)	6	No
03.	Sh. D. K. Gupta	Director (Independent)	6	Yes
04.	Sh. Pramod Gupta	Director (Independent)	6	Yes
05.	Sh. V. B. Aggarwal	Director (Independent)	6	Yes

Particulars of Directors:

Directors seeking re-appointment :

Mr. Pramod Gupta : Mr. Pramod Gupta has over 7 years of experience in marketing in field of financial sector and capital market.

Mrs. V. B. Aggarwal : Mr. V B Aggarwal has over 12 years of experience in management & financial matters.

Name of the Directors	Mr. Pramod Gupta	Mr. V B Aggarwal
Date of Birth	12th Sep. 1961	30th Nov. 1960
Age	51 Years	52 Years
Date of Appointment	30.04.2010	30.04.2010
Experience in Specified Functional area	Experience in Marketing in Financial Products	Experience in Financial Matters
No. of Shares Held in the Co.	Nil	Nil
Qualification	B.Com	B.Com, FCA
List of other companies in which associated as director	NIL	NIL
Chairman 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.

4.1 Code of Conduct

Pursuant 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 31.03.2012 and a declaration to that effect signed by Director is attached and forms part of this report.

4.2 Code of conduct for prevention of insider trading

Under SEBI (Prohibition of insider Training) Regulations, 1992, the company has adopted Code of Conduct for prohibition and prevention of insider Trading. The Code is applicable on all the directors' officers and designated employees of the company. The said persons in addition to giving regular disclosures to the company are also prohibited under the code to deal in shares of the company while in possession of unpublished price sensitive information. All board members, officers and designated employees have confirmed compliance to the code of conduct for the year ended 31st march, 2012.

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 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 minimising 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 Auditors and the Board of Directors. The current composition of the Audit Committee is as under:

During the financial year 2011-12, meetings of the Audit Committee were held 4 (Four) times i.e. on May 23, 2011, July 30, 2011, November 15, 2011 and February 10, 2012.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. D. K. Gupta	4	4
Sh. V. B. Aggarwal	4	4
Sh. Pramod Gupta	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.
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 2012 to the Directors are as follows:

Sl. No.	Name of the Directors	Amount in Rs.
1.	Sh. R. K. Modi	30000.00
2.	Sh. D. K. Gupta	42000.00
3.	Sh. V. B. Agarwal	42000.00
4.	Sh. Pramod Gupta	42000.00
5.	Mrs. Rekha Modi	30000.00

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) and Central Depository Services (India) Ltd. (CDSL) 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 dematerialised form with NSDL/CDSL.

9. Shareholders/Investors Grievance Committee

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

During the financial year 2011-12, meetings of the Shareholders Grievance Committee were held 2 (Two) times i.e. on June 10, 2011 and June 25, 2011.

Name of Chairman/ Member	Meetings held	Meeting Attended
Sh. D. K. Gupta	2	2
Sh. V. B. Aggarwal	2	2
Sh. R. K. Modi	2	2

No complaint were pending at the end of the year.

10. General Body Meetings

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

Financial year	Date	Time	Place
2008-2009 (AGM)	25.09.2009	10.00 A.M.	B/10, VIP Colony, Civil Lines, Rampur (U.P.)
2009-2010 (EGM)	03.11.2009	12.00 P.M.	Same as above
2009-2010 (AGM)	30.08.2010	10.30 A.M.	Same as above
2010-2011 (AGM)	25.06.2011	10.30 A.M.	Same as above
2010-2011 (EGM)	24.08.2011	11.00 A.M.	Same as above

Special Resolutions passed at the last 3 (Three) AGMs/EGM :

Financial year	Items
2008-2009 (AGM)	Two
2009-2010 (EGM)	One
2009-2010 (AGM)	One
2010-2011 (EGM)	Four

Special Resolutions Passed at the General Meetings

- A special resolution for approval of the members of the company to issue, offer and allot 39,00,000 convertible warrants to the Non promoters at a price of Rs. 40/- each in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 was passed in the A.G.M held on 25.09.2009.
- Authorisation to the company for listing of equity shares with The Calcutta Stock Exchange was passed in the A.G.M held on 25.09.2009.
- To appoint Mr. R. K. Modi as Managing Director and fix remuneration, if any, was passed in the E.G.M held on 03.11.2009.
- Authorisation to the company for listing of equity shares with The Bombay Stock Exchange Ltd. was passed in the A.G.M held on 30.08.2010.
- Increase in Authorised Share Capital, alteration of Memorandum & Articles of Association and issue of 4458900 Bonus Equity Shares in the EGM held on 24.08.2011.

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 etc. There was no outstanding warrants as on 31-03-2012.

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. 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, 2012 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.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting	
Date and Time	September 24, 2012 at 10.00 A.M.
Venue	B/10, VIP Colony, Civil Lines, Rampur (U.P.)
15.2 Financial Year (2012-13)	
Annual General Meeting for the next year ending 31st March, 2013	Before September 23, 2013
15.3 Book Closure date	21.09.12 to 24.09.12
15.4 Dividend Payment date	23.10.2012

15.5 Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges.

U. P. Stock Exchange Ltd., Kanpur 14/113, Civil Lines, Kanpur - 208001	BSE Limited Phiroze Jeejeephoy Towers 25th Floor, Dalal Street Mumbai - 400001
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The Company's payment of Listing Fees is up-to-date.

15.6 Stock Code

U. P. Stock Exchange Ltd.	P0006
BSE Limited	534060
ISIN Number (NSDL/CDSL)	Equity Shares INE 793G01019

15.7 Registrar and Share Transfer Agent

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

15.8 Market price Data

Month	Share price of the Company			BSE Sensex	
	High (₹)	Low (₹)	Volume (No. of Shares)	High	Low
March, 2012	424.00	300.50	7,46,252	18,040.69	16,920.61

- Listing at BSE Ltd. on 12.03.2012.
- There has been no trading in the U. P. Stock Exchange Ltd., Kanpur, during the year 2011-12.

15.9 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.

15.10 Categories of Shareholders as on 31st March, 2012

Shareholding Pattern

Category		No. of shares	% of Paid up capital
A	Promoters' Holding		
	1. Promoters		
	a) Indian Promoters		
	- Individual	4,53,950	3.39
	- Corporate Bodies	16,98,250	12.70
b) Foreign Promoters	—	—	
2. Persons acting in concert	—	—	
Sub Total (A)		21,52,200	16.09
B	Non-Promoters Holding		
	3. Institutional Investors		
	a. Mutual Funds and Unit Trust of India	—	—
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	—	—
	c. Foreign Institutional Investor	—	—
	4. Others		
	a. Private Corporate Bodies	7,80,561	5.84
	b. Indian Public	1,04,43,939	78.07
	c. Non Resident Indians/Overseas	—	—
	Sub Total (B)		1,12,24,500
G.TOTAL (A+B)		1,33,76,700	100.00

15.11 Dematerialisation of shares and liquidity

The ISIN of the Company's shares is INE 793G01019. After dematerialisation of shares the shareholders must contact their DPs for any information/instructions in respect of their shareholdings.

As on 31.03.2012, the status of dematerialisation of equity shares of the Company was as under:

S. No.	Particulars	Shareholders		Shareholding	
		(In Nos.)	(In %)	(In Nos.)	(In %)
1.	NSDL	228	35.36%	1,16,09,690	86.79%
2.	CDSL	68	10.54%	12,71,410	9.50%
3.	Physical	349	54.10%	4,95,600	3.71%
	Total	645	100.00%	1,33,76,700	100.00%

15.12 Distribution of shareholding as on 31st March, 2012

Distribution	No .of Share holders	% of Shareholders	No of Shares	% of Shareholding
UPTO 100	15	2.33	482	0.00
101 - 500	319	49.46	84550	0.63
501 - 1000	2	0.31	1900	0.01
1001 - 5000	50	7.75	170450	1.27
5001 - 10000	56	8.68	437669	3.27
10001 - 20000	80	12.40	1126173	8.42
20001 - 30000	46	7.13	1182833	8.84
30001 - 40000	14	2.17	519900	3.89
40001 - 50000	16	2.48	722900	5.40
50001 - 100000	24	3.72	1576227	11.78
100001 - 500000	18	2.79	4383366	32.77
above 500000	5	0.78	3170250	23.70
	645	100.00	13376700	100.00

15.13 Address for Correspondence:

Share Transfer and Demat

INDUS PORTFOLIO PVT. LIMITED
 G-65, Bali Nagar,
 New Delhi-110015
 Phones : +91-11-47671214

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, IInd Floor, Old Rajinder Nagar,
 New Delhi-110060
 Phone : +91-11-42436846,47, 49
 E-mail : *pritimercantile@gmail.com*

16. Non-mandatory Requirements:

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. Remuneration Committee:

Your Company has a Remuneration Committee to recommend appointment /re-appointment and to recommend / review remuneration of the Managing Director / Whole Time Director / Executive Director.

2. Shareholders Right:

The quarterly, half yearly and annual results of your Company with necessary report there on are published in newspapers.

3. Audit Qualifications:

There are no qualifications in the Auditor's Report on the financial statements to the shareholders of the Company.

4. Training of Board Members:

There is no formal policy at present for training of the Board member of the Company as the members of the Board are eminent and experienced professional persons.

5. Whistle Blower policy:

The Company has not established whistle blower policy.

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 designated personnel in the senior Management of the Company have affirmed compliance with their respective codes for the financial year ended 31st March, 2012.

For Priti Mercantile Company Ltd.

Place : New Delhi
Date : 30.08.2012

R. K. Modi
Managing Director

CERTIFICATION BY MANAGING DIRECTOR

To,
The Members of
Priti Mercantile Company Ltd.

Re: Financial Statements for the year ended 31st March, 2012 - Certification by Managing Director

I, R. K. Modi, Managing 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, 2012 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 : 30.08.2012

R. K. Modi
Managing Director

AUDITORS' 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, 2012 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: 30.08.2012

(MANMOHAN GOYAL)
Partner
M.No. 86085

MANAGEMENT DISCUSSION & ANALYSIS REPORT**ECONOMIC SCENARIO**

The year under review was challenging on many fronts. Inflationary pressures continued unabated and the depreciation of Indian rupee. Liquidity conditions were tight with persistent hardening of interest rates. From the economy perspective, the year saw a mixed scenario of growth-while the first six months saw signs of the company picking up, the second half had a chequered pattern there have been corrections in GDP growth rate estimate which is currently forecasted around 7% from the initial 9% however, the year ended with softening of inflation and interest rates which augur well for better growth prospects of the economy.

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, corporate loans (highest balance sheet risk). We believe that we are well placed to leverage on the growth opportunities in the economy.

FINANCIAL PERFORMANCE

The Company has achieved a turnover of Rs. 8.45 Crores during the year with net profitability of Rs. 1.08 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 markets. 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 2012-13. The Company is effectively putting together a growth strategy in the area of debt syndication, private placement, corporate / personal loan, advisory services, arranger, distributions of mutual fund & liason for financial products.

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**Opportunities**

- Increase in income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

Threats

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

RISK MANAGEMENT

Your company operates in the financial services sector, which is affected by variety factors linked to economic development in India and globally which, in turn, also affected global fund flows. Any economic event across the globe can have direct or indirect impact on your company. To Mitigate this, Company has diversified its revenue stream across multiple verticals. Your Company's risk management system is a comprehensive and integrated framework comprising structured reporting and stringent controls. 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 RESOURECS / INDUSTRIAL RELATIONS

The company believes that the success of an organization largely depends on the quality of its workforce. Employee relations 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 statements within the meaning of applicable securities laws and regulations which may differ from the actual results.

AUDITORS REPORT

To,

The Shareholders

Priti Mercantile Company Limited

Rampur (U.P.)

1. We have audited the attached Balance Sheet of Priti Mercantile Company Limited as at 31st March, 2012 and also the Statement of Profit & Loss & 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 Statement of Profit & Loss & Cash Flow Statement referred to in this report are in agreement with the books of Accounts.
 - d) In our opinion, the Balance Sheet, Statement of 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 2012 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, 2012; and
 - (ii) in the case of Statement of Profit & Loss, of the profit for the year ended on that date.
 - (iii) in the case of Cash Flow Statement of Cash Flows for the year ended on that date.

For M. M. GOYAL & CO.
Chartered Accountants
Firm Registration No.007198N

Place : New Delhi
Dated: 30.08.2012

(MANMOHAN GOYAL)
Partner
M.No. 86085

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. a) 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.
b) According to information given to us there are no transaction exceeding Rs. 5 Lacs for the purchase and sale of goods, material and services from such parties.
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) (d) 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. 2011-12.

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.
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, dentures 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
Firm Registration No.007198N

Place : New Delhi
Dated : 30.08.2012

(MANMOHAN GOYAL)
Partner
M.No. 86085

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note No.	At the End of 31.03.2012	At the End of 31.03.2011
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	2	133,767,000	89,178,000
(b) Reserves and Surplus	3	124,832,516	168,998,738
2. Share Application money pending allotment		—	—
3. Non-Current Liabilities			
(a) Long-Term Borrowings		—	—
(b) Deferred Tax Liabilities (Net)	4	13,187	14,883
(c) Other Long Term Liabilities		—	—
(d) Long Term Provisions		—	—
4. Current Liabilities			
(a) Short-Term Borrowings	5	472,954,902	344,963,889
(b) Trade Payables		—	—
(c) Other Current Liabilities	6	15,360,581	12,815,417
(d) Short-Term Provisions		—	—
Total Equity & Liabilities		746,928,186	615,970,927
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	1,554,526	1,805,493
(ii) Intangible Assets		—	—
(iii) Capital Work in Progress		—	—
(b) Non-Current Investments	8	87,450,000	39,500,000
(d) Non Current Assets- Long Term Loans and Advances		—	—
(e) Other Non-Current Assets		—	—
2. Current Assets			
(a) Current Investments		—	—
(b) Current Assets-Inventories	9	10,309,160	9,110,498
(c) Current Assets-Trade receivables	10	1,656,846	—
(d) Current Assets- Cash and Cash Equivalents	11	12,751,036	10,559,578
(e) Short-term Loans and Advances	12	633,206,618	554,995,358
Total Assets		746,928,186	615,970,927

Notes forming part of Financial Statements 1 to 27

As per our report of even date attached

For and on behalf of the Board of Directors

FOR M. M. GOYAL & CO.

Chartered Accountants

(MANMOHAN GOYAL)

Partner

M.No. 86085

(R. K. MODI)

Managing Director

(REKHA MODI)

Director

(D. K. GUPTA)

Director

Place : New Delhi

Date : 30.08.2012

(RAMAN KUMAR)

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2012

(Amount in ₹)

Sr. No	Particulars	Note No.	At the End of 31.03.2012	At the End of 31.03.2011
I	Sale of Shares, Securities & Commodities		32,185,983	27,640,020
II	Revenue from Operations	13	52,320,353	39,065,271
III	Total Revenue (I + II)		84,506,336	66,705,291
IV	Expenses:			
	Purchase of Shares, Securities & Commodities		51,036,789	42,582,404
	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	14	(1,198,661)	(7,636,369)
	Depreciation and Amortization Expense	7	267,776	208,508
	Other Administrative Expenses	15	23,618,678	16,293,661
	Total Expenses (IV)		73,724,582	51,448,204
V	Profit before Exceptional and Extraordinary Items and Tax		10,781,754	15,257,087
VI	Exceptional Items		—	—
VII	Profit before Extraordinary Items and Tax (V - VI)		10,781,754	15,257,087
VIII	Extraordinary Items		—	—
IX	Profit Before Tax (VII - VIII)		10,781,754	15,257,087
X	Tax Expense:			
	(1) Current tax		2,611,054	3,965,085
	(2) Deferred tax		1,696	(10,429)
XI	Profit(Loss) from the period		8,172,396	11,281,573
XII	Earning per equity share:	25		
	(1) Basic		0.61	1.27
	(2) Diluted		0.71	1.27
XIII	No of weighted average shares used in computing EPS			
	(1) Basic		13,376,700	8,917,800
	(2) Diluted		11,518,825	8,917,800

Notes forming part of Financial Statements 1 to 27

As per our report of even date attached

For and on behalf of the Board of Directors

FOR M. M. GOYAL & CO.

Chartered Accountants

(MANMOHAN GOYAL)

Partner

M.No. 86085

(R. K. MODI)

Managing Director

(REKHA MODI)

Director

(D. K. GUPTA)

Director

Place : New Delhi

Date : 30.08.2012

(RAMAN KUMAR)

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

- (a) Financial Statements are prepared under the historical cost convention on accrual basis 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 make 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 recognised prospectively in current and future periods.
- (c) All assets and liabilities have been classified as Current or Non-Current as per the operating cycle criteria set out Revised Schedule VI to the Companies Act, 1956.

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:

Investment are classified into Non-Current Investment. Long Term Investments are stated at cost.

6. INVENTORIES

Inventories are valued at weighted average cost or net realizable value whichever is lower. Cost is determined on First-In-First-Out (FIFO) basis.

7. EMPLOYEE BENEFITS:

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

- (a) Short-term employee benefits are recognised at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (b) Termination benefits are recognised 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 recognised 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.

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 recognised only if there is virtual certainty of its realization. Other Deferred Tax assets are recognised 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 recognised 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 recognised 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 recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

14. 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.

(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.

15. There are no amounts payable to any micro enterprises & small enterprises as identified by management from the information available with the company & relied upon by auditor.

Note : 2 Share Capital

Sr. No	Particulars	At the End of 31.03.2012 No.	At the End of 31.03.2012 ₹	At the End of 31.03.2011 No.	At the End of 31.03.2011 ₹
a	AUTHORISED CAPITAL				
	Equity Shares of Rs. 10/- each.	15,000,000	150,000,000	10,000,000	100,000,000
b	ISSUED, SUBSCRIBED & PAID UP CAPITAL				
	Equity Shares of Rs. 10/- each, Fully	13,376,700	133,767,000	8,917,800	89,178,000
	Total in ₹	13,376,700	133,767,000	8,917,800	89,178,000

- Equity Shares: The Company has one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share.
- The company declares and pays dividend in Indian Rupees. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.
- The Board of Directors in the meeting on (Date of Board meeting in which BS is approved) proposed a Dividend of ₹ 0.50 per equity share. The proposal is subject to approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 7773368/- including dividend distribution tax.
- During the year the company has allotted bonus shares in the ration of 1:2, credited as fully paid up.
- Company has issued 4458900 equity shares of ₹ 10/- each as bonus shares during the period of five years immediately preceding the reporting date. There are no shares issued for consideration other than cash and also company has not bought back any share during the period of five years immediately preceding the reporting date.

2 A Reconciliation of number of Shares

Sr. No	Particulars	At the End of 31.03.2012 No.	At the End of 31.03.2012 ₹	At the End of 31.03.2011 No.	At the End of 31.03.2011 ₹
a	Shares Outstanding at the beginning of the Year	8,917,800	89,178,000	8,917,800	89,178,000
b	Share Issued during the year (Bonus Issue)1 Share for every 2 shares held	4,458,900	44,589,000	—	—
c	shares bought back during the year	—	—	—	—
d	Any other movement	—	—	—	—
	Shares Outstanding at the end of the year	13,376,700	133,767,000	8,917,800	89,178,000

2 B Details of shares held by shareholders holding more than 5 % of aggregate shares in the company

Sr. No	Particulars	At the End of	At the End of	At the End of	At the End of
		31.03.2012 %	31.03.2012 No.	31.03.2011 %	31.03.2011 No.
a	RRP Management Services Pvt Ltd.	6.465	864,750	6.465	576,500
b	Prabhat Management Services Pvt Ltd.	6.231	833,500	6.224	555,000
c	Economy Suppliers Private Limited	—	—	14.578	1,300,000
d	Embassy Sales Private Limited	—	—	14.578	1,300,000
e	Seabird Distributors Private Limited	—	—	5.607	500,000

- As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.
- There are no shares reserved for issue under options and contracts/commitments for sale of shares/ disinvestment.
- There are no unpaid calls from any Director or Officer.

Note : 3 Reserve & Surplus

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
a	Share Premium Account		
	Opening balance	152,487,000	152,487,000
	Less: Bonus Issue made during the Year	44,589,000	—
	Closing Balance (A)	107,898,000	152,487,000
b	Surplus in Statement of Profit & loss		
	Opening Balance	16,677,988	15,760,905
	Add: Net Profit for the year	8,172,396	11,281,573
	Less: Proposed Dividend	6,688,350	8,917,800
	Less: Tax on Proposed dividend	1,085,018	1,446,690
	Closing Balance (B)	17,077,016	16,677,988
c	Misc Expenditure (Dr Balances)		
	Share Issue Expenses	(142,500)	(166,250)
	Closing Balance (C)	(142,500)	(166,250)
	Total in ₹ (A+B+C)	124,832,516	168,998,738

The Board of Directors in the meeting on (Date of Board meeting in which BS is approved) proposed a Dividend of ₹ 0.50 per equity share. The proposal is subject to approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 7,773,368/- including dividend distribution tax.

Note : 4 DEFERRED TAX LIABILITIES

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
a	Deffered Tax Liability due to Diff. in Depreciation as per IT Act & Companies Act	13,187	14,883
Total in ₹		13,187	14,883

Note : 5 Short Term Borrowings

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
a	Secured Loans		
	Car Loan (TATA Capital Ltd.) (Hypothication of Motor Car)	—	81,994
	OD- ICICI Bank (Hypothication of FDR)	—	7,879,728
b	Unsecured Loans		
	Loans Repayable on Demand		
	From Body Corporates	414,274,902	191,702,167
	From Other	58,335,000	144,955,000
	From Related Parties	345,000	345,000
Total in ₹		472,954,902	344,963,889

a. Overdraft facility from ICICI Bank as on 31.03.2011 is secured by pledge of Fixed deposit of ₹ 10,000,000/- (Refer Note No. 11)

Note : 6 Other Current Liabilities

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Expenses Payable	55,490	32,098
2	Unclaimed Dividend for FY 2010-11	58,400	—
3	Duties & Taxes Payable	4,862,269	2,418,829
4	Proposed Dividend	6,688,350	8,917,800
5	Tax on Proposed Dividend	1,085,018	1,446,690
6	Provision of Current Taxation	2,611,054	—
Total in ₹		15,360,581	12,815,417

Note: 7 Fixed Asset
SCHEDULE AS PER COMPANIES ACT OF 1956

Sr. No	Particulars	Gross Block (Cost/ Valuation)		Depreciation/Amortisation/impairment			Net Block				
		01.04.2011	Addition during the year	Disposal during the year	31.03.2012	Upto 31.03.2011	Charge During the Year	Disposal Adjustments	Upto 31.03.2012	31.12.2012	31.03.2011
	Tangible Assets										
1	Computer	144475	—	—	144475	121392	9233	—	130625	13850	23083
2	Mobile Phone	73750	3,800	—	77550	10405	8868	—	19273	58277	63345
3	Car	1780815	—	—	1780815	321470	202995	—	524465	1256350	1459345
4	Electric Equipment	38490	—	—	38490	4050	4791	—	8841	29649	34440
5	Furniture & Fixtures	260700	—	—	260700	35420	40776	—	76196	184504	225280
6	Office Equipment		13,009		13009	—	1113	—	1113	11896	—
	TOTAL	2,298,230	16,809	—	2,315,039	492,737	267,776	—	760,513	1,554,526	1,805,493
	Previous Year	943,715	1,354,515	—	2,298,230	284,229	208,508	—	492,737	1,805,493	659,486

Note: 8 Non-current investments

Sr. No.	Name of Company	Face value	No. of Shares		Partly/fully paid	Amt. in ₹	
			As at 31.03.12	As at 31.03.11		As at 31.03.12	As at 31.03.11
a	Trade Investments (Unquoted)						
1	Aradhya Portfolio Investment (P) Ltd.	10/-	25000	—	Fully	2,500,000	—
2	Bhavnish Metal India (P) Ltd.	10/-	125000	—	Fully	5,000,000	—
3	Bhavya Realtors (P) Ltd.	10/-	15000	—	Fully	1,500,000	—
4	BIR Engineering Services (P) Ltd.	10/-	2000	—	Fully	500,000	—
5	Cosmos Fibre Glass Ltd.	10/-	65000	—	Fully	6,500,000	—
6	Cross Trade Lines (P) Ltd.	10/-	20000	—	Fully	10,000,000	—
7	Daksh Leafins (P) Ltd.	10/-	35000	—	Fully	3,500,000	—
8	Dasoar Constructions (P) Ltd.	10/-	30000	—	Fully	1,500,000	—
9	Decor Modular System (P) Ltd.	10/-	20000	—	Fully	1,000,000	—
10	EPS Finvest (P) Ltd.	10/-	22000	20000	Fully	2,200,000	2,000,000
11	Golden Glow Enterprises (P) Ltd.	10/-	16000	—	Fully	2,000,000	—
12	Gold Squire Builders & Promoters (P) Ltd.	10/-	13000	5000	Fully	1,300,000	500,000
13	Hi-Pack & Fill Machines (P) Ltd.	10/-	100000	—	Fully	2,000,000	—
14	Kawatra Papers (P) Ltd.	100/-	6000	—	Partly	4,500,000	—
15	Maheshwari Roller Floor Mills (P) Ltd.	100/-	5000	—	Fully	5,000,000	—
16	Rajeshwari Petro Chem (P) Ltd.	10/-	2000	—	Fully	1,000,000	—
17	R.G. Data Product (P) Ltd.	10/-	12500	—	Fully	250,000	—
18	Saurabh Credit & Securities Ltd.	10/-	7000	—	Fully	700,000	—
19	S.B. Syscon (P) Ltd.	10/-	30000	—	Fully	3,000,000	—
20	Smart Infracom (P) Ltd.	10/-	12500	—	Fully	5,000,000	—
21	Sonakshi Marketing (P) Ltd.	10/-	16000	—	Fully	2,000,000	—
22	Verma Buildmat (P) Ltd.	10/-	60000	—	Fully	3,000,000	—
23	VNS Trading (P) Ltd.	10/-	50000	—	Fully	2,500,000	—
24	Xtra Power Tools (P) Ltd.	1/-	150000	—	Fully	15,000,000	—
25	BR Agro Foods (P) Ltd.	10/-	120000	—	Fully	6,000,000	—
26	Ahinsha Builder (P) Ltd.	10/-	—	50000	Partly	—	5,000,000
27	All Seasons Market (P) Ltd.	10/-	—	100000	Fully	—	1,000,000
28	Angad Estates (P) Ltd.	100/-	—	3000	Fully	—	3,000,000
29	GMP Health Care (P) Ltd.	10/-	—	125000	Fully	—	2,500,000
30	Param Hans Garments (P) Ltd.	10/-	—	20000	Fully	—	2,000,000
31	Ready Roti India (P) Ltd.	10/-	—	80000	Fully	—	10,000,000
32	Relience Tableware (P) Ltd.	10/-	—	15000	Fully	—	1,500,000
33	SVS Portfolio (P) Ltd.	10/-	—	20000	Fully	—	2,000,000
34	Galogotia Books & Departmental St. (P) Ltd.	10/-	—	50000	Fully	—	5,000,000
35	Galogotia Software (P) Ltd.	10/-	—	50000	Fully	—	5,000,000
	Total in ₹					87,450,000	39,500,000

Note: 9 Inventories

Name of the Company	Face Value	No. of Shares	As at 31.03.2012	No. of Shares	As at 31.03.2011
Quoted					
Ahmed Nagar Forging Ltd.	2/-	6	745.80	6	745.80
Brijlaxmi Leasing & Finance Ltd.	1/-	6000	1,500.00	6000	1,500.00
Film City Media Ltd.	1/-	12500000	2,500,000.00	—	—
Global Film & Broadcasting Ltd.	1/-	13500	165,142.67	13500	165,142.78
G. Tech Technology Ltd.	1/-	67000	34,913.03	—	—
Jaipan Industries Limited	10/-	844	14,770.00	844	14,770.00
Maharashtra Corporation Ltd.	10/-	1609	9,557.46	1609	9,557.46
Pentafour Software Ltd.	10/-	200	286.00	200	286.00
Shalimar Production Ltd.	1/-	1000	1,410.00	—	—
Surya India Limited	10/-	238125	726,281.25	238125	726,281.25
Visagar Financial Services Limited	2/-	62084	6,755,694.67	97125	8,093,465.18
Visagar Polytex Ltd.	1/-	700	98,858.86	—	—
Glory Polychem Ltd.	10/-	—	—	25000	98,750.00
Total			10,309,159.74		9,110,498.47

Inventories are valued at weighted average cost or net realizable value whichever is lower. Cost is determined on First-In-First-Out (FIFO) basis.

Note : 10 Current Asset -Trade Recievables

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Outstanding for more than six months		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	—	—
	c) Doubtful		
	Less: Provision		
2	Others		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	1,656,846	—
	c) Doubtful	—	—
	Total in ₹	1,656,846	—

Note : 11 Current Asset -Cash & Cash Equivalent

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Cash-in-Hand		
	Cash in hand	710,267	466,085
	Sub Total (A)	710,267	466,085

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
2	Balances at Banks		
a	Bank of Baroda	10,296	10,296
b	HDFC Bank Ltd. New Delhi	48,993	41,406
c	HDFC Bank Ltd Patel Nagar, New Delhi	8,906,936	
d	ICICI Bank Ltd, New Delhi	3,016,144	
e	ICICI Bank Ltd, South Extn., New Delhi	—	16,791
f	Royal Bank of Scotland, New Delhi	—	25,000
g	HDFC Bank Dividend A/c 2010-11	58,400	—
h	Fixed Deposit with ICICI Bank Ltd for Short Term		10,000,000
	Sub Total (B)	12,040,769	10,093,493
	Total [A + B]	12,751,036	10,559,578

Fixed Deposit of Rs. 10000000 with ICICI Bank as on 31.03.2011 was for a period of less than 12 months from 31.03.2011 and was pledged with the Bank as security for Overdraft Facility availed by the company. (Refer Note No. 5)

Note : 12 Short Terms Loans and Advances

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Loans & Advances to related parties		
a)	Secured, Considered Good :		
	Advance to Associate Concerns	—	—
b)	Unsecured, Considered Good :	—	—
c)	Doubtful	—	—
2	Others	621,646,756	541,545,006
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	TDS(2011-12)	4,120,786	—
	Refundable from IT Authorities(AY11-12)	232,171	243447
	FBT Refundable	6,905	6905
	Share Application Money to Corporates	7,200,000	13200000
	Total in ₹	633,206,618	554995358

a. In the opinion of the Board of Director of the Company, all items of 'Current Assets, loans and Advances', continue to have a realizable value of at least the amount at which they are stated in the Balancesheet, unless otherwise stated.

Note : 13 Revenue from Operations

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Interest on FDR	507,232	—
2	Interest income	32,246,532	32,728,464
3	Dividend income	3,515	3,305
4	Income from Trading in F & O	324,209	111,290
5	Income on Sale of Investments	2,490,000	—
6	Income from Speculative Activities	—	6,812
7	Advisory Fees	—	4,000,000
8	Arrenger Fee	—	1,800,000
9	Brokerage from Distribution Operation	16,748,865	415,400
	Total in ₹	52,320,353	39,065,271

Note : 14 Change in Inventories

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Opening Stock of Shares	9,110,498	1,474,129
2	Closing Stock of Shares	10,309,159	9,110,498
Total in ₹		(1,198,661)	(7,636,369)

Note : 15 Other Administrative Expenses

Sr. No	Particulars	At the End of 31.03.2012 (₹)	At the End of 31.03.2011 (₹)
1	Salary	3,199,871	3,169,726
2	Office Expenses	218,581	150,482
3	ROC Filing Fees	263,000	20,875
4	Rent Rates & Electricity Charges	226,185	218,050
5	Diwali Expenses	20,300	—
6	Conveyance Charges	328,351	—
7	Listing Fee paid to Stock Exchanges	122,505	14,750
8	Brokerage & Commission	180,000	950,000
9	Books & periodicals	39,950	30,419
10	Board Meeting Fee to Directors	186,000	243,680
11	Telephone Expenses	85,313	70,512
12	Vehicle Running & Maintainance	308,894	281,856
13	Travelling Expenses	212,371	171,811
14	Computer Maintenance	28,300	16,275
15	Audit Fee	55,150	34,193
16	Postage & Courior Expenses	115,265	100,713
17	Professional Charges	339,163	196,432
18	Printing & Stationery Expenses	125,620	112,946
19	Advertisement & Publicity	63,951	39,063
20	Miscellaneous Expenses	1,298	21,238
21	Preliminary Expenses W/Off	23,750	23,750
22	Custodian Charges		
	NSDL-Annual Charges	29,781	17,648
	CDSL-Annual Charges	28,678	38,605
23	Interest & Bank Charges	17,310,665	10,296,037
24	Share Trading Expenses	92,830	64,452
25	Registrar & Transfer Agent Expenses	12,906	10,148
Total in ₹		23,618,678	16,293,661

16. 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.	
c	Rekha Modi	Director

(B) Transaction with related parties:

S.No.	Particulars	Enterprises owned/controlled by key management.
1	Expenditure Paid to Rekha Modi a) Rent	180,000/-
2	Advances Received / Returned / Outstanding a RRP Management Services Pvt. Ltd.	Op. NIL Cr. 44,950,000/- Dr. 44,950,000/- Cr. Cl. NIL
	b Prabhat Management Services Pvt. Ltd.	Op. NIL Cr. 20,525,000/- Dr. 20,525,000/- Cr. Cl. NIL

(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.

17. Documents of Car No. DL 3C BA 2675 of the company are in the name of Sh. R.K. Modi Managing Director of the company.

18. 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.

19. Deferred Tax (Net)

	Deferred tax Liab. As at 31.03.2011	Current Year Deferred Tax Assets	Deferred tax Liab. As at 31.03.2012
(Difference between book and tax Depreciation)	14,883	1,696	13,187

20. Director's Remuneration Rs.Nil.

21. Expenditure on employee's in respect of remuneration in aggregate of not less than Rs. 2,400,000/- P.A. or Rs. 200,000/- P.M. when employed for a part of the year.

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

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



24. Payment to auditors:	Current Year	Previous Year
- Audit Fees	55,150	34,193
- Certification Charges	36,950	48,532
	92,100	82,725

25. Earning per share (EPS) as per Accounting Standard - 20	Current Year	Previous Year
Net Profit after Current Taxes	8,170,700	11,292,001
Weighted average number of equity shares of Rs.10 each as on 31.03.12	13,376,700	8,917,800
EPS (Rs.) - Basis	0.61	1.26

- 26. Payment of Dividend**
 Dividend is paid under three modes viz:
 (a) National Electronic Clearing Services (NECS)
 (b) National Electronic Fund Transfer (NEFT)
 (c) Physical dispatch of Dividend Warrants

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

Shares, Securities, Bonds & Commodities	Qty.	Amount
Opening Stock	382409	9110498.47
(Previous Year)	290560	1474129.83
Purchases	13027290	51036789.41
(Previous Year)	357203 110 MT	42582404.43
Sales	518631	32185983.04
(Previous Year)	335454 110 MT	27640020.56
Closing Stock	12891068	10309160.00
(Previous Year)	382409	9110498.47

As per our report of even date attached

For and on behalf of the Board of Directors

FOR M. M. GOYAL & CO.
 Chartered Accountants

(MANMOHAN GOYAL)
 PARTNER
 M.No. 86085

(R. K. MODI)
 MANAGING DIRECTOR

(REKHA MODI)
 DIRECTOR

(D. K. GUPTA)
 DIRECTOR

Place : New Delhi
 Date : 30.08.2012

(RAMAN KUMAR)
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

	(₹)	(₹)
	As on 31-03-2012	As on 31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	10,781,753	15,257,087
Adjustment for :		
Depreciation / amortisation	267,776	208,508
Preliminary expenses W/Off	23,750	23,750
Operating profit before working capital changes	<u>11,073,279</u>	<u>15,489,345</u>
Adjustment for :		
Inventories	(1,198,662)	(7,636,369)
Trade receivables	(1,656,846)	1,365,989
Short term loans and advances	(78,211,261)	(160,895,224)
Short-Term Borrowings	127,991,014	107,904,214
Trade Payables	—	(15,873,144)
Other Current Liabilities	<u>2,545,164</u>	<u>11,491,470</u>
Cash generated from operations	60,542,688	(48,153,719)
Income taxes paid	(2,611,054)	(3,965,085)
Proposed dividend	(6,688,350)	(8,917,800)
Dividend tax	(1,085,018)	(1,446,690)
Net cash from operating activities	<u>50,158,266</u>	<u>(62,483,294)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(16,809)	(1,354,515)
Sale of investment	—	70,057,500
Purchase of investment	(47,950,000)	—
Net cash from / (used in) investing activities	<u>(47,966,809)</u>	<u>68,702,985</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings		
Secured loans	—	—
Unsecured loans	—	—
Net cash from / (used in) financing activities	<u>—</u>	<u>—</u>
Net increase / (decrease) in cash and cash equivalents	2,191,457	6,219,691
Cash and cash equivalents as at March 31, (opening balance)	10,559,578	4,339,887
Cash and cash equivalents as at March 31, (closing balance)	<u>12,751,036</u>	<u>10,559,578</u>

FOR AND ON BEHALF OF THE BOARD

(R. K. MODI)
MANAGING DIRECTOR

(REKHA MODI)
DIRECTOR

(D. K. GUPTA)
DIRECTOR

Place : New Delhi
Date : 30.08.2012

(RAMAN KUMAR)
Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Priti Mercantile Company Limited for the year ended March 31, 2012 derived from audited financial statements, prepared by the Company in accordance with Clause 32 of the Listing Agreement with the Stock Exchange and found the same in accordance therewith.

For M. M. GOYAL & CO.
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATED : 30.08.2012

(MAN MOHAN GOYAL)
Partner
M.No. 86085

PRITI MERCANTILE COMPANY LIMITED

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

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 27th Annual General Meeting of the company held on Monday, 24th September, 2012.

.....
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 - 244901 (U.P.)

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 27th Annual General Meeting of the company to held on
Monday, 24th September, 2012 at 10.00 a.m. at Regd. Office and any adjournment thereof.

Signed this.....day of.....2012.

Signature.....



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.