



VISISTH MERCANTILE LIMITED

**21st
ANNUAL REPORT
2005 - 2006**

CERTIFIED TRUE COPY

For Visisth Mercantile Ltd.

mbjoshi

Director.

Regd. Office : Nutan Vidhya Mandir, 1st Floor, 65, M. G. Road,
Goregaon (W), Mumbai - 400 062.

BOARD OF DIRECTORS

Mr. Ajit Kumar Sarawgi	Director
Ms. Rekha Rani Sarawgi	Director
Mr. Jai Kumar Sarawgi	Director (Resigned w.e.f. 1st April 2005)
Mr. Niranjan Kumar Sarawgi	Director (Resigned w.e.f. 12th October 2005)
Mr. Vinay Kumar Sarawgi	Director (appointed w.e.f. 12th October 2005)
Mr. Madusudan Joshi	Director (appointed w.e.f. 12th October 2005)
Mr. Vipin R. Ladda	Director (appointed w.e.f. 12th October 2005 and resigned w.e.f. 24th March 2006)

AUDITORS M/s. K. K. KHADARIA & Co.
Chartered Accountants Mumbai.

BANKERS Indian Bank, Mumbai

REGISTERED OFFICE: 1st Floor, Nutan Vidya Mandir,
65, M. G. Road, Goregaon (W),
Mumbai 400062

REGISTRAR AND SHARE TRANSFER AGENT: BIG SHARE SERVICES PRIVATE LIMITED
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E), Mumbai 400072

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of **VISISTH MERCANTILE LIMITED** will be held on Wednesday, the 30th August, 2006 at 12.30 p.m. at Registered Office of the Company situated at Nutan Vidya Mandir, 65, M. G. Road, Goregaon (West), Mumbai - 400 062, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006, and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereof.
2. To declare a dividend on equity shares for the financial year ended 31st March, 2006.
3. To appoint a Director in place of Smt. Rekharani Sarawgi, who retire by rotation and being eligible and offer herself for re-appointment.

SPECIAL BUSINESS :

4. To appoint M/s DMKH & Co., Chartered Accountant as the Auditors of the Company in place of the retiring auditor M/s K. K. Khadaria & Co., Chartered Accountants and fix their remuneration.

To Consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s DMKH & Co., Chartered Accountants, who have given the certificate to the effect that, if appointed, their appointment will be as per provisions of Section 224 of the Companies Act, 1956, be and are hereby appointed as the Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. K. K. Khadaria & Co, Chartered Accountants, to hold the office until the conclusion of the next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors plus reimbursement of out of pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the company."

5. To consider and if thought fit, to pass with or without modification, the following Resolution as a **Ordinary Resolution** :

"RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Shri Vinaykumar Sarawgi who was appointed as an additional director in the Board of Directors Meeting held on 12th October 2005 and as such who holds office up to the date of ensuing Annual general Meeting." be and is hereby appointed as a Director of the Company",

6. To Consider and if thought fit, to pass with or without Modification, the following resolution as an ordinary resolution.

"Resolved that pursuant to section 257 of the Companies Act, 1956, Shri Madhusudan Joshi, who was appointed as an additional Director in the Board of Directors Meeting held on 12th October 2005 and as

such who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company",

By order of the Board
For Visisth Mercantile Limited

Place : Mumbai

Dated : 29th July, 2006

Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The dividend as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be paid to those members or their mandates whose names stand registered on the Company's register of members :-
 - a) as beneficial owners at at the end of business on 30th August, 2006 as per the list to be furnished by Central Depository Services (India) Limited (CDSL) in respect of shares held in demat form. Since presently company shares are registered with CDSL only.
 - b) as members holding shares in physical mode as per register of members of the Company as on 30th August, 2006.
3. The register of Members and the Share Transfer Book will remain closed from 25th August, 2006 to 30th August, 2006 (both days inclusive) for the purpose of ensuing Annual General Meeting.
4. Members are requested to notify any changes in their address quoting their folio number to the Company's share department.
5. Members are requested to bring their copies of the Annual Report at the Meeting.
6. The members / proxies should bring the attendance slip duly filled in and signed for attending the meeting.
7. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

Explanatory Statement, As Required Under Section 173 (2) of The Companies Act, 1956

ITEM NO. 4:

The term of office of M/s. K. K. Khadaria & Co., Chartered Accountants, Statutory Auditors of the Company expires at the conclusion of the Annual General Meeting. However, they have conveyed their inability to be re-appointed in the ensuing meeting due to their pre-occupations.

The Company had received from M/s DMKH & Co., Chartered Accounts, as the Statutory Auditors of the Company subject to the approval of shareholders of the Company, to fill the casual vacancy caused by resignation of M/s K. K. Khadaria & Co., Chartered Accountants have submitted a certificate under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be within the limits specified under Section 224 of the said act.

The Board of Directors recommends the said resolutions for your approval.

None of the Directors is concerned or interested in the Resolution.

ITEM NO. 5

As members are aware that during the year Shri Vinay Kumar Sarawgi was appointed as Additional Directors in the Board of Directors meeting held on 12th October, 2005, for looking after the affairs of the Company, therefore it is in the interest of the Company to appoint him as regular director of the Company. Therefore the board recommended the acceptance of the resolution. Mr. Ajit Kumar Sarawgi, M/s. Rekharani Sarawgi & Mr. Vinay Kumar Sarawgi Directors are interested or concerned in the said Resolution.

ITEM NO. 6

As members are aware that during the year Shri Madhusudan Joshi, was appointed as Additional Directors in the Board of Directors meeting held on 12th October, 2005, for looking after the affairs of the Company, therefore it is in the interest of the Company to appoint him as regular director of the Company. Therefore the board recommended the acceptance of the resolution. None of the directors is deemed to be interested or concerned in the said resolution.

No Director of the Company other than Shri. Madhusudan Joshi is Deemed to be intrested or concerned in the said resoulution

By order of the Board
For Visisth Mercantile Limited

Place : Mumbai

Dated : 29th July, 2006

Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 21st Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2006.

Financial Results

(Rs. In Lacs)

Particulars	For the year ended on	
	31.03.06	31.03.05
Total Income	230.69	26.46
Total Expenditure	220.13	15.45
Profit / (Loss) After Tax	9.68	10.15
Equity Share Capital	74.12	74.12

Dividends

Your directors are pleased to recommend dividend at Rs 0.50 paise per equity shares of Rs. 10/- each for the year ended 31st March, 2006.

Directors

Smt. Rekharani Sarawgi, retire by rotation being eligible offer herself for re-appointment, you are requested to re-appoint her as director. During the year Shri Madhusudan Joshi, Shri Vipin Ladda and Shri Vinay Kumar Sarawgi were appointed as additional director and shri Niranjana Kumar Sarawgi resigned from the Directorship of the Company in the Board of Directors meeting held on 12th October, 2005. Further, Shri Vipin Ladda resigned from the Directorship of the Company w.e.f. 24th March, 2006.

Shri Madhusudan Joshi & Shri Vinay Kumar Sarawgi have offered themselves for appointment as director at the ensuing annual general meeting.

Fixed Deposits

Your Company has not accepted any fixed deposit during the year under review which falls under the definition of Section 58A of the Companies Act, 1956.

Compliance Certificate

The Compliance Certificate Received from a Company Secretary in Practice Pursuant to section 383 A (1) of the Company Act 1956 is attached here to.

Listing

The shares of the Company are listed at the Bombay Stock Exchange Limited, Mumbai. The Company has paid the annual listing fees to the BSE for the year 2006 – 2007.

Preferential Issue

During the year under review the Company has passed necessary resolution in connection with issuing 45,00,000 equity shares on preferential basis to other than promoters, directors at a rate as decided in accordance with SEBI Preferential Issue guidelines. In this regard the Company has made necessary application to the stock exchange for their in-principle approval however, due to delay in getting the In-Principle approval from stock exchange and lack of interest from the investors, the management has decided to withdraw the same from Stock Exchange.

Auditors

The Auditors M/s K. K. Khadaria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have expressed their willingness to discontinue as Auditor's of the Company due to their pre-occupation.

M/s DMKH & Co., Chartered Accountant has agreed to act as Auditors of the Company and informed to us that if appointed, it will be within the limit prescribed under section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment as Statutory Auditors and fix their remuneration.

Directors' Responsibility Statement

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that in the preparation of Annual Accounts, the applicable accounting standards had been followed. Appropriate accounting policies have been selected and applied consistently, and have made judgements 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 2006 and the Profit for the period 1st April, 2005 to 31st March, 2006. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

Increase in Capital

During the year the company has increased its Authorised share capital from 75 lacs to Rs. 550 lacs.

Statutory Disclosures

Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 is not required to be given as none of the employees comes under the purview of these provisions.

B) Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

- i) Part A and Part B relating to Conversion of Energy and Technology Absorption are not applicable to the Company as your Company is not a manufacturing Company.
- ii) Foreign Exchange Earning and Outgo :- The Company has neither consumed nor earned any foreign exchange during the year under review.

Acknowledgement

Your Directors place on records their grateful appreciation for the assistance and co-operation received from banks, govt. authorities, clients, staff and you the shareholders.

By order of the Board
For Visisth Mercantile Limited

Place : Mumbai
Dated : 29th July, 2006

Director