



Visisth Mercantile Limited

23rd Annual Report 2007-2008

CERTIFIED TRUE COPY

For Visisth Mercantile Ltd.


Director.

-: Registered Office :-

13/103, Indra Darshan - II, Oshiwara, New Link Road, Andheri (W), Mumbai 400053.

VISISTH MERCANTILE LIMITED**23rd Annual Report 2007-2008****BOARD OF DIRECTORS**

Shri Ajit Kumar Sarawgi

Shri Vinay Kumar Sarawgi

Smt. Rekha Rani Sarawgi

Shri Vasant Savla

Shri Chandrashekhar Korade (Appointed w.e.f. 20th June 2008)**BANKERS**

Indian Bank

AUDITORS

M/s D M K H & Co.,

Chartered Accountants,

C-9, Sanjay Apartment,

S. V. Road, Near Gokul Hotel,

Borivali (W), Mumbai 400092

REGISTERED OFFICE

13/103, Indra Darshan – II,

Oshiwara, New Link Road,

Andheri (W), Mumbai 400053

(w.e.f. 20th June 2008)**REGISTRAR & SHARE TRANSFER AGENT**

BIG SHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (E), Mumbai- 400 072.

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VISISTH MERCANTILE LIMITED

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **Visisth Mercantile Limited** will be held at 13/103, Indra Darshan - II, Oshiwara, New Link Road, Andheri (W), Mumbai 400 053 on Wednesday, the 27th day of August, 2008 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ajit Kumar Sarawgi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Rekha Rani Sarawgi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Chandrashekhar Korade who was appointed as an Additional Director by the Board of Directors and as such who holds office upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. To Consider and if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act. 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act. 1999 (including any statutory modification or re-enactment thereof for the time being of force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Boards of Directors of the Company (hereinafter referred to as "the Board" which expression shall include and committee constituted for the time being in force, there of) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot by way of preferential allotment up to

- i) **6,17,000 [Six Lac Seventeen Thousand]** equity shares of Rs.10/- each at a premium of Rs.15/- (Rupees Fifteen only) aggregating to Rs.1,54,25,000 (Rupees One Crores Fifty Four Lacs Twenty Five Thousand only) out of which 295,000 equity shares are being issued and allotted to Promoter group and the balance 3,22,000 equity shares to domestic investors and/or bodies corporate (the

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"Preferential Shareholders"), on preferential allotment basis without offering the same to any persons who at the date of offer are holders of the equity shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

- ii) **14,41,790 [Fourteen Lacs Forty One Thousand Seven Hundred Ninety]** convertible warrants of Rs.10/- each at a premium of Rs.15/- (Rupees Fifteen only) aggregating to Rs.3,60,44,750/- (Rupees Three Crore Sixty Lacs Forty Four Thousand Seven Hundred Fifty only) out of which 691,790 Convertible Warrants are being issued and allotted to promoter group and the balance 7,50,000 Convertible Warrants to domestic investors and/or bodies corporate (the **"Preferential Shareholders")**, on preferential allotment basis without offering the same to any persons who at the date of offer are holders of the equity shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.

Sr. No.	Name of the Applicant (Proposed Allottees)	No. of shares proposed to be allotted	No. of Warrants proposed to be allotted
A	PROMOTER & PROMOTER GROUP		
1.	Vinay Kumar Sarawgi	150000	Nil
2.	Ajit Kumar Vinay Kumar Sarawgi [HUF]	145000	Nil
3.	Ajit Kumar Sarawgi	Nil	170000
4.	Rekha Rani Sarawgi	Nil	170000
5.	Nishikant Sarawgi	Nil	170000
6.	Nishivin Finance & Investment Private Limited	Nil	181790
	TOTAL	295000	691790
B	NON - PROMOTER		
1.	Vivek Nityanand Jindal	65000	35000
2.	Growell Restaurants Private Limited	65000	35000
3.	Sudha S. Shah	65000	Nil
4.	Veena K. Shah	65000	Nil
5.	Rupal Bhandari	62000	Nil
6.	Pankaj Kumar Marlecha	Nil	40000
7.	Rajesh Kumar Marlecha	Nil	40000
8.	Lalit Kumar Marlecha	Nil	50000
9.	Priti Choudhary	Nil	50000
10.	Aarti Jain	Nil	65000
11.	Ruchita A. Shah	Nil	65000
12.	Chirag S. Shah	Nil	65000
13.	Jitendra H. Shah	Nil	65000
14.	Bhogilal R. Shah	Nil	65000
15.	Paritosh Trading Private Limited	Nil	175000
B	TOTAL	322000	750000
	TOTAL (A+B)	617000	1441790

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RESOLVED FURTHER that the aforesaid equity shares and warrants shall rank *pari passu* in all respect with the existing equity shares of the Company. The equity shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines.

RESOLVED FURTHER that the equity shares and warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER that the relevant date as per clause 13.1.2.2 of SEBI Guidelines for the determination of applicable price for the issue of equity shares and warrants shall be thirty (30) days prior to the date of this Meeting.

RESOLVED FURTHER THAT each of the aforesaid warrants be converted at the option of the holder at any time within 18 months from the date of issue, into one fully paid-up Equity Share of Rs.10/- each at a price of Rs.25/- (Rs.10/- face value + Rs.15/- premium), determined in accordance with the prevailing SEBI/ Disclosure and Investor Protection) Guidelines, 2000 of the conversion price of Rs.25/- per warrant as aforesaid, a sum equivalent to Rs. 2.5/- per warrant as per SEBI (Disclosure and Investor Protection) Guidelines, 2000, will be received on the date of allotment of said warrants.

RESOLVED FURTHER THAT In the event of the Company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities in whatever proportion prior to the exercise of the rights attached to the warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequences of such bonus/ rights issues and that the exercise price of the warrant be adjusted accordingly, subject to such approvals as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI)/ Financial Institutions/ Investment Institutions/ Insurance Companies / Corporate Debt Restructuring Cell and/ or such other appropriate authority may impose at the time of their approval as agreed by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorized by the Board.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting Warrants as well as Equity Shares of the Company as aforesaid, the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilising the issue proceeds of the Warrants as well as Equity Shares of the Company, as it may in its absolute discretion, deem fit and proper."

For and on behalf of the Board of Directors
For VISISTH MERCANTILE LIMITED

Sd/-

AJIT KUMAR SARAWGI
Director

Place : Mumbai
Dated : 28th July, 2008

REGISTERED OFFICE:
13/103, Indra Darshan – II,
Oshiwara, New Link Road,
Andheri (W),
Mumbai - 400 053

23rd Annual Report 2007-2008**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. The Register of Members and Share Transfer Books will remain closed from Thursday, 21st August 2008 to Wednesday, 27th August, 2008 (both days inclusive).
4. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Big Share Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai 400072 in respect of their physical share folios.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
7. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 & 6 of the Notice is annexed hereto.

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

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 5 & 6 of the accompanying Notice of the 23rd Annual General Meeting of the Company to be held on Wednesday, 27th August 2008 at 4.00 p.m.

Item No. 5

During the year Shri Chandrashekhar Korade was appointed as Additional Director of the company on 20th June 2008 and as per the provision of Section 260 of the Companies Act, 1956 ('the Act') the Director who hold office only upto the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Director. The company has received notices under Section 257 of the Act, in respect of the candidates, proposing their appointment as a Director of the Company, along with the requisite deposit. The board recommends this resolution for your approval.

None of the Directors other than Mr. Chandrashekhar Korade is interested or concerned in the said resolution.

Item No. 6

The Board, in order to support the growth plans of the company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the company and its shareholders.

Pursuant to these resolutions as a part of above process, it is intended to raise funds for Expansion of Business and also for Long Term and Short Term Working Capital Requirement of the company and for corporate purpose. The Company proposes to commence the Business of Real Estate in Partnership and to do the business in construction and infrastructure development and/or to set up infrastructure facility for the aforesaid purpose.

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The shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The equity shares referred to in Clause (i) & Clause (ii) above and the underlying equity shares of the Company issued on conversion of warrants shall rank *pari passu* with all the existing shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further equity shares /warrants may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in General Meeting.

The proposed special resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue and allotment of warrants.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, and in terms of the provisions of the Listing Agreement to issue and allot warrants and Equity Shares as stated in the Special Resolutions.

DISCLOSURES REQUIRED TO BE MADE IN THE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF THE SEBI (DISCLOSURES AND INVESTORS PROTECTION) GUIDELINES, 2000 (THE SEBI GUIDELINES) ARE SET OUT BELOW:

I. The object of the issue through preferential offer:

As mentioned above, it is intended to raise funds from the proposed issue of Equity Shares and Convertible Warrants pursuant to this resolution will be utilized for Expansion of Business and also for Long Term and Short Term Working Capital Requirement of the company and for corporate purpose. The Company proposes to commence the Business of Real Estate in Partnership and to do the business in construction and infrastructure development and/or to set up infrastructure facility for the aforesaid purpose.

II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors / Key Management of the Company have conveyed to the Company in writing of their respective intention that Promoters, Directors, Key Management Persons are intend to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting

III. Shareholding pattern before and after the Preferential Allotment:

Shareholding pattern before and immediately upon the allotment of 6,17,000 Equity Shares and 14,41,790 Convertible Warrants on a fully diluted basis pursuant to the offer.

Shareholding Pattern (Number of Shares):

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
A. Shareholding of Promoter and Promoter Group						
1. INDIAN						
Individuals / Hindu Undivided Family	544040	73.40	839040	61.77	1349040	48.18
Central Government / State Government(s)	0	0	0	0	0	0
Bodies Corporate	10450	1.41	10450	0.77	192240	6.87
Financial Institutions/ Banks	0	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0	0
Sub Total (A) (1)	554490	74.81	849490	62.54	1541280	55.05

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Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
A 2. FOREIGN						
Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0
Institutions	0	0	0	0	0	0
Any Others(Specify)	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter						
Group (A)= (A)(1)+(A)(2)	554490	74.81	849490	62.54	1541280	55.05
(B) Public Shareholding						
1. Institutions						
Mutual Funds/ UTI	0	0	0	0	0	0
Financial Institutions / Banks	0	0	0	0	0	0
Central Government / State Government(s)	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0
B 2. Non-institutions						
Bodies Corporate	52350	7.06	117350	8.64	327350	11.69
Individuals						
Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	53370	7.20	53370	3.93	53370	1.90
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	81000	10.93	338000	24.89	878000	31.36
Any Other (specify) - Clearing Member						
Sub-Total (B)(2)	186720	25.19	508720	37.46	1258720	44.95
Total Public Shareholding						
(B) = (B) (1) + (B) (2)	186720	25.19	508720	37.46	1258720	44.95
TOTAL (A) + (B)	741210	100	1358210	100	2800000	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	741210	100	1358210	100	2800000	100

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IV. Proposed time within which the allotment shall be completed:

The allotment of warrants and Equity Shares are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at this General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

V. Auditor Certificate:

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's guidelines for Preferential Issues, being Chapter XIII to the SEBI's (Disclosure and Investor Protection) Guidelines, 2000 by the proposed issue shall be laid before the shareholders at their proposed Annual General Meeting.

VI. Lock-in:

The Shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines

VII. Change in Management:

The proposed preferential allotment of Shares and Convertible warrants will not result in any change in the management and control of the company. Voting right shall change according to the change in shareholding pattern mentioned above.

VII. Pricing

The issue of Shares and warrants convertible into equity shares on preferential basis shall be at a price of Rs. 25/- (Rs.10/- face value + Rs.15/- premium). The price is determined in compliance with SEBI Guidelines for Preferential Issues.

VIII. Payment and Conversion terms:

10% of the value of the Warrant i.e. Rs.2.50 per warrant is to be paid on the date of allotment of warrant. The balance is payable at the time of conversion. Warrant will be converted at the option of the allottees, into one equity share of Rs.10/- each at a price of Rs. 25/- (Rs.10/- face value + Rs. 15/- premium) at any time within 18 months from the date of issue. In case the option is not exercised within a period of 18 months from the date of issue, the aforesaid 10% amount paid on the date of allotment shall be forfeited.

IX. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by it:

Particulars	Existing shareholding		Shareholding After proposed allotment of equity shares but without full conversion of warrants		Shareholding after proposed allotment of equity shares and conversion of warrants	
	No. of shares	%age	No. of shares	%age	No. of shares	%age
PROMOTERS						
Vinay Kumar Sarawgi	31000	4.18	181000	13.33	181000	6.46
Ajit Kumar Vinay Kumar Sarawgi [HUF]	21000	2.83	166000	12.22	166000	5.93
Ajit Kumar Sarawgi	68450	9.23	68450	5.04	238450	8.52
Rekha Rani Sarawgi	64500	8.70	64500	4.75	234500	8.38
Nishikant Sarawgi	31000	4.18	31000	2.28	201000	7.18
Nishivin Finance & Investments Private Limited	10450	1.41	10450	0.77	192240	6.87