

VARUN MERCANTILE LIMITED

REGD. OFFICE : 506, CHIRANJIV TOWERS, 43, NEHRU PLACE, NEW DELHI-110 019.

NOTICE

NOTICE is hereby given that the thirteenth Annual General Meeting of Members of Varun Mercantile Limited will be held on Wednesday, the 30th September, 1998, at 10.30 A.M. at the Registered Office of the Company at 506, Chiranjiv Towers, 43, Nehru Place, New Delhi- 110 019 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Bittal M. Singhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K. Varadarajan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s N. A. Jain & Company, Chartered Accountants, Mumbai as Auditors in place of M/s P. R. Mehra & Co., Chartered Accountants, New Delhi, the retiring Auditors, and to authorise the Board of Directors to fix their remuneration.

By the order of the Board of Directors

Sd/-
K. VARADARAJAN
DIRECTOR

PLACE : MUMBAI

DATED : 5TH SEPTEMBER, 1998.

NOTES :

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE MEETING.
- B. The relative Explanatory Statement in respect of business under Item No. 4 is annexed hereto.
- C. The Register of Members and Transfer Books of the Company will be closed from Friday, 25th September, 1998 to Wednesday, 30th September, 1998 (both days inclusive).

CERTIFIED TRUE COPY

VARUN MERCANTILE COMPANY LIMITED

[Signature]
Authorised Signatory

MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DEV	NA
TRA	NA	AC	✓
AGM	✓	SSI	✓
YE	✓		

VARUN MERCANTILE LIMITED

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EXPLANATORY STATEMENT

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 1956

ITEM NO. 4 :

The Statutory Auditors of the Company, M/s. P. R. Mehra & Company, Chartered Accountants, New Delhi, will hold office till the conclusion of the ensuing Annual General Meeting of the Company. M/s. P. R. Mehra & Company, have expressed their unwillingness to continue as Auditors of the Company after conclusion of this Annual General Meeting.

As required under Section 225(1) of the Companies Act, 1956, a Special Notice in terms of section 190 of the said Act has been received from a Shareholder, proposing the appointment of M/s. N. A. Jain & Company, Chartered Accountants, Mumbai, as the Auditors of the Company in place of M/s. P. R. Mehra & Company, Chartered Accountants, New Delhi, the retiring auditors. The retiring Auditors have informed the Company that they have no representation to make to the members of the Company relating to the Special Notice.

As required M/s N. A. Jain & Company, Chartered Accountants, have forwarded a certificate to the Company stating that the appointment, if made, will be within the limits specified in sub-section (1-B) of the Section 224 of the Companies Act, 1956.

The Board recommends the appointment of M/s N. A. Jain & Company, Chartered Accountants, as Statutory Auditors of the Company.

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

All the documents as referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and Holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

By the order of the Board of Directors

sd/-
K. VARADARAJAN
DIRECTOR

PLACE : MUMBAI
DATED : 5TH SEPTEMBER, 1998.

VARUN MERCANTILE LIMITED

REGD. OFFICE : 506, CHIRANJIV TOWERS, 43, NEHRU PLACE, NEW DELHI-110 019.

DIRECTORS' REPORT

To,
The Shareholders,
VARUN MERCANTILE LIMITED,

Your Directors have pleasure in presenting the 13th Annual Report, together with the Audited statement of Accounts of the Company for the year ended 31st March, 1998.

WORKING :

The Company has incurred a net Loss of Rs. 0.93 Lacs during the year. (Previous Year Net Profit of Rs.1.84 Lacs.).

DIVIDEND :

In view of Loss incurred by the Company, your Directors are not recommending any dividend for the current year.

DIRECTORS :

Shri Bittal M. Singhi and Shri K. Vardarajan retire by rotation and being eligible, offers themselves for re-appointment.

FIXED DEPOSITS :

The Company has not accepted any deposits from the public during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has no activities relating to conservation of energy and technology absorption. There were no foreign exchange earnings and out go during the year under consideration.

PARTICULARS OF EMPLOYEES :

The Company has no employee of the category mentioned in Section 217 (2A) of the Companies Act, 1956 as amended up-to-date.

AUDITORS :

M/s. P. R. Mehra & Company, Chartered Accountants, New Delhi, the present Auditors of the Company have expressed their unwillingness to continue as Auditors of the Company after conclusion of this Annual General Meeting. M/s. N. A. Jain & Company, Chartered Accountants, Chartered Accountants, Mumbai have given their consent for appointment as Auditors of the Company in place of M/s. P. R. Mehra & Company. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. Accordingly, your Directors recommend the appointment of M/s. N. A. Jain & Company, Chartered Accountants, as statutory Auditors of the Company at the ensuing Annual General Meeting.

By the order of the Board of Directors


K.VARADARAJAN
DIRECTOR


BITTAL M. SINGHI
DIRECTOR

PLACE : MUMBAI
DATED : 5TH SEPTEMBER, 1998

P.R.MEHRA & CO.
Chartered Accountants
H.O.56, Dariya Ganj
New Delhi - 110002

AUDITOR'S REPORT

TO
THE MEMBERS OF
VARUN MERCANTILE LIMITED

We have audited the attached balance sheet of Varun Mercantile Limited as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date annexed there to and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) 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.
2. Further to our comments in the Annexure referred to in paragraph 1 above we 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 account as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required under the Companies Act, 1956 in the manner so required and subject to (1) The company is not registered with RBI as per provisions of sec.45 IA OF Reserve Bank of India Act '34 : (2) Advances of substantial amounts given to parties for procurement of shares are received back after considerable time without procuring shares. At the year end Rs.2.25 crores is outstanding from parties on this account. We are unable to comment since neither shares nor the advance has been received back till date; give a true and fair view:
 - i) Insofar as it relates the Balance Sheet of the state of affairs of the Company as at 31st March, 1998.
and
 - ii) Insofar as it relates to the Profit and Loss Account of the "Loss" of the Company for the year ended on that date.

For P.R.MEHRA & CO.
Chartered Accountants

sd/-
(S.ILANGO)
PARTNER

PLACE : NEW DELHI
DATED : 05.09.1998