

AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/s POPULAR MERCANTILE PVT LTD, as at 31st March, 2013 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 amount 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.

As required by the Companies (Auditor's 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.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper book of account as required by law have been kept by the company so far as appears from our examination of those;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 and
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

T.N. DATTA & ASSOCIATES
CHARTERED ACCOUNTANTS

T.N. DATTA
(Proprietor)
Membership No. 056676

Place : Kolkata
Dated: 10.05.2013



ANNEXURE TO THE AUDITOR'S REPORT

Referred to in the Auditor's Report to the Members of POPULAR MERCANTILE PRIVATE LIMITED on the Accounts of the year ended 31st March, 2013.

- 1) a) During the year , company did not have any fixed assets, therefore the provisions of clause 4(i) (a) to clause 4 (i) (c) of the companies (Auditor's Report) (Amendment) order,2004 are not applicable to the company
- 2) a) The inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
c) On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- 3) a) The Company has not granted or taken any loan to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
b) As the company has not granted or taken any loan to/from the companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956, the provisions of Para iii(b),(c) and (d) of the order are not applicable to the company.
- 4) In our opinion and according to the information and explanations 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 inventory and fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- 5) a) In our opinion according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanation given to us, these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposit within the meaning of section 58A and 58AA of the companies Act, 1956 and the rules framed there under.
- 7) In our opinion, the internal audit system of the company is commensurate with the size of company and nature of its business.
- 8) We have been informed that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.



- 9) a) According to the records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us, there are no statutory dues outstanding as on 31st March 2013 on account of any dispute.
- 10) The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) The company has not defaulted in payment of dues to a financial institution or bank or debenture- holders.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- 13) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- 14) The Company is not dealing or trading in shares, securities, debentures or other investments. However, the investments made by the company in shares and other securities have been held by the company in its own name.
- 15) In our opinion and according to the information and explanation given to us, the terms and conditions on which the company has given guarantee for loan taken by its associate from Bank and financial institutions are not prejudicial to the interest of the company.
- 16) On the basis of our examination and according to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were obtained.
- 17) On the basis of our examination and according to the information and explanation given to us, the funds raised on short-term basis have not been used for long-term investment and vice versa.
- 18) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956. In our opinion and according to the information and explanation given to us, the price at which shares have been issued is not prejudicial to the interest of the company.
- 19) The company has not issued any secured debenture.
- 20) The company has not raised any money during the year by public issue.
- 21) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements materially misstated.

Place : Kolkata
Dated: 10.05.2013



T.N. DATTA & ASSOCIATES
CHARTERED ACCOUNTANTS

T.N. DATTA
(Proprietor)
Membership No. 056676

6

POPULAR MERCANTILE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013.

Particulars	Note	As at 31st March, 2013. (₹)	As at 31st March, 2012. (₹)
I. EQUITY AND LIABILITIES :		<u>3700000</u>	<u>3700000</u>
(1) Shareholder's Funds :			
(a) Share Capital	1	3,510,000	3,510,000
(b) Reserves and Surplus	2	167,129,637	167,101,228
(2) Long term liabilities			
(a) Unsecured loans	3	-	-
(3) Current Liabilities :			
(a) Trade Payables	4	34,000	4,000
(b) Other Current Liabilities	5	-	-
(c) Short-Term Provisions	6	16,000	3,294
TOTAL		170,689,637	170,618,522
II. ASSETS :			
(1) Non-Current Assets :			
(a) Non-current investments			
(b) Long term loans and advances			
(c) Other non-current assets			
(2) Current Assets :			
(a) Current investments	7	170,100,000	123,608,700
(b) Trade Receivable			1,518,560
(c) Cash and cash equivalents	8	253,363	345,789
(d) Short-term loans and advances	9	331,474	45,138,273
(e) Other current assets	10	4,800	7,200
TOTAL		170,689,637	170,618,522

AS PER OUR REPORT ON EVEN DATE
T. N. DATTA & ASSOCIATES
 Chartered Accountants

T.N. DATTA
 (Proprietor)
 Membership No.:056676
 Place : Kolkata.
 Date : The 10th Day of May, 2013



For POPULAR MERCANTILE PVT. LTD.

Director

Director

POPULAR MERCANTILE PRIVATE LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013.

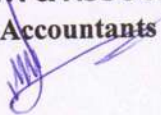
	Particulars	Note	As at 31st March, 2013. (₹)	As at 31st March, 2012. (₹)
I	Revenue from operations	11	3,409,800	5,569,585
II	Other Income	12	1,384,275	1,982,029
III	Total Revenue (I + II)		4,794,075	7,551,614
IV	Expenses :			
	Purchase of Stock-in-Trade		4,275,800	7,292,325
	Other Expenses	13	477,160	248,630
	Total Expenses (IV)		4,752,960	7,540,955
V	Profit before exceptional and extraordinary items and tax (III - IV)		41,115	10,659.00
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		41,115	10,659
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		41,115	10,659
X	Tax expense:			
	(1) Current tax		12,706	3,294
	(2) Deferred tax		-	-
XI	Profit / (Loss) from the period from continuing operations (IX - X)		28,409	7,365
XII	Profit / (Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit / (Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV	Profit / (Loss) for the period (XI + XIV)		28,409	7,365
XVI	Earning per equity share :			
	(1) Basic		0.08	0.02
	(2) Diluted		0.08	0.02

The Notes referred to above form an integral part of Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

AS PER OUR REPORT ON EVEN DATE

T. N. DATTA & ASSOCIATES
Chartered Accountants



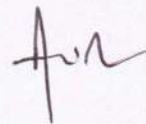
T.N. DATTA
(Proprietor)
Membership No.:056676
Place : Kolkata.
Date : The 10th Day of May, 2013



For POPULAR MERCANTILE PVT. LTD.



Director



Director

POPULAR MERCANTILE PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013.

Particulars	As at 31st March, 2013. ()	As at 31st March, 2012. ()
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Note - 1 :		
SHARE CAPITAL :		
a. <u>Authorised</u>		
370,000 (March 31, 2013 : 370,000) Equity Shares of ` 10/- each	3,700,000	3,700,000
	3,700,000	3,700,000

b. <u>Issued, Subscribed and Paid up</u>		
351,000 (March 31, 2013 : 351,000) Equity Shares of ` 10/- each	3,510,000	3,510,000
Add: Forfeited Shares (Amount paid up)	-	-
Total in `	3,510,000	3,510,000

c. <u>Rights, preferences and restrictions attached to shares :</u>
Equity Shares : The company has one class of equity shares having a par value of ` 10/- per share. Each equity shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend proposed 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 of the company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

d. <u>Shareholder holding more than 5% of the aggregate shares :</u>	Equity Shares	Equity Shares
ACHIEVER COMMOTRADE PVT. LTD.	-	22,000
BONUS RETAILS PVT. LTD.	-	18,000
GROWFAST DISTRIBUTORS PVT. LTD.	-	18,000
LIFELINE MARKETING PVT. LTD.	-	19,000
ORIGIN VINIMAY PVT. LTD.	-	20,000
REVIEW SALES PVT. LTD.	-	23,600
SALASAR TRACOM PVT. LTD	-	16,000
TARGET VINCOM PVT. LTD.	-	20,000
SHRI BAJRANG ALLOYS LIMITED	350,990	
VIKASH TRADECOM PVT. LTD.	-	19,200



POPULAR MERCANTILE PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013.

	As at 31st March, 2013. (₹)	As at 31st March, 2012. (₹)
Note - 2 :		
RESERVE & SURPLUS :		
a. Capital Reserves	-	-
b. Capital Redemption Reserve	-	-
c. Securities Premium Reserve	167,090,000	167,090,000
d. Debenture Redemption Reserve	-	-
e. Revaluation Reserve	-	-
f. Shares Option Outstanding Account	-	-
g. Other Reserve	-	-
h. Surplus (Profit & Loss Account) :		
Opening balance	11,228	3,863
Add : Profit after Tax	28,409	7,365
Add/(less): Income tax for earlier years	-	-
Closing balance	39,637	11,228
Total in `	167,129,637	167,101,228
Note -3 :		
LONG TERM LOANS		
Unsecured		
a. Interest bearing	-	-
b. Interest free	-	-
Note -4 :		
TRADE PAYABLES :		
a. Dues to Micro, Small & Medium Enterprises	-	-
Acceptances	-	-
For Capital goods	-	-
For Expenses	34,000	4,000
b. Advances from Customers	-	-
Total in `	34,000	4,000
Note -5 :		
OTHER CURRENT LIABILITIES :		
a others	-	-
Note -6 :		
SHORT-TERM PROVISIONS :		
a. Others		
Provision for Taxation	16,000	3,294
Total in `	16,000	3,294



POPULAR MERCANTILE PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013.

Particulars	As at 31st March, 2013. (₹)	As at 31st March, 2012. (₹)
Note - 7 :		
CURRENT INVESTMENTS :		
a. Investment in Equity Instruments	170,100,000	123,608,700
b. Investment in Preference Shares	-	-
Total in `	170,100,000	123,608,700
Note - 8:		
CASH AND CASH EQUIVALENTS :		
a. Balances with Bank		
Balances with Schedule Banks	243,980	207,340
b. Cheques, drafts on hand	-	-
c. Cash on Hand	9,383	138,449
Total in `	253,363	345,789
Note - 9 :		
SHORT-TERM LOANS AND ADVANCES :		
a. Loans & Advances to related parties :		
i) Secured, Considered Good	-	-
ii) Unsecured, Considered Good	-	20,895,226
iii) Doubtful	-	-
b. Others :		
i) Secured, Considered Good	-	-
ii) Unsecured, Considered Good :		
Advance Recoverable in cash or in kind or for value to be considered good	-	-
TDS Receivable	331,474	193,047
Others	-	24,050,000
Total in `	331,474	45,138,273
Note - 10 :		
OTHER CURRENT ASSETS :		
Preliminary Expenses : Opening	7,200	9,600
Add : Incurred during the year	-	-
Less : Written off during the year	2,400	2,400
	4,800	7,200



POPULAR MERCANTILE PRIVATE LIMITED

Notes Forming Integral Part of the Profit & Loss Statement for the year ended 31st March, 2013.

	As at 31st March, 2013. ()	As at 31st March, 2012. ()
Particulars		
Note - 11 :		
REVENUE FROM OPERATIONS :		
a. Sales	3,409,800	5,569,585
	3,409,800	5,569,585

Note - 12 :		
OTHER INCOME :		
a. Interest on Lons	1,384,275	1,982,029
b. Dividend Income	-	-
c. Net gain / loss on sale of Investments	-	-
d. Other non-operating income	-	-
	1,384,275	1,982,029

Note - 13 :		
OTHER EXPENSES :		
Administrative, Selling & Other expenses :		
a. Accounting Charges	18,000	18,000
b. Bank Charges	2,995	2,560
c. Compliance Fees	1,500	1,500
d. Conveyance expenses	35,600	28,740
e. ROC Filing Fees	1,500	1,500
f. General Expenses	98,945	45,960
g. Printing & Stationary	42,835	12,740
h. Preliminary expenses w/o	2,400	2,400
i. Rates & taxes	-	-
j. Salary	250,000	120,000
k. Telephone Expenses	20,885	12,730
l. Auditors Remuneration		
- Audit Fees	2,500	2,500
	477,160	248,630



POPULAR MERCANTILE PVT . LTD.

SCHEDULES TO AND FORMING AN INTEGRAL PARTS OF ACCOUNTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2013

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS SIGNIFICANT ACCOUNTING POLICIES :

1. The accounts of the company are prepared under the historical cost convention using the accrual method of accounting.
2. Securities acquired with the intention of long-term holding are considered as 'Investment'. The Investments are shown in Balance Sheet at cost.
3. Since there is no Inventory, additional Information pursuant to the provisions of paragraphs 3 (i) (a) & 3 (ii) (b) of Part-II of Schedule VI to the Companies Act, 1956 is not applicable.
4. In terms of AS-18 "Related Party Disclosures" issued by the ICAI are not given, as the company does not have any transaction with related parties and their relatives during the year.
5. Provisions for taxation has been made as per Current Rules & Regulations of the Income Tax Act, 1961.
6. Consequent to AS- 22 " Accounting for taxes on Income" issued by the ICAI, recording Deffered tax is not applicable to the company.

T.N. DATTA & ASSOCIATES

Chartered Accountants

Place: Kolkata

Date : 10.05.2013

T.N. DATTA
(Proprietor)
Membership No.056676

