



# Trio Mercantile & Trading Limited

613/B, Mangal Aarambh, Near Mc.Donalds, Kora Kendra, Off. S. V. Road,  
Borivali (W), Mumbai - 400 092. • Tel. : 2833 5999 / 2833 5998

22<sup>nd</sup> August, 2013

To,  
The General Manager,  
Department of Corporate Services,  
**Bombay Stock Exchange Limited,**  
P.J. Towers, Dalal Street,  
Mumbai - 400 001



**Sub: ADDITIONAL SET** for Application under Clause 24(f) of the listing agreement for the proposed Scheme of Arrangement between ARSS Engineering Limited (Transferor Company) with Trio Mercantile & Trading Limited (Transferee Company)

Dear Sir,

With reference to the captioned subject, we are submitting herewith the **ADDITIONAL SET** of following documents for obtaining in-principle approval under clause 24(f) of the Listing Agreement:

Sr. NO.	DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION UNDER CLAUSE 24(F) OF THE LISTING AGREEMENT	Page Nos.
1.	Certified copy of the draft Scheme of Arrangement between ARSS Engineering Limited with Trio Mercantile & Trading Limited.	3 - 18
2.	Certified true copy of Valuation report showing Swap Ratio of exchange for the proposed merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited, issued by J.B.Wala & Co. Independent Chartered Accountant.	19 - 37
3.	Report from the Audit Committee dated 31 <sup>st</sup> July, 2013 recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above.	38 - 39
4.	Certified true copy of Fairness Opinion Report on valuation for proposed merger, issued by Comfort Securities Limited.	40 - 56
5.	i. Shareholding pattern of ARSS Engineering Limited (Pre Arrangement) and ii. Shareholding pattern of Trio Mercantile & Trading Limited (Pre and Post Arrangement) as per Clause 35 of the Listing Agreement.	57 - 65 66 - 82
6.	Audited financials for the year ended 31.03.2011, 31.3.2012, 31.3.2013 and unaudited financials for the quarter ended 30.6.13 of: i. ARSS Engineering Limited (Transferor Company) and ii. Trio Mercantile & Trading Limited (Transferee Company).	83 84



7.	Compliance Report as per clause 49 of the listing agreement as on 31 <sup>st</sup> March, 2013	85-86
8.	Complaint report.	NOT APPLICABLE

We hereby request you to issue the In-principal Approval for the Scheme of Arrangement between ARSS Engineering Limited and Trio Mercantile & Trading Limited.


Further, we would like to inform you that we have emailed the soft copy of the above mentioned documents to [hse.schemes@hseindia.com](mailto:hse.schemes@hseindia.com)

Trust you will find the above in the order and oblige.

Thanking you.

Yours faithfully,

**For Trio Mercantile & Trading Limited**

  
Hiren Kothari  
Managing Director



Encl: As above

OF

ARSS ENGINEERING LIMITED

WITH

TRIO MERCANTILE &amp; TRADING LIMITED

**1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **ARSS ENGINEERING LIMITED**, (hereinafter referred to as "The Transferor Company" or "AEL") a Company incorporated under the Company Act, 1956 whose Registered Office is situated at 14, Govrdhan Apt. Salasar Brij Bhumi Complex, 150 Feet Road, Bhayander West Thane 401 101.
- 1.2 **TRIO MERCANTILE & TRADING LIMITED**, (hereinafter referred to as "The Transferee Company" or "TMTL") means a Company incorporated under the Company Act, 1956, whose Registered Office is situated at 613/B, Mangal Aarambh, Near Mc. Donalds, Kora Kendra, Off S. V. Road, Borivali West Mumbai 400 092.
- 1.3 "The said Act" means the Company Act, 1956 or any statutory modification or re – enactment thereof for the time being in force.
- 1.4 "The Appointed Date" means 1<sup>st</sup> April, 2013 or such other date as the High Court at Bombay may direct.
- 1.5 "The Effective Date" means the dates or last of the dates on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of

Company, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary therefore.

1.6 “High Court” shall, for the purpose of this Scheme, mean the High Court of Judicature at Bombay and the expression shall include, all the powers of the High Court under the Chapter V of the Act being vested on the National Company Law Tribunal constituted under section 10 FB of the Act, the National Company Law Tribunal and the provisions of the Act as applicable to the Scheme shall be construed accordingly.

1.7 “Undertaking” shall mean and include:

- a. All the assets and properties and the entire business of the Transferor Company as on the Appointed Date, (hereinafter referred to as “the said assets”)
- b. All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as “the said liabilities”)
- c. Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company’s reserves, all the movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorisations, quota, rights, registrations, import export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota, rights, allotments, approvals, freehold land, buildings, factory building, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plant, vehicles, tube well, capital expenditure on scientific research, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, easement, authorizations, trademarks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and



equipments, investment, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all necessary records, files, papers, processes, information, data, catalogues and all books of accounts, documents and records relating thereof.

1.8 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

1.9 "The Stock Exchanges" means the stock exchanges wherever the Transferee company is listed viz. Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited.

## **2. RATIONALE OF THE SCHEME**

The Transferor Company, ARSS Engineering Limited is engaged in the business of providing consultancy and engineering services to infrastructure and construction sector and to enter into core infrastructure project. The Transferee Company, Trio Mercantile & Trading Limited is involved in the business of trading and investments. The company is also actively involved in finance consultancy and other related activities including merger and allied activities.

The proposed merger of ARSS Engineering Limited and Trio Mercantile & Trading Limited as envisaged in the following objectives and is likely to result in following advantages:

- 2.1 Consolidation of business, synergize operational advantages and achieve economies of scale of operations;
- 2.2 Optimum and efficient utilization of capital, resources, assets and facilities;
- 2.3 Removal of intercompany transfers, removing taxation at multiple stages and increasing product margin.

2.4 Enhancement of competitive strengths including financial resources;

2.5 Better management and focus on growing the businesses.

It is, therefore, considered desirable and expedient to amalgamate the said companies and in consideration thereof issue equity shares of Trio Mercantile & Trading Limited to the shareholders of ARSS Engineering Limited in accordance with this Scheme, pursuant to Section 391 and 394 and other relevant provisions of the Companies Act, 1956.

### **3. SHARE CAPITAL**

3.1 The Authorised Share Capital of the Transferor Company is Rs. 15,00,00,000/- comprising of 1,50,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid up Share Capital is Rs. 10,10,50,000/- comprising of 1,01,05,000 Equity Shares of Rs.10/- each fully paid up.

3.2 The Authorised Share Capital of the Transferee Company is Rs. 6,10,00,000/- comprising of 61,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed & paid up Equity Share Capital is Rs. 5,58,32,750/- comprising of 55,83,275 Equity Shares of Rs.10/- each fully paid up.

### **4. TRANSFER OF UNDERTAKING**

4.1 With effect from 1<sup>st</sup> April 2013 ("the Appointed Date") and subject to the provisions to this entire Scheme, the entire undertaking of the Transferor Company including the assets and liabilities as on the appointed date shall pursuant to Section 394(2) of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or be deemed to have been and stood transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company, subject, however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

Provided always that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to



the Transferor Company and which shall vest in the Transferee Company by virtues of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.

- 4.2 The entire business of the Transferor Company as going concern and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, incentives, claims, rehabilitation Schemes, funds, quotas, rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trade marks, copy rights, all other intellectual property rights, other intangibles of the Transferor Company whether registered or unregistered or any variation thereof as a part of its name or in a style of business otherwise other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits of agreements and arrangements, power, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provision of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company
- a. With effect from the Appointed Date, all the equity share, debenture, bonds, notes or other securities held by the Transferor



Company, whether convertible into equity or not and whether Quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the movable assets including cash in hand, if any, of the Transferor Company shall be capable of passing by manual delivery or by endorsement and delivery as the case may be to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such delivery or endorsement and delivery.

- b. In respect of movable properties of the Transferor Company other than specified in clause 3(2) (a) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper to each person, debtor or depositor, as the case may be that pursuant to the High Court having sanctioned the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such person or depositor to the Transferor Company) stand transferred and assigned to the Transferee Company and that appropriate entries should be passed in its books to record the aforesaid changes.

- 4.3 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provision of sections 391 and 394 of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, contingent





liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provision of this clause.

- 4.4 It is clarified that all debts, loans and liabilities, contingent, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, contingent liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 4.5 It is further specifically clarified, admitted, assured and declared by the Transferee Company that on this Scheme becoming effective it will take over, absorb and pay and discharge on due date all the liabilities including liabilities for income tax, sale tax, excise, if any, of the Transferor Company.
- 4.6 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income taxes, excise duty, customs duty, sales tax, value added tax, service tax and other Government and Semi-Government liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

## **5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company are a party subsisting or having effect immediately before



the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

## **6. LEGAL PROCEEDINGS**

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

## **7. OPERATIVE DATE OF THE SCHEME**

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

## **8. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES**

All the staff, workmen and other employees in the service of the Transferor Company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that:

- 8.1 Their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;



8.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and

8.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent that all the right, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such Funds and Trusts shall be protected.

## **9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

9.1 Shall carry on and shall be deemed to be carrying on all its business activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company or any cost, charges, expenditure or losses arising or incurred by it shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;

9.2 Shall in the ordinary course of its business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or



otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

- 9.3 Hereby undertakes to carry on its business until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;
- 9.4 Shall not, without the written consent of the Transferee Company, undertake any new business.
- 9.5 Shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.
- 9.6 Pay all statutory dues relating to the Undertaking for and on account of the Transferee Company.

## **10. ISSUE OF SHARES BY THE TRANSFEE COMPANY**

- 10.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 3 (Three) Equity Shares of Rs.10/- (Rupees Ten) each, credited as fully paid-up in the capital of Transferee Company to the Equity Shareholders of the Transferor Company, whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for



every 5 (Five) Equity Shares of the face value of Rs.10/- (Rupees Ten) each held by the Shareholders of the Transferor Company.

- 10.2 If necessary, the Transferee Company shall, before allotment of the equity shares in terms of the Scheme, increase its authorized capital by the creation of at least such number of equity shares of Rs. 10/-each as may be necessary to satisfy its obligations under the Scheme.
- 10.3 No fractional Share shall be issued by the Transferee Company in respect of the fractional Share entitlement, if any, arising out of such allotment shall be rounded off to the nearest complete Share.
- 10.4 The Equity shares of TMTL to be issued and allotted to the equity shareholders of AEL as mentioned herein above shall rank *pari passu* in all respects with the equity shares of TMTL.
- 10.5 The Company will endeavor that the new Equity Shares of the Company issued in terms the scheme of amalgamation be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad, where the equity shares of the company are presently listed and/or admitted to trading. The Company shall enter in such agreement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchange shall list and/ or admit the said new shares also for the purpose of trading. The company would further endeavor that the new equity shares along with existing shares are admitted for trading in dematerialized mode and necessary agreement would be entered for the said purpose with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The NSDL and CDSL shall admit the shares of the company for dematerialization. All the statutory and government authorities shall give necessary approvals and permissions forthwith in this regard subject to fulfillment of their requirements.
- 10.6 On approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under 81(1-A) of the Act or any other provisions of the Act to the extent the same may be considered applicable.

**11. PROFITS, DIVIDENDS, BONUS/ RIGHTS SHARES**

- 11.1 With effect from the Appointed date, The Transferor Company shall not without the prior written consent of the Transferee Company, utilise the profits, if any, for declaring or paying of any dividend, and shall also not utilise, adjust or claim adjustment of profits/ losses, as the case may be earned/ incurred or suffered after the appointed date.
- 11.2 The Transferor Company shall not after the Appointed date, issue or allot any further securities, either rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

**12. ACCOUNTING TREATMENT**

- 12.1 The Transferee Company shall record all assets and liabilities recorded in the books of accounts of Transferor Companies, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.
- 12.2 The Transferee Company shall record all the reserves of the Transferor Companies in the same form and at the same values as they appear in the financial statements of the Transferor Companies at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Companies shall be similarly aggregated with the Profit and Loss Account of the Transferee Company.
- 12.3 The excess if any, of the value of the assets over the value of the liabilities of Transferor Companies vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting reserves and profit and loss account as per clause 11.2 above and the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Companies pursuant to this Scheme, be credited to the General Reserve account in the books of the Transferee Company.
- 12.4 The deficit, if any, in the value of the assets over the value of the liabilities of the Transferor Companies vested in the Transferee Company pursuant to this

Scheme as recorded in the books of account of the Transferee Company shall, after adjusting reserves and profit and loss account as per clause 11.2 above and the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Companies pursuant to this Scheme, being goodwill to be set off against share premium account and or other reserves of the Transferee Company post aggregation of such reserves of the Transferor Companies in the Transferee Company as may be deemed appropriate by the Transferee Company.

12.5 Adjustment for differences in accounting policies:

In case of any differences in the accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve and / or Profit and Loss Account of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

**13. COMBINATION OF AUTHORISED CAPITAL**

13.1 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Company, by Rs. 15,00,00,000/- (Rupees Fifteen Crore) comprising of 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/- each being reclassification of the present authorised share capital of the Transferor Company and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorised capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the



Transferee Company for increase in the authorised share capital to that extent.

- 13.2 Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be Rs. 21,10,00,000/- (Rupees Twentyone Crore Ten lacs) comprising of 2,11,00,000 ( Two Crore Eleven Lacs) Equity Shares of Rs. 10/- each.

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

#### **14. APPLICATIONS TO HIGH COURTS**

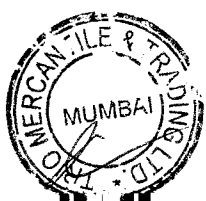
The Transferor Company and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 and 394 of the said Act to the High Court of judicature at Bombay for sanctioning the Scheme and for dissolution of the Transferor Company without winding up.

#### **15. DISSOLUTION OF THE TRANSFEROR COMPANY**

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.

#### **16. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 16.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.





16.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

## **17. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The Scheme is conditional on and subject to:

- 17.1 The approval to the Scheme by the requisite majorities of the such classes of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court on the applications made for directions under Section 391 of the Act for calling meetings or for dispensing with their holding.
- 17.2 The sanction of the High Court of Judicature at Bombay under Sections 391 and 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
- 17.3 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matter for which such sanction or approval is required.
- 17.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

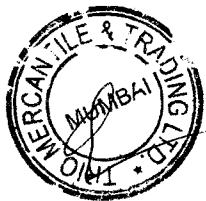
## **18. EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS**

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31<sup>st</sup> day of March, 2014 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.



**19. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.



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**REPORT ON**  
**SWAP RATIO OF EXCHANGE FOR THE PROPOSED**  
**MERGER OF**

**ARSS ENGINEERING LIMITED**

**WITH**

**TRIO MERCANTILE & TRADING LIMITED**

**Prepared by:**

**J.B.Wala & Co. Chartered Accountants**

Address : 502, Anand Dham No.1, Opp Amboli Rly Xing,  
Andheri (E), Mumbai - 400069

Phone : 2892 7895 / 2891 7896

Fax : 2892 7895

Email id : jbwala@yahoo.com

10<sup>th</sup> July, 2013



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Valuation Report for Proposed Merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited

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Strictly Private & Confidential



## 1. Introduction:

### 1.1 Terms of Reference:-

J.B.Wala & Co., Chartered Accountants has been appointed by management of Trio Mercantile & Trading Limited ("Trio") to prepare a Valuation Report of the Equity Shares for the proposed Merger of ARSS Engineering Limited ("ARSS") with Trio Mercantile & Trading Limited to arrive at the swap ratio of shares.

### 1.2 Scope:

Section 2 describes the Scope of Proprietor of M/s. J.B.Wala & Co., Chartered Accountants in preparing this Report. Section 3 deals with Objective of the report. Section 4 deals with Company Profile. Section 5 deals with Rationale for Merger. Section 6 & 7 deals with Valuation Methodology and Basis of Valuation and Assumptions and Section 8 gives the Valuation Process and Approach.

### 1.3 Appointment:

- 1.3.1 The Board of Directors of ARSS and Trio at their Meeting held on 28<sup>th</sup> June, 2013 had passed necessary resolution to appoint Independent Chartered Accountants to determine the swap ratio of shares for the proposed Merger of ARSS with Trio.
- 1.3.2 In accordance with the same, the Company has appointed M/s J.B.Wala & Co, Chartered Accountants vide letter dated 10<sup>th</sup> July, 2013 to determine the swap ratio of shares in the proposed Merger.

## 2. Scope:

### 2.1 Terms of Reference

- 2.1.1 M/s J.B.Wala & Co, Chartered Accountants has been engaged by the management of Trio to prepare and submit for consideration of the Board of Directors of Trio and ARSS the share exchange ratio as at 10<sup>th</sup> July, 2013 for the proposed Merger of ARSS with Trio.
- 2.1.2 This report states, what in the opinion of J.B.Wala & Co., Chartered Accountants, is a fair and equitable share exchange ratio for the proposed Merger.
- 2.1.3 This report is subject to the scope limitations mentioned hereinafter. This report is to be read in totality in conjunction with the relevant documents referred to in the report and it should not be read in parts.

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## 2.2 Methodology:

- 2.2.1 M/s. J.B.Wala & Co., Chartered Accountants has relied solely on the information and data supplied by ARSS and Trio making no more than brief reviews, consisting of inquiries from personnel and certain review procedures. Consequently, the accuracy of the valuation will be based on the reasonableness and reliability of information and data supplied and the opinion of M/s. J.B.Wala & Co., Chartered Accountants will be subject to this factor.
- 2.2.2 M/s. J.B. Wala & Co., Chartered Accountants has prepared this Report on the basis of the documents and information received from both the Companies.

## 2.3 Limitation of Liability

- 2.3.1 M/s. J.B.Wala & Co., Chartered Accountants has prepared this report as per the appointment made by Trio solely for the purpose of determining the share exchange ratio for the proposed Merger. The report is to be used only by Trio and ARSS. It is not to be distributed beyond any other parties other than Trio and ARSS or to be referred or quoted, in whole or in part without prior written consent. M/s. J.B.Wala & Co., Chartered Accountants will not accept responsibility to any other party other than Trio who has appointed it for the purpose of this exercise.
- 2.3.2 M/s. J.B.Wala & Co., Chartered Accountants does not accept any liability to any third party in relation to the issue of determination of share exchange ratio for the proposed Merger.
- 2.3.3 As per the policy of M/s. J.B.Wala & Co., Chartered Accountants, they advise that neither it nor any employee undertakes responsibility arising in any way whatsoever, to any person other than Trio in respect of the matters dealt with in this report. Including any errors or omissions therein, arising through negligence or otherwise, howsoever caused.
- 2.3.4 M/s. J.B.Wala & Co., Chartered Accountants does not make any recommendation as to whether Trio and ARSS should proceed with the proposed Merger of ARSS with Trio based on the share exchange ratio for the proposed Merger.

## 2.4 Sources Of Information:

We have relied upon the following sources of information: -

- 2.4.1 For our analysis, we have relied on published and secondary sources of data, some of which may not necessary be accurate or current.
- 2.4.2 We have based our analysis on Audited Statement of Accounts and Annual Reports of -

### (i) Trio Mercantile & Trading Limited:

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- (a) Audited financials for the year ended 31<sup>st</sup> March, 2011
- (b) Audited financials for the year ended 31<sup>st</sup> March, 2012 and
- (c) Audited financials for the year ended 31<sup>st</sup> March, 2013
- (d) Memorandum and Articles of Association of the Company.

(ii) **ARSS Engineering Limited.**

- (a) Audited financials for the year ended 31<sup>st</sup> March, 2011
- (b) Audited financials for the year ended 31<sup>st</sup> March, 2012 and
- (c) Audited financials for the year ended 31<sup>st</sup> March, 2013
- (d) Memorandum and Articles of Association of the Company.

2.4.3 Other information and statement of facts submitted to us, orally or in writing by the concerned companies and discussions with the concerned Directors of these Companies.

**2.5 Disclaimer:**

- 2.5.1 Nothing contained in this Report should be construed to be an express or implied representation as to the future.
- 2.5.2 We have relied upon the information and data provided as above by the concerned companies without checking them for accuracy or reasonableness. No responsibility is assumed for the matters of legal nature.
- 2.5.3 The information presented in this report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and the valuation materially.
- 2.5.4 We have not considered any finding made by other external agencies in carrying out this work.
- 2.5.5 For our valuation, we are relied on published and Secondary Sources of data, some of which may not necessarily be accurate or current.

**3. OBJECTIVE OF THE REPORT:**

To arrive at the valuation of the share exchange ratio for merger of ARSS with Trio, the said exchange ratio is to be arrived at the basis of the fair value of the shares of each of the Companies concerned. Accordingly, this Report has been prepared for the purpose of arriving at a fair value of the shares of each of the Companies concerned.

**4. COMPANY PROFILE:**

Valuation Report for Proposed Merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited

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#### 4.1 Trio Mercantile & Trading Limited (Trio):

The Company was originally incorporated on 26th August 2002 with the name "Trio Mercantile & Trading Limited".

The 'Finance and Investment Division' of Tricom India Limited was hived off into a separate Company 'Trio Mercantile & Trading Limited', as per the scheme of arrangement sanctioned by the Honorable High Court of Bombay.

The Company is in the Business of Trading and Investments. The Company is also actively involved in finance Consultancy and related activities including merger and allied activities. There is huge opportunity in trading of Agro commodities & company is seeking opportunity available in the market.

The shareholding pattern of Trio Mercantile & Trading Limited as on 31<sup>st</sup> March, 2013 is as follows:

Sr. No.	Particulars	% of Holding
1.	Promoter and Promoter Group	
2.	Bodies corporate	12.88
3.	NRI	0.00
4.	Other Public Shareholding	0.00
	<b>TOTAL</b>	<b>87.12</b>
		<b>100.00</b>

We have perused the Audited Balance Sheet & Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March 2013 and the data reproduced here below:

<b>Balance sheet of Trio Mercantile &amp; Trading Limited for the period ended</b>				
Particulars		(Amount in Rs.)		
		31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
<b>Sources Of Funds</b>				
Shareholders' Funds				
Equity Share Capital		5,58,32,750	5,58,32,750	5,58,32,750
Application Money Towards Shares		----	----	----
Reserves & Surplus		8,73,34,082	8,79,78,001	8,92,68,846
<b>Total Shareholders' Funds</b>	<b>[A]</b>	<b>14,31,66,832</b>	<b>14,38,10,751</b>	<b>14,51,01,596</b>
Loan Funds				
Secured Loans		----	----	
Unsecured Loan		1,40,49,114	1,80,21,857	17,81,806
<b>Total Loan Funds</b>	<b>[B]</b>	<b>1,40,49,114</b>	<b>1,80,21,857</b>	<b>4,33,91,857</b>
				<b>4,51,73,663</b>

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Deferred Tax Liability	[C]	7,25,531	6,79,538	5,80,014
Total :[A] + [B]+[C] =	[D]	15,79,41,477	16,25,12,146	19,08,55,273
<b>Application Of Funds</b>				
Fixed Assets				
Gross Block		51,20,331	51,20,331	49,65,201
Less: Depreciation		21,76,469	24,17,304	24,92,775
Net Fixed Assets	[A]	29,43,862	27,03,027	24,72,426
Capital Work In Progress	[B]	---	---	---
Investments	[C]	4,28,73,145	4,05,43,145	4,05,43,145
Current Assets, Loans And Advances (I)		12,46,78,933	12,93,37,399	15,36,82,904
Less: Current Liabilities And Provisions (II)		1,57,83,712	1,27,50,511	60,81,534
Net Current Assets [I-II]	[D]	10,88,95,221	11,65,86,888	14,76,01,370
Other Non-Current Assets	[E]	29,22,187	24,18,888	25,000
Miscellaneous Expenditure	[F]	3,07,062	2,60,197	2,13,332
Total :[A] + [B]+[C]+[D] +[E]+ [F]=	[G]	15,79,41,477	162,512,146	190,855,273

Profit & Loss Account of Trio Mercantile & Trading Limited For The Period Ended			
(Amount in Rs.)			
Particulars	31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
<b>REVENUE</b>			
Sales/Income from Operation	60,43,017	1,05,69,934	1,05,51,430
Other Income	1,39,04,627	16,79,984	14,92,362
Accretion/Decretion in Stock	---	---	---
<b>Total Revenue</b>	<b>1,99,47,644</b>	<b>1,22,49,018</b>	<b>1,20,43,792</b>
<b>Total Expenditure</b>	<b>1,91,89,115</b>	<b>1,12,47,521</b>	<b>1,02,14,471</b>
<b>Income Before Depreciation, Interest and Income Tax Expense(EBIDTA)</b>	<b>7,58,529</b>	<b>19,56,353</b>	<b>21,04,565</b>
Interest & Finance charges	---	7,14,021	34,152
Depreciation and amortization	---	2,40,835	2,41,092
Expenses written-off	---	---	---
<b>Income Before Tax</b>	<b>7,58,529</b>	<b>10,01,497</b>	<b>18,29,321</b>
Provision for Tax	2,70,000	5,30,000	6,38,000
Deferred Tax	(36,952)	(45,993)	(99,524)

Valuation Report for Proposed Merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited

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Earlier Years	---	---	---
Profit After Tax	5,25,481	5,17,490	12,90,845

#### 4.2 ARSS Engineering Limited (ARSS):

The Company was originally incorporated on 8<sup>th</sup> April, 2008, with the name "ARSS Engineering Limited".

The Company is involved in the business of providing consultancy and engineering services to infrastructure and construction sector.

The Company being a professionally managed Company wherein holding in the Company are being distributed amongst the Promoter Group, others which are as follows:

Sr. No.	Particulars	% of Holding
1.	Promoter and Promoter Group	10.89
2.	Others	89.11
TOTAL		100

We have perused the Audited Balance Sheet & Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2012 and 31<sup>st</sup> March 2013 and the data reproduced here below:

Balance sheet of ARSS Engineering Limited for the period ended				
Particulars		31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	(Amount in Rs.) 31 <sup>st</sup> March 2013 (Audited)
<b>Sources Of Funds</b>				
Shareholders' Funds				
Equity Share Capital		5,00,000	5,00,000	10,10,50,000
Application Money Towards Shares		---	---	---
Reserves & Surplus		(13,688)	(20,500)	15,39,944
<b>Total Shareholders' Funds</b>	[A]	4,86,312	4,79,500	10,25,89,944
Loan Funds				
Secured Loans		--	--	--
Unsecured Loan		8,08,000	8,08,000	9,08,000
<b>Total Loan Funds</b>	[B]	--	--	--
Deferred Tax Liability	[C]	---	---	---
<b>Total : [A] + [B] + [C] =</b>	[D]	12,94,312	12,87,500	10,34,97,944

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<b>Application Of Funds</b>				
Fixed Assets				
Gross Block		---	---	---
Less: Depreciation		---	---	---
<b>Net Fixed Assets</b>	<b>[A]</b>	---	---	---
<b>Capital Work In Progress</b>	<b>[B]</b>	---	---	---
<b>Investments</b>	<b>[C]</b>	---	---	---
Current Assets, Loans And Advances (I)		4,86,212	4,79,400	17,65,09,355
Less: Current Liabilities And Provisions (II)		2,500	2,500	7,39,40,291
<b>Net Current Assets [I-II]</b>	<b>[D]</b>	<b>4,83,712</b>	<b>4,76,900</b>	<b>10,25,69,064</b>
Other Non-Current Assets	<b>[E]</b>	---	---	---
<b>Miscellaneous Expenditure</b>	<b>[F]</b>	<b>8,10,600</b>	<b>8,10,600</b>	<b>9,28,880</b>
<b>Total :[A] + [B]+[C]+[D] +[E]+ [F]=</b>	<b>[G]</b>	<b>12,94,312</b>	<b>12,87,500</b>	<b>10,34,97,944</b>

<b>Profit &amp; Loss Account of ARSS Engineering Limited For The Period Ended</b>			
<b>Particulars</b>	<b>(Amount in Rs.)</b>		
	<b>31<sup>st</sup> March 2011 (Audited)</b>	<b>31<sup>st</sup> March 2012 (Audited)</b>	<b>31<sup>st</sup> March 2013 (Audited)</b>
<b>REVENUE</b>			
Sales/Income from Operation	---	---	7,77,55,102
Other Income	---	---	9,60,112
Accretion/Decretion in Stock	---	---	---
<b>Total Revenue</b>	---	---	<b>7,87,15,214</b>
<b>Total Expenditure</b>	<b>2,500</b>	<b>3,500</b>	<b>7,64,42,438</b>
<b>Income Before Depreciation, Interest and Income Tax Expense(EBIDTA)</b>	<b>(2,500)</b>	<b>(3,500)</b>	<b>22,72,776</b>
Interest & Finance charges	---	---	---
Depreciation and amortization	---	---	---
Expenses written-off	---	---	---
<b>Income Before Tax</b>	<b>(2,500)</b>	<b>(3,500)</b>	<b>22,72,776</b>
Provision for Tax	---	---	7,12,332
Deferred Tax	---	---	---
Earlier Years	---	---	---

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Profit After Tax	(2,500)	(3,500)	15,60,444
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##### 5. VALUATION METHODOLOGY:

There are several methods available for arriving at fair value of shares of a Company. Some of the recognized methods in vogue are as under:

- Net Asset Value Method (NAV)
- Profit Earning Capacity Method (PECV)
- Market Price Method (MV)

The methods available for valuation are discussed in brief as under:

##### a) THE NET ASSET VALUE (NAV) METHOD:

This method of valuation indicates the asset backing to the business. Though this method is inconsistent with the 'going concern' concept, it is definitely indicative of the minimum net worth of the business. For the purposes of arriving at NAV per share, the miscellaneous expenses carried forward, accumulated losses, total outside liabilities, revaluation reserves and capital reserves (except subsidy received in cash) shall be reduced from the value of the total assets and the net figure so arrived at shall be divided by the number of equity shares issued and paid-up. Alternatively, intangible assets shall be reduced from the equity capital and reserves (excluding revaluation reserves) and the figure so arrived at shall be divided by the number of equity shares issued and paid-up.

##### b) THE PROFIT EARNING CAPACITY VALUE (PECV) METHOD:

This method of valuation presumes the continuity of business and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the shares, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair value per share. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because the crux of estimate the PECV lies in the assessment of the future maintainable profits of the business. It should not be overlooked that the valuation is for the future and that it is the future maintainable streams of earnings that is of greater significance in the process of valuation.

##### FAIR VALUE BASED ON AVERAGE OF NAV AND PECV PER SHARE:

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The fair value of shares of a Company, as per the erstwhile Controller of Capital Issues (CCI) Guidelines could be determined on the basis of the average of the valuation arrived at by using the NAV and PECV methods discussed above.

**c) MARKET PRICE METHOD:**

Under this method, the fair value of the shares arrived at on the basis of price quoted at recognized Stock Exchanges. This method is useful only for the Companies that are quoted on the Stock Exchange.

**6. BASIS OF VALUATION AND ASSUMPTIONS:**

We have based our valuation exercise on the widely accepted valuation methods described above. For this purpose, we have reviewed the various documents, and have made certain assumptions and have relied upon the discussions we have had with, and the information, particulars and explanations that we received from the Company. We have based our valuation, primarily on the following factors: -

- 1] While calculating Net Asset Value (NAV), we have taken into consideration the financials of Trio and ARSS for the year ended 31<sup>st</sup> March 2013;
- 2] While calculating the Price Earning Capacity Value (PECV) of Trio, EPS is capitalized by taking capitalization rate of 12.7 (*Source: P/E Ratio of Finance and Investment taken from the CAPITAL MARKET MAGAZINE, Edition- May 13 – 26<sup>th</sup> May, 2013, Industry – Finance and Investment, Page. No - 46*). PECV of ARSS is not considered since the Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13.
- 3] For calculating per share value, we have taken into consideration the Market Value based on Last 26 weeks Relevant Date being 27<sup>th</sup> June, 2013. High Low Average Closing Prices of Trio as per the BSE National Index as Trio has considered proposal of Merger at their Board Meeting held on 28<sup>th</sup> June, 2013. Shares of ARSS are not listed hence the Average Value of shares traded on stock Exchanges is not applicable. Hence, Market Price Method is not applicable to ARSS.

**6.1 Trio Mercantile & Trading Limited (Trio):**

- (i) The Net Assets Value of Trio based on the financials for the year ended March 31, 2013 is Rs. 25.95.





(ii) The Price Earning Capacity Value of Trio is taken as an average EPS of the Company based on the financials for the year ended 31<sup>st</sup> March, 2013 multiply by the Industry P/E:- Finance and Investment of 12.7 is Rs. 2.94.

(iii) The Company being listed entity is listed on Bombay Stock Exchange Limited. The Average value of shares traded on Bombay Stock Exchange for Last 26 weeks (i.e. from 28<sup>th</sup> Dec, 2012 to 27<sup>th</sup> June, 2013) based on High Low Average Closing Prices of the Company is Rs. 24.71.

### Composite Valuation

Hence the value of the Shares under the two methods is as under:

Net Assets Value	25.95/-
Earning based Value	2.94/-
Market Value	24.71/-

Weighted Average of all the two methods is. Rs. 18 /- per share of Rs. 10/- each.

Brief calculations have been explained in Appendix A below.

### 6.2 ARSS Engineering Limited (ARSS):

(i) The Net Assets Value of ARSS based on financials for the year ended March 31, 2013 is Rs. 10.06/-.

(ii) The Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13. The basic and diluted EPS of the Company is 0.16. Since the Company has its 1st year of business activity, we are not considering Earning Based Valuation (PEV) method for calculating fair value of shares of ARSS.

(iii) The shares of the Company are not listed on any stock exchange. The Average value of shares traded on Stock Exchange for 26 weeks High Low Average Closing Prices is Not Applicable.

### Composite Valuation:

Hence the values of the Shares under the three methods is as under:

Net Assets Value	Rs. 10.06/-
Earning based Value	NIL
Average Value of Share Traded	NIL

Weighted Average of the three methods is Rs. 10.06/- per share of Rs. 10/- each.

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Brief calculations have been explained in **Appendix B** below.

## 7. VALUATION PROCESS:

It is important to stress that the process of valuation cannot possibly be reduced to a uniform and inflexible exercise. Viscount Simon in Gold Coast Selection Trust Ltd.; Vs Humphery (1949) 17 ITR 19 observed the valuation is an art, not an exact science. Mathematical certainty cannot, therefore, be demanded nor indeed is it possible. In the ultimate analysis, therefore, valuation will have to be tampered by the exercise of judicious discretion and judgment taking into account all relevant factors.

After all, the object of valuation process is to make a reasonable judgment of the fair value of the equity shares of the Company.

For determining the fair value of the Shares, for determining the fair exchange ratio or for the purpose of determining the fair price to the Shareholders for the amalgamation of both the companies, we believe the following method would provide for a fair value. The average of the values as determined under all the three methods has been considered as reasonable in view of the fact that the companies' book values of the assets are more or less expected to depreciate or appreciate on similar lines due to both of them being in the same sector and not much of obsolescence is observed. The earnings based model has been considered as this provides for a consideration of the earnings values of the shares as both the companies are well established in their line of businesses. A weighted average has been deemed to be fair by us in this respect to both these methods hence the average of the prices determined under the above referred methods would in our opinion be fair values of the respective companies' shares.

### 7.1 FAIR VALUE AND CONCLUSION:

On a careful consideration of the peculiar facts and circumstances of the case and the reasons discussed hereinabove we are of the opinion that the Average of both the method is the most appropriate method to arrive at fair value of the shares of the concerned Companies. Accordingly, we are of the opinion that the exchange ratio based on such fair value of the shares.

(Amount in Rs.)

Name of The Company	Trio Mercantile & Trading Limited	ARSS Engineering Limited
Net Assets Value (NAV) (Rs.)	25.95	10.06
Earning Based Value (PECV) (Rs.)	2.94/-	NIL
Share Trading Value (MV) (Rs.)	24.71	NIL
Weighted Average	18	10.06

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## 7.2 SHARE EXCHANGE RATIO RECOMMENDED

From the above calculations and analysis, the share exchange ratio can be taken as follows:

Weighted Average of Trio Mercantile & Trading Limited:

Rs. 18/-

Weighted Average of ARSS Engineering Limited:

Rs. 10.06/-

Accordingly, for every Five (5) Equity shares of Rs. 10/- each of ARSS, Three (3) New Equity Share of Rs. 10/- each of Trio will be issued. Accordingly, 60,63,000 Equity shares of Rs. 10/- each for existing 1,01,05,000 Equity Shares of ARSS.

7.3 It may also be kept in mind that this valuation is not a rigid band. It is only indicative. A strategic buyer of the shares of the Company may be inclined to put a higher valuation in a live transaction looking at long-term prospects of gaining more profits and substantial appreciation in the earnings on better utilization of the capacities.

7.4 M/s.J.B.Wala & Co., Chartered Accountants acknowledges the co-operation extended by Trio and ARSS by providing the appropriate information which enabled the preparation of this Report.

10<sup>th</sup> July, 2013  
Mumbai



For J.B.Wala & Co.,  
Chartered Accountants  
FRN : 111688W

(Jeetendra B.Wala)  
Proprietor  
Membership No.033714

## Appendix A

### TRIO MERCANTILE & TRADING LIMITED (TRANSFeree COMPANY)

a. (i) Net Assets Valuation	
	31st March 2013
TOTAL ASSETS OF THE COMPANY [inclusive of Fixed Assets, Investments, Net Current Assets, Misc. Expenditure, Profit and Loss account]	190,855,273.00
Less : MISCELLANEOUS EXPENDITURE	213,332.00
Profit & Loss Account (Dr. Balance)	0.00
Outside Liabilities (Incl. Loan Liabilities)	45,173,663.00
Deferred Tax	580,014.00

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Share Application money	
<b>Net Asset Value for Shareholders</b>	<b>0.00</b>
Equity (No of Shares)	144,888,264.00
NAV per share	5,583.275.00
Total of NAV	25.95
<b>Therefore Net Assets Value of the Company is Rs.</b>	<b>25.95</b>

<b>a (ii). Net Assets Valuation (Alternate Method)</b>	
	<b>31st March 2013</b>
Equity Capital of the Company	55,832.750.00
Reserves & Surplus (Excl. Revaluation Reserve)	89,268,846.00
Total	145,101,596.00
Less : MISCELLANEOUS EXPENDITURE	213,332.00
Profit & Loss Account (Dr. Balance)	-
<b>Net Assets for Shareholders</b>	<b>144,888,264.00</b>
Equity (No of Shares)	5583275
NAV per share	25.95
Total of NAV	25.95
<b>Therefore Net Assets Value of the Company is Rs.</b>	<b>25.95</b>

**Note:**

- 1) Equity Share Capital of the Trio is considered as Paid up Share Capital of the Company.  
Therefore Net Assets Value of the Company is Rs. 25.95

<b>b. Earning Based Valuation</b>	
	<b>31st March 2013</b>
Net Profit After Tax	1,290,845
Equity (No of Shares)	5583275
EPS Per share	0.23
Industry PE*	12.7
Value per Share	2.94

**Note:**

- 1) Equity Share Capital of the Trio is considered as Issued Share Capital of the Company.  
2) \* industry reference - finance and investment- capital market may- 13 to 26th may, 2013

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Therefore The Earning Based Value is Rs.2.94/-

c) Average Value of Shares Traded at Bombay Stock Exchange as per annexure 1

The Weighted Average of all the Three methods will be as under:-

NAV (2nd Alternate Method)	25.95	1	25.95
PEV	2.94	2	5.87
MV (26 n 15 days weeks closing average )	24.71	3	74.13
		6	105.95
Weighted Average Rs.			18

Weighted Average per share is Rs. 18 /- only

Valuation Report for Proposed Merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited

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*Annexure I*

**TRIO MERCHANTILE & TRADING LIMITED (TRANSFEREE COMPANY.)**

Weeks	From	To	Closing High	Closing Low	Average
1	28-Dec-12	3-Jan-13	11.00	9.80	10.40
2	4-Jan-13	10-Jan-13	14.66	12.10	13.38
3	11-Jan-13	17-Jan-13	14.58	13.39	13.99
4	18-Jan-13	24-Jan-13	13.30	12.20	12.75
5	25-Jan-13	31-Jan-13	14.65	13.80	14.23
6	1-Feb-13	7-Feb-13	16.92	15.27	16.10
7	8-Feb-13	14-Feb-13	19.43	17.71	18.57
8	15-Feb-13	21-Feb-13	18.72	19.45	19.09
9	22-Feb-13	28-Feb-13	21.46	19.00	20.23
10	1-Mar-13	7-Mar-13	22.50	21.15	21.83
11	8-Mar-13	14-Mar-13	21.50	19.05	20.28
12	15-Mar-13	21-Mar-13	19.65	18.50	19.08
13	22-Mar-13	28-Mar-13	19.35	18.25	18.80
14	29-Mar-13	4-Apr-13	20.60	20.30	20.45
15	5-Apr-13	11-Apr-13	21.25	20.85	21.05
16	12-Apr-13	18-Apr-13	20.80	20.50	20.65
17	19-Apr-13	25-Apr-13	20.75	20.25	20.50
18	26-Apr-13	2-May-13	21.50	21.00	21.25
19	3-May-13	9-May-13	22.25	21.80	22.03
20	10-May-13	16-May-13	24.30	22.35	23.33
21	17-May-13	23-May-13	25.40	23.25	24.33
22	24-May-13	30-May-13	25.30	24.25	24.78
23	31-May-13	6-Jun-13	28.00	26.00	27.00
24	7-Jun-13	13-Jun-13	26.50	24.75	25.63
25	14-Jun-13	20-Jun-13	25.90	23.75	24.83
26	21-Jun-13	27-Jun-13	26.00	23.15	24.58
<b>Average Price</b>					<b>21.63</b>
<b>Alternative II</b>					
Weeks	From	To	Closing High	Closing Low	Average
1	14-Jul-13	20-Jul-13	25.90	23.75	24.83
2	21-Jul-13	27-Jul-13	26.00	23.15	24.58
<b>Average Price</b>					<b>24.71</b>

<b>26 Weeks High Low Average Closing Prices</b>	<b>21.63</b>
<b>2 Weeks High Low Average Closing Prices</b>	<b>24.71</b>
<b>Applicable Minimum Price</b>	<b>24.71</b>



## Appendix B

ARSS ENGINEERING LIMITED (TRANSFEROR CO.)	
<b>a. (i) Net Assets Valuation</b>	
Particulars	31st March 2013
TOTAL ASSETS OF THE COMPANY [inclusive of Fixed Assets, Investments, Net Current Assets, Misc. Expenditure, Profit and Loss account]	102,569,064.00
<i>Less (deductions) :</i>	
MISCELLANEOUS EXPENDITURE	9,28,880
Profit & Loss Account (Dr. Balance	
Outside Liabilities (Incl. secured loan and unsecured Loan Liabilities)	908000
Deferred Tax	
Share Application Money	
Net Assets	10,16,61,064
Equity (No of Shares)	1,01,05,000
NAV per share	10.06
Total of NAV	10.06
Therefore Net Assets Value of the Company is Rs.	10.06

<b>a (ii). Net Assets Valuation (Alternate Method)</b>	
Particulars	31st March 2013
Equity Capital of the Company	10,10,50,000
Reserves & Surplus (Excl. Revaluation Reserve)	15,39,944
Total	10,25,89,944
Less : MISCELLANEOUS EXPENDITURE	9,28,880
Profit & Loss Account (Dr. Balance)	
Net Assets for Shareholders	10,16,61,064
Equity (No. of shares)	1,01,05,000
NAV per share	10.06
Total of NAV	10.06
Therefore Net Assets Value of the Company is Rs.	10.06

### Note:

- Equity Share Capital of the ARSS is considered as Paid up Share Capital of the Company.  
Therefore Net Assets Value of the Company is Rs. 10.06/-

Valuation Report for Proposed Merger of ARSS Engineering Limited with Trio Mercantile & Trading Limited

Strictly Private & Confidential



**b. Earning Based Valuation (PEV)**

Note: The Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13. The basic and diluted EPS of the Company is 0.16. Since the Company has its 1st year of business activity, we are not considering Earning Based Valuation (PEV) method while calculating fair value of shares.

**c) Average Value of Shares Traded at Bombay Stock Exchange is not applicable**

The Weighted Average of all the Three methods will be as under:-

NAV (2nd Alternate Method)	10.06	1	10.06
PEV	-	0	-
MV (26 Weeks Closing Average) Not applicable	-	-	
		1	10.06
Weighted Average Rs.			10.06

**Weighted Average per share is Rs. 10.06/- only**



**Report on Recommendations of the Audit Committee on the Draft Scheme of Arrangement between ARSS Engineering Limited with Trio Mercantile & Trading Limited**

The Chairman informed the Members of the Committee that the Board of Directors at their meeting held on 28<sup>th</sup> June, 2013 had decided to proceed with the Draft Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 between ARSS Engineering Limited with Trio Mercantile & Trading Limited.

However, in compliance with the *SEBI circular No. CIR/CFD/DIL/05/2013* dated 4<sup>th</sup> February, 2013; the Valuation Report obtained from J.B.Wala & Co., Chartered Accountants has been placed before the Audit Committee at its meeting held on 31<sup>st</sup> July, 2013. Thereafter, the Committee shall furnish the Report recommending the Draft Scheme after considering the abovementioned Valuation Report.

**Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:**

1.	Date	31 <sup>st</sup> July, 2013
2.	Name of the Transferor Company	ARSS Engineering Limited
3.	Name of the Transferee Company	Trio Mercantile & Trading Limited
4.	Details of the Merger	ARSS Engineering Limited ("the Transferor Company") will be merged with Trio Mercantile & Trading Limited ("the Transferee Company"), where in, consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 3 (Three) Equity Shares of Rs.10/- (Rupees Ten) each, credited as fully paid-up in the capital of Transferee Company to the Equity Shareholders of the Transferor Company as on Record date for 5 (Five) Equity Shares of Rs 10/- (Rupees Ten) each held by the shareholders of Transferor Company.
5.	Name of the Independent Chartered Accountant	Mr. Jeetendra B. Wala , Proprietor of J.B.Wala & Co. Chartered Accountants.
6.	Details of Audit Committee	Chairman : Mr. Jayesh Gandhi Member : Mr. Hiren Kothari Member : Mr. S.S.Merchant





7.	Recommendation on the Draft Scheme taking into consideration the Valuation Report	Based on the review of the Draft Scheme of Arrangement between ARSS Engineering Limited with Trio Mercantile & Trading Limited and based on the Valuation Report dated 10 <sup>th</sup> July, 2013 issued by Jeetendra B. Wala, Proprietor of J.B.Wala & Co. and Fairness Opinion Report dated 15 <sup>th</sup> July, 2013 issued by Comfort Securities Limited, the Audit Committee believes that the Exchange ratio of 5:3 (i.e. for every five Equity Shares of Rs. 10/- each of ARSS Engineering Limited, three New Equity Shares of Rs. 10/- of Trio Mercantile & Trading Limited will be issued) is fair and reasonable.
8.	Summary of reasons for recommendation	<ol style="list-style-type: none"> <li>1. The Fair Value of shares of the Transferor Company is Rs. 10.06/- per Share as per the Valuation Certificate.</li> <li>2. The Fair Value of shares of the Transferee Company is Rs. 18/- per Share as per the Valuation Certificate.</li> </ol> <p>In the above circumstances the Exchange ratio as mentioned in Draft Scheme of Arrangement is fair and reasonable.</p>

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise.

For TRIO MERCANTILE & TRADING LIMITED

*Gandhi's N*

(Jayesh Gandhi)

CHAIRMAN OF THE AUDIT COMMITTEE

Date: 31<sup>st</sup> July, 2013

Place: Mumbai





## COMFORT SECURITIES LIMITED

A-301, Hetal Arch. Opp. Hetalraj Market, S.V. Road, Malad (West), Mumbai - 400 064  
Tel. No. : 91-22-2844 9765 : 2881 1259 : 2882 5509 • Fax: 022-2889 2527  
Email: info@comfortsecurities.co.in • URL: www.comfortsecurities.co.in

FAIRNESS OPINION REPORT ON VALUATION FOR THE PROPOSED

MERGER OF ARSS ENGINEERING LIMITED

WITH

TRIO MERCANTILE & TRADING LIMITED

By

COMFORT SECURITIES LIMITED

15<sup>TH</sup> JULY, 2013

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011328





NOTICE TO READER:

Comfort Securities Limited ("Comfort" or "Authors of the Report") is a SEBI registered 'Category I' Merchant banker in India and was engaged by Board of Directors of Trio Mercantile & Trading Limited (herein after referred as "Trio") to prepare an Independent Fairness Opinion Report ("Report") with respect to providing an independent opinion and assessment as to fairness of Valuation Report and Swap ratio determined by J.B.Wala & Co., an independent Valuers for the purpose of intended proposed Merger of ARSS Engineering Limited ("ARSS") with Trio Mercantile & Trading Limited ("Trio"). ARSS and Trio are collectively referred as "Companies"

The Fairness Opinion Report ("Report") has been prepared on the basis of the review of information provided to Comfort and specifically the Report on Swap ratio (hereinafter referred as Valuation Report) prepared by J.B.Wala & Co., as an independent valuer. The report does not give any valuation or suggest any swap ratio. However this report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data culled out from various websites believed to be reliable. Comfort has not independently verified any of the information contained herein. Neither the Company nor Comfort, nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients' use of this Report.

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EXECUTIVE SUMMARY:

Purpose: Express an Independent Fairness Opinion and assessment with respect to fairness of Valuation Report and Swap ratio determined by J.B.Wala & Co., for the proposed Merger.

Name of the Companies: - Trio Mercantile & Trading Limited  
- ARSS Engineering Limited

BACKGROUND OF THE COMPANIES:

TRIO MERCANTILE & TRADING LIMITED (TRIO):

The Company was originally incorporated on 26th August 2002 with the name "Trio Mercantile & Trading Limited".

The 'Finance and Investment Division' of Tricom India Limited was hived off into a separate Company 'Trio Mercantile & Trading Limited', as per the scheme of arrangement sanctioned by the Honorable High Court of Bombay.

The Company is in the Business of Trading and Investments. The Company is also actively involved in finance Consultancy and related activities including merger and allied activities. There is huge opportunity in trading of Agro commodities & company is seeking opportunity available in the market.

The shareholding pattern of Trio Mercantile & Trading Limited as on 31st March, 2013 is as follows:

Sr. No.	Particulars	% of Holding
1.	Promoter and Promoter Group	12.88
2.	Bodies corporate	0.00
3.	NRI	0.00
4.	Other Public Shareholding	87.12
TOTAL		100.00



Financials of Trio Mercantile & Trading Limited for last three years is as follows:

<u>Balance sheet of Trio Mercantile &amp; Trading Limited for the period ended</u>				
<u>(Amount in Rs.)</u>				
Particulars		31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
Sources Of Funds				
Shareholders' Funds				
Equity Share Capital		5,58,32,750	5,58,32,750	5,58,32,750
Application Money Towards Shares		----	----	----
Reserves & Surplus		8,73,34,082	8,79,78,001	8,92,68,846
Total Shareholders' Funds	[A]	14,31,66,832	14,38,10,751	14,51,01,596
Loan Funds		----	----	
Secured Loans		----	----	17,81,806
Unsecured Loan		1,40,49,114	1,80,21,857	4,33,91,857
Total Loan Funds	[B]	1,40,49,114	1,80,21,857	4,51,73,663
Deferred Tax Liability	[C]	7,25,531	6,79,538	5,80,014
Total :[A] + [B]+[C] =	[D]	15,79,41,477	16,25,12,146	19,08,55,273
Application Of Funds				
Fixed Assets				
Gross Block		51,20,331	51,20,331	49,65,201
Less: Depreciation		21,76,469	24,17,304	24,92,775
Net Fixed Assets	[A]	29,43,862	27,03,027	24,72,426
Capital Work In Progress	[B]	---	---	---
Investments	[C]	4,28,73,145	4,05,43,145	4,05,43,145
Current Assets, Loans And Advances (I)		12,46,78,933	12,93,37,399	15,36,82,904
Less: Current Liabilities And Provisions (II)		1,57,83,712	1,27,50,511	60,81,534
Net Current Assets [I-II]	[D]	10,88,95,221	11,65,86,888	14,76,01,370
Other Non-Current Assets	[E]	29,22,187	24,18,888	25,000
Miscellaneous Expenditure	[F]	3,07,062	2,60,197	2,13,332
Total :[A] + [B]+[C]+[D] +[E]+	[G]	15,79,41,477	162,512,146	190,855,273

[F]=

Profit & Loss Account of Trio Mercantile & Trading Limited For The Period Ended			
(Amount in Rs.)			
Particulars	31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
REVENUE			
Sales/Income from Operation	60,43,017	1,05,69,934	1,05,51,430
Other Income	1,39,04,627	16,79,084	14,92,362
Accretion/Decretion in Stock	---	---	---
Total Revenue	1,99,47,644	1,22,49,018	1,20,43,792
Total Expenditure	1,91,89,115	1,12,47,521	1,02,14,471
Income Before Depreciation, Interest and Income Tax Expense(EBIDTA)	7,58,529	19,56,353	21,04,565
Interest & Finance charges	---	7,14,021	34,152
Depreciation and amortization	---	2,40,835	2,41,092
Expenses written-off	---	---	---
Income Before Tax	7,58,529	10,01,497	18,29,321
Provision for Tax	2,70,000	5,30,000	6,38,000
Deferred Tax	(36,952)	(45,993)	(99,524)
Earlier Years	---	---	---
Profit After Tax	5,25,481	5,17,490	12,90,845

**ARSS ENGINEERING LIMITED (ARSS):**

The Company was originally incorporated on 8th April, 2008, with the name "ARSS Engineering Limited".

The Company is involved in the business of providing consultancy and engineering services to infrastructure and construction sector.

The Company being a professionally managed Company wherein holding in the Company are being distributed amongst the Promoter Group, others which are as follows:



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Sr. No.	Particulars	% of Holding
1.	Promoter and Promoter Group	10.89
2.	Others	89.11
TOTAL		100

Financials of ARSS Engineering Limited for last three years is as follows:

Balance sheet of ARSS Engineering Limited for the period ended				
(Amount in Rs.)				
Particulars		31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
Sources Of Funds				
Shareholders' Funds				
Equity Share Capital		5,00,000	5,00,000	10,10,50,000
Application Money Towards Shares		---	---	---
Reserves & Surplus		(13,688)	(20,500)	15,39,944
Total Shareholders' Funds	[A]	4,86,312	4,79,500	10,25,89,944
Loan Funds				
Secured Loans		--	--	--
Unsecured Loan		8,08,000	8,08,000	9,08,000
Total Loan Funds	[B]	--	--	--
Deferred Tax Liability	[C]	---	---	---
Total :[A] + [B]+[C] =	[D]	12,94,312	12,87,500	10,34,97,944
Application Of Funds				
Fixed Assets		---	---	---
Gross Block		---	---	---
Less: Depreciation		---	---	---
Net Fixed Assets	[A]	---	---	---
Capital Work In Progress	[B]	---	---	---
Investments	[C]	---	---	---
Current Assets, Loans And Advances (I)		4,86,212	4,79,400	17,65,09,355



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Less: Current Liabilities And Provisions (II)		2,500	2,500	7,39,40,291
Net Current Assets [I-II]	[D]	4,83,712	4,76,900	10,25,69,064
Other Non-Current Assets	[E]	---	---	---
Miscellaneous Expenditure	[F]	8,10,600	8,10,600	9,28,880
Total :[A] + [B]+[C]+[D] +[E]+ [F]=	[G]	12,94,312	12,87,500	10,34,97,944

Profit & Loss Account of ARSS Engineering Limited For The Period Ended			
(Amount in Rs.)			
Particulars	31 <sup>st</sup> March 2011 (Audited)	31 <sup>st</sup> March 2012 (Audited)	31 <sup>st</sup> March 2013 (Audited)
REVENUE			
Sales/Income from Operation	---	---	7,77,55,102
Other Income	---	---	9,60,112
Accretion/Decretion in Stock	---	---	---
Total Revenue	---	---	7,87,15,214
Total Expenditure	2,500	3,500	7,64,42,438
Income Before Depreciation, Interest and Income Tax Expense(EBIDTA)	(2,500)	(3,500)	22,72,776
Interest & Finance charges	---	---	---
Depreciation and amortization	---	---	---
Expenses written-off	---	---	---
Income Before Tax	(2,500)	(3,500)	22,72,776
Provision for Tax	---	---	7,12,332
Deferred Tax	---	---	---
Earlier Years	---	---	---
Profit After Tax	(2,500)	(3,500)	15,60,444

TRANSACTION OVERVIEW AND RATIONAL



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#### Purpose of the Merger and Benefits of the Merger:

The Transferor Company, ARSS Engineering Limited is engaged in the business of providing consultancy and engineering services to infrastructure and construction sector and to enter into core infrastructure project. The Transferee Company, Trio Mercantile & Trading Limited is involved in the business of trading and investments. The company is also actively involved in finance consultancy and other related activities including merger and allied activities.

The proposed merger of ARSS Engineering Limited and Trio Mercantile & Trading Limited as envisaged in the following objectives and is likely to result in following advantages:

- Consolidation of business, synergize operational advantages and achieve economies of scale of operations;
- Optimum and efficient utilization of capital, resources, assets and facilities;
- Removal of intercompany transfers, removing taxation at multiple stages and increasing product margin.
- Enhancement of competitive strengths including financial resources;
- Better management and focus on growing the businesses.

#### VALUATION METHODOLOGY & EXPLANATION ADOPTED BY J.B.WALA & CO.

Some of the methods considered by J.B.Wala & Co. for arriving at fair value of shares of a company are as under:

1. Net Asset Value Method (NAV)
2. Profit Earning Capacity Method (PECV)
3. Market Price Method (MV)

The methods available for valuation are discussed in brief as under:



a) THE NET ASSET VALUE (NAV) METHOD:

This method of valuation indicates the asset backing to the business. Though this method is inconsistent with the 'going concern' concept, it is definitely indicative of the minimum net worth of the business. For the purposes of arriving at NAV per share, the miscellaneous expenses carried forward, accumulated losses, total outside liabilities, revaluation reserves and capital reserves (except subsidy received in cash) shall be reduced from the value of the total assets and the net figure so arrived at shall be divided by the number of equity shares issued and paid-up. Alternatively, intangible assets shall be reduced from the equity capital and reserves (excluding revaluation reserves) and the figure so arrived at shall be divided by the number of equity shares issued and paid-up.

b) THE PROFIT EARNING CAPACITY VALUE (PECV) METHOD:

This method of valuation presumes the continuity of business and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the shares, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair value per share. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because the crux of estimate the PECV lies in the assessment of the future maintainable profits of the business. It should not be overlooked that the valuation is for the future and that it is the future maintainable streams of earnings that is of greater significance in the process of valuation.

FAIR VALUE BASED ON AVERAGE OF NAV AND PECV PER SHARE:

The fair value of shares of a Company, as per the erstwhile Controller of Capital Issues (CCI) Guidelines could be determined on the basis of the average of the valuation arrived at by using the NAV and PECV methods discussed above.

c) MARKET PRICE METHOD:

Under this method, the fair value of the shares arrived at on the basis of price quoted at recognized Stock Exchanges. This method is useful only for the Companies that are quoted on the Stock Exchange.





#### BASIS OF VALUATION AND ASSUMPTIONS:

J.B.Wala & Co. has based their valuation exercise on the widely accepted valuation methods described above. For this purpose, J.B.Wala & Co. has reviewed the various documents, and has made certain assumptions and have relied upon the discussions we have had with, and the information, particulars and explanations that J.B.Wala & Co. has received from the Company. J.B.Wala & Co. has based the valuation, primarily on the following factors: -

1] Valuation of shares based on Net Asset Value (NAV) of Trio and ARSS is carried on as per the financials for the year ended 31<sup>st</sup> March 2013;

2] While calculating the Price Earning Capacity Value (PECV) of Trio, EPS is capitalized by taking capitalization rate of 12.7 (Source: P/E Ratio of Finance and Investment taken from the CAPITAL MARKET MAGAZINE, Edition- May 13 - 26<sup>th</sup> May, 2013, Industry - Finance and Investment, Page. No - 46). PECV of ARSS is not considered since the Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13.

3] For calculating per share value, we have taken into consideration the Market Value based on Last 26 weeks Relevant Date being 27<sup>th</sup> June, 2013. High Low Average Closing Prices of Trio as per the BSE National Index as Trio has considered proposal of Merger at their Board Meeting held on 28<sup>th</sup> June, 2013. Shares of ARSS are not listed hence the Average Value of shares traded on stock Exchanges is not applicable. Hence, Market Price Method is not applicable to ARSS.

#### TRIO MERCANTILE & TRADING LIMITED (TRIO):

- (i) The Net Assets Value of Trio based on the financials for the year ended March 31, 2013 is Rs. 25.95.
- (ii) The Price Earning Capacity Value of Trio is taken as an average EPS of the Company based on the financials for the year ended 31<sup>st</sup> March, 2013 multiply by the Industry P/E:- Finance and Investment of 12.7 is Rs. 2.94.
- (iii) The Company being listed entity is listed on Bombay Stock Exchange Limited. The Average value of shares traded on Bombay Stock Exchange for Last 26 weeks (i.e. from 28<sup>th</sup> Dec, 2012 to 27<sup>th</sup> June, 2013) based on High Low Average Closing Prices of the Company is Rs. 24.71.



# Composite Valuation

Hence the value of the Shares under the three methods is as under:

Net Assets Value	25.95
Earning based Value	2.94
Market Value	24.71

Weighted Average of all the three methods is. Rs. 18.00 /- per share of Rs. 10/- each.

The brief calculation is as follows:

a. (i) Net Assets Valuation	
	31st March 2013
TOTAL ASSETS OF THE COMPANY [inclusive of Fixed Assets, Investments, Net Current Assets, Misc. Expenditure, Profit and Loss account]	190,855,273.00
Less : MISCELLANEOUS EXPENDITURE	213,332.00
Profit & Loss Account (Dr. Balance)	0.00
Outside Liabilities (Incl. Loan Liabilities)	45,173,663.00
Deferred Tax	580,014.00
Share Application money	0.00
Net Asset Value for Shareholders	144,888,264.00
Equity (No of Shares)	5,583,275.00
NAV per share	25.95
Total of NAV	25.95
Therefore Net Assets Value of the Company is Rs.	25.95

a (ii). Net Assets Valuation (Alternate Method)	
	31st March 2013
Equity Capital of the Company	55,832,750.00
Reserves & Surplus (Excl. Revaluation Reserve)	89,268,846.00
Total	145,101,596.00
Less : MISCELLANEOUS EXPENDITURE	213,332.00
Profit & Loss Account (Dr. Balance)	-
Net Assets for Shareholders	144,888,264.00
Equity (No of Shares)	5583275



NAV per share	25.95
Total of NAV	25.95
Therefore Net Assets Value of the Company is Rs.	25.95

Note:

- 1) Equity Share Capital of the Trio is considered as Paid up Share Capital of the Company.  
Therefore Net Assets Value of the Company is Rs. 25.95

b. Earning Based Valuation	
	31 <sup>st</sup> March, 2013
Net Profit After Tax	1,290,845
Equity (No of Shares)	5583275
EPS Per share	0.23
Industry PE*	12.7
Value per Share	2.94

Note:

- 1) Equity Share Capital of the Trio is considered as Issued Share Capital of the Company.
- 2) \* industry reference - finance and investment- capital market may- 13 to 26th may ,2013  
Therefore The Earning Based Value is Rs.2.94/-



Weeks	From	To	Closing High	Closing Low	Average
1	28-Dec-12	3-Jan-13	11.00	9.80	10.40
2	4-Jan-13	10-Jan-13	14.66	12.10	13.38
3	11-Jan-13	17-Jan-13	14.58	13.39	13.99
4	18-Jan-13	24-Jan-13	13.30	12.20	12.75
5	25-Jan-13	31-Jan-13	14.65	13.80	14.23
6	1-Feb-13	7-Feb-13	16.92	15.27	16.10
7	8-Feb-13	14-Feb-13	19.43	17.71	18.57
8	15-Feb-13	21-Feb-13	18.72	19.45	19.09
9	22-Feb-13	28-Feb-13	21.46	19.00	20.23
10	1-Mar-13	7-Mar-13	22.50	21.15	21.83
11	8-Mar-13	14-Mar-13	21.50	19.05	20.28
12	15-Mar-13	21-Mar-13	19.65	18.50	19.08
13	22-Mar-13	28-Mar-13	19.35	18.25	18.80
14	29-Mar-13	4-Apr-13	20.60	20.30	20.45
15	5-Apr-13	11-Apr-13	21.25	20.85	21.05
16	12-Apr-13	18-Apr-13	20.80	20.50	20.65
17	19-Apr-13	25-Apr-13	20.75	20.25	20.50
18	26-Apr-13	2-May-13	21.50	21.00	21.25
19	3-May-13	9-May-13	22.25	21.80	22.03
20	10-May-13	16-May-13	24.30	22.35	23.33
21	17-May-13	23-May-13	25.40	23.25	24.33
22	24-May-13	30-May-13	25.30	24.25	24.78
23	31-May-13	6-Jun-13	28.00	26.00	27.00
24	7-Jun-13	13-Jun-13	26.50	24.75	25.63
25	14-Jun-13	20-Jun-13	25.90	23.75	24.83
26	21-Jun-13	27-Jun-13	26.00	23.15	24.58
Average Price					21.63

#### Alternative II

Weeks	From	To	Closing High	Closing Low	Average
1	14-Jul-13	20-Jul-13	25.90	23.75	24.83
2	21-Jul-13	27-Jul-13	26.00	23.15	24.58
Average Price					24.71

26 Weeks High Low Average Closing Prices	21.63
2 Weeks High Low Average Closing Prices	24.71
Applicable Minimum Price	24.71

c) Average Value of Shares Traded at Bombay Stock Exchange as per annexure 1

*AM*



The Weighted Average of all the Three methods will be as under:-

NAV (2nd Alternate Method)	25.95	1	25.95
PEV	2.94	2	5.87
MV (26 n 15 days weeks closing average )	24.71	3	74.13
		6	105.95
Weighted Average Rs.			18

Weighted Average per share is Rs. 18 /- only

#### ARSS ENGINEERING LIMITED (ARSS):

- (i) The Net Assets Value of ARSS based on financials for the year ended March 31, 2013 is Rs. 10.06/-.
- (ii) The Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13. The basic and diluted EPS of the Company is 0.16. Since the Company has its 1st year of business activity, we are not considering Earning Based Valuation ( PEV) method for calculating fair value of shares of ARSS.
- (iii) The shares of the Company are not listed on any stock exchange. The Average value of shares traded on Stock Exchange for 26 weeks High Low Average Closing Prices is **Not Applicable**.

#### Composite Valuation:

Hence the values of the Shares under the three methods is as under:

Net Assets Value	Rs. 10.06/-
Earning based Value	NIL
Average Value of Share Traded	NIL

Weighted Average of the three methods is Rs. 10.06/- per share of Rs. 10/- each.

The brief calculation is as follows:

a. (i) Net Assets Valuation	
Particulars	31st March 2013
TOTAL ASSETS OF THE COMPANY [inclusive of Fixed Assets, Investments, Net Current Assets, Misc. Expenditure, Profit and Loss account]	102,569,064.00
Less (deductions) :	
MISCELLANEOUS EXPENDITURE	9,28,880
Profit & Loss Account (Dr. Balance	



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Outside Liabilities (Incl. secured loan and unsecured Loan Liabilities)	908000
Deferred Tax	
Share Application Money	
Net Assets	
Equity (No of Shares)	10,16,61,064
NAV per share	1,01,05,000
Total of NAV	10.06
Therefore Net Assets Value of the Company is Rs.	10.06

a (ii). Net Assets Valuation (Alternate Method)	
Particulars	31st March 2013
Equity Capital of the Company	10,10,50,000
Reserves & Surplus (Excl. Revaluation Reserve)	15,39,944
Total	10,25,89,944
Less : MISCELLANEOUS EXPENDITURE	9,28,880
Profit & Loss Account (Dr. Balance)	
Net Assets for Shareholders	10,16,61,064
Equity (No. of shares)	1,01,05,000
NAV per share	10.06
Total of NAV	10.06
Therefore Net Assets Value of the Company is Rs.	10.06

Note:

- Equity Share Capital of the ARSS is considered as Paid up Share Capital of the Company.  
Therefore Net Assets Value of the Company is Rs. 10.06/-

b. Earning Based Valuation (PEV)

Note: The Company was formed in the year 2008. There was no business activity in the Company. Last two years the Company had suffered loss, this is the first year that the Company was involved in engineering projects and equity capital is increased during the year 2012-13. The basic and diluted EPS of the Company is 0.16. Since the Company has its 1st year of business activity, we are not considering Earning Based Valuation (PEV) method while calculating fair value of shares.





c) Average Value of Shares Traded at Bombay Stock Exchange is not applicable

The Weighted Average of all the Three methods will be as under:-

NAV (2nd Alternate Method)	10.06	1	10.06
PEV	-	0	-
MV (26 Weeks Closing Average) Not applicable	-	-	-
		1	10.06
Weighted Average Rs.			10.06

Weighted Average per share is Rs. 10.06/- only

#### FAIR VALUE AND CONCLUSION:

On a careful consideration of the peculiar facts and circumstances of the case, M/s. J.B.Wala & Co., is of the opinion that the Average of both the method is the most appropriate method to arrive at fair value of the shares of the concerned Companies. Accordingly, M/s. J.B.Wala & Co., is of the opinion that the exchange ratio based on such fair value of the shares.

(Amount in Rs.)

Name of The Company	Trio Mercantile & Trading Limited	ARSS Engineering Limited
Net Assets Value (NAV) (Rs.)	25.95	10.06
Earning Based Value (PECV) (Rs.)	2.94/-	NIL
Share Trading-Value (MV) (Rs.)	24.71	NIL
Weighted Average	18	10.06

#### SHARE EXCHANGE RATIO RECOMMENDED

From the above calculations and analysis, the share exchange ratio can be taken as follows:

Weighted Average of Trio Mercantile & Trading Limited: Rs. 18/-

Weighted Average of ARSS Engineering Limited: Rs. 10.06/-





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Accordingly, for every Five (5) Equity shares of Rs. 10/- each of ARSS, Three (3) New Equity Share of Rs. 10/- each of Trio will be issued. Accordingly, 60,63,000 Equity shares of Rs. 10/- each for existing 1,01,05,000 Equity Shares of ARSS.

It may also be kept in mind that this valuation is not a rigid band. It is only indicative. A strategic buyer of the shares of the Company may be inclined to put a higher valuation in a live transaction looking at long-term prospects of gaining more profits and substantial appreciation in the earnings on better utilization of the capacities.

#### OUR FAIRNESS OPINION:

Based upon valuation work carried out by M/s. J.B.Wala & Co., we are of the opinion that the purpose of the proposed Merger are fair, from a financial point of view.

The fairness of the Proposed Merger is tested by:

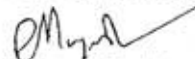
- (1) Considering whether the Valuation methods adopted by M/s. J.B.Wala & Co., depict a correct picture on the value of shares of both the companies
- (2) Calculating the fair market value of both the companies
- (3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed merger

The rationale for Share Exchange ratio as explained above, will be issued as assumed by M/s. J.B.Wala & Co., is justified.

We are in opinion that, M/s. J.B.Wala & Co., is justified by taking the combination of all the methods on weighted average basis to arrive fair market value of Companies. As Combining all the methods will cover each aspect of valuation such as present valuation, future earning capacity and market driven price in case of listed entity.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on valuation for the proposed merger as under.

For Comfort Securities Ltd.

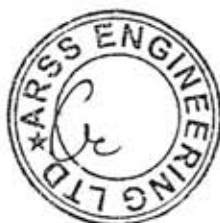
  
Mayuri Thakkar

Asst. Vice President - MBD





Introductory sub-table (1)(a)			
Name of the Company	ARSS ENGINEERING LIMITED		
class of security	EQUITY SHARES		
Quarter ended	31-Mar-13		
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	10105000		



ARSS ENGINEERING LIMITED - Statement Showing Shareholding Pattern as on 31.03.2013								
Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	1100000	1100000	10.89	10.89	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	1	1100000	1100000	10.89	10.89	0	0.00
2	Foreign							
(a)	Individuals (Non-Residents)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter	1	1100000	1100000	10.89	10.89	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	10	5650000	5650000	55.91	55.91	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh.	0	0	0	0.00	0.00	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	39	3355000	3355000	33.20	33.20	0	0.00
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
(d-i)	Clearing Member	0	0	0	0.00	0.00	0	0.00
(d-ii)	OCB	0	0	0	0.00	0.00	0	0.00
(d-iii)	NRI	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	49	9005000	9005000	89.11	89.11	0	0.00
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	49	9005000	9005000	89.11	89.11	0	0.00
	TOTAL (A)+(B)	50	10105000	10105000	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	50	10105000	10105000	100.00	100.00	0	0.00



Sr.No	Notes
1	NIL
2	
3	
4	
5	
6	
7	
8	
9	



(1)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-class (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(i)	(ii)	(iii)	(iv)	(v)	(vi) = (v)/(iii) * 100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	SKY SCRAPERS PROPERTIES LIMITED	1100000	10.89	0	0.00	0.00	0	0.00	0	0.00	10.89
	<b>TOTAL</b>	<b>1100000</b>	<b>10.89</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>10.89</b>



(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Mr. Sanjay Hirani	200000	1.98	0	0.00	0	0.00	1.979
2	Mr. Laxmi Agarwal	150000	1.48	0	0.00	0	0.00	1.484
3	Mr. Rajesh Agarwal	150000	1.48	0	0.00	0	0.00	1.484
4	Mr. Mehul Agarwal	150000	1.48	0	0.00	0	0.00	1.484
5	Rajesh Agarwal HUF	150000	1.48	0	0.00	0	0.00	1.484
6	Ms. Sonia Kedia	150000	1.48	0	0.00	0	0.00	1.484
7	Ms. Sita Kedia	150000	1.48	0	0.00	0	0.00	1.484
8	Kiran R Pherwani	200000	1.98	0	0.00	0	0.00	1.979
9	Ansu Kedia	150000	1.48	0	0.00	0	0.00	1.484
TOTAL		1450000	14.35	0	0.00	0	0.00	14.35



(D)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1								
	TOTAL	0	0.00	0	0.00	0	0.00	0.00



(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1		0	0.00
TOTAL		0	0.00



(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
TOTAL			NIL	0.00





(11)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (11)(a) above)
TOTAL		NIL	0	0.00



Introductory sub-table (I)(a)			
Name of the Company	TRIO MERCANTILE & TRADING LIMITED		
Scrip Code	534755		
Name of the scrip	TRIOMERC		
Class of security	EQUITY SHARES		
Quarter ended	31-Mar-13		
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	5583275		



TRIO MERCANTILE & TRADING LIMITED - Statement Showing Shareholding Pattern as on 31.03.2013

Category code	Category of Shareholder	Number of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	18	610995	384445	10.94	10.94	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	108075	108075	1.94	1.94	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(1)	20	719070	492520	12.88	12.88	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
e	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter	20	719070	492520	12.88	12.88	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/ Banks	1	3300	0	0.06	0.06	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	1	3300	3300	0.06	0.06	0	0.00



B-2	Non-institutions						
(a)	Hedge Corporation	45	812434	226244	14.55	14.55	0
(b)	Individuals						0.00
I	i. Individuals holding nominal share capital up to Rs. 1 lakh	1185	1305911	1130054	23.34	23.34	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	89	2613033	2483178	46.80	46.80	0
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	0
(d)	Any Other (Specify)						0.00
(d-i)	Clearing Member	5	129527	129527	2.32	2.32	0
(d-ii)	OCB	0	0	0	0.00	0.00	0
(d-iii)	NRFI	0	0	0	0.00	0.00	0
	Sub-Total (B)(2)	1324	4860905	3969003	87.06	87.06	0
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	1325	4864205	3972303	87.12	87.12	0
	TOTAL (A)+(B)	1345	5583275	4464823	100.00	100.00	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued						0.00
1	Promoter and Promoter Group	0	0	0	0	0.00	0
2	Public	0	0	0	0	0.00	0
	Sub-Total (C)	0	0	0	0	0.00	0
	GRAND TOTAL (A)+(B)+(C)	1345	5583275	4464823	100.00	100.00	0



(D(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoters and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(i)	(ii)	(iii)	(iv)	(v)	(vi) = (v)/(iii) * 100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	KHYATI HIREN KOTIARI										
2	KHUSHBOO HIREN KOTIARI	20600	0.37	0	0.00	0.00	0	0.00	0	0.00	0.37
3	MANAN HIREN KOTIARI	2200	0.04	0	0.00	0.00	0	0.00	0	0.00	0.04
4	MANJULA SHANTILAL KOTIARI	26840	0.48	0	0.00	0.00	0	0.00	0	0.00	0.48
5	SHANTILAL TRODHOVANAN KOTIARI	1540	0.03	0	0.00	0.00	0	0.00	0	0.00	0.03
6	GAPARIK TRADE & FINANCE RESOURCES P	5695	0.09	0	0.00	0.00	0	0.00	0	0.00	0.09
7	PALLAVI HIREN KOTIARI	1375	0.02	0	0.00	0.00	0	0.00	0	0.00	0.02
8	ADILNATH FINANCE PVT. LTD.	37125	0.66	0	0.00	0.00	0	0.00	0	0.00	0.66
9	HIREN S KOTIARI	106700	1.91	0	0.00	0.00	0	0.00	0	0.00	1.91
10	HIREN KOTIARI DE I	181055	3.24	0	0.00	0.00	0	0.00	0	0.00	3.24
11	KHUSHBOO HIREN KOTIARI	12210	0.22	0	0.00	0.00	0	0.00	0	0.00	0.22
12	NIDHI C KOTIARI	24860	0.45	0	0.00	0.00	0	0.00	0	0.00	0.45
13	SHANTILAL KOTIARI HUF	38830	0.70	0	0.00	0.00	0	0.00	0	0.00	0.70
14	CHETAN S KOTIARI	1650	0.03	0	0.00	0.00	0	0.00	0	0.00	0.03
15	CHETNA CHETAN KOTIARI	22500	0.40	0	0.00	0.00	0	0.00	0	0.00	0.40
16	FORAM CHETAN KOTIARI	12485	0.22	0	0.00	0.00	0	0.00	0	0.00	0.22
17	CHETAN S KOTIARI	785	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01
18	CHETAN S KOTIARI	97130	1.74	0	0.00	0.00	0	0.00	0	0.00	1.74
19	CHETNA CHETAN KOTIARI	55000	0.99	0	0.00	0.00	0	0.00	0	0.00	0.99
20	FORAM CHETAN KOTIARI	38500	0.69	0	0.00	0.00	0	0.00	0	0.00	0.69
TOTAL		33000	0.59	0	0.00	0.00	0	0.00	0	0.00	0.59
		460070	8.24	0	0.00	0.00	0	0.00	0	0.00	8.24



(DREG) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	BAHULAL SHAKERCHAND SHAH	82500	1.478	0	0.00	0	0.00	1.478
2	DEEPAN A PORTFOLIO LTD	67335	1.206	0	0.00	0	0.00	1.206
3	DEEPAK N DADIA	82500	1.478	0	0.00	0	0.00	1.478
4	NEELAM SHARMA	110000	1.970	0	0.00	0	0.00	1.970
5	NILESH N DADIA	82500	1.478	0	0.00	0	0.00	1.478
6	PRADIP CHANDRAKANT MEHTA	87000	1.558	0	0.00	0	0.00	1.558
7	RANJANA N DADIA	72765	1.303	0	0.00	0	0.00	1.303
8	SMITA UPENDRA MITHANI	78540	1.407	0	0.00	0	0.00	1.407
9	SSI FINANCE AND SEC PL	73859	1.323	0	0.00	0	0.00	1.323
10	SUDHA MANISHKUMAR SHAH	82500	1.478	0	0.00	0	0.00	1.478
11	UPSI R. & INVESTMENT & FINANCE LTD.	123750	2.216	0	0.00	0	0.00	2.216
12	VEDANT MITHANI	99825	1.788	0	0.00	0	0.00	1.788
13	YASH MANAGEMENT & SATELITES LTD.	123750	2.216	0	0.00	0	0.00	2.216
14	YASH SECURITIES PVT. LTD.	123750	2.216	0	0.00	0	0.00	2.216
	TOTAL	1290574	23.11	0	0.00	0	0.00	23.11



(B)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (D)(a) above]	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1								
TOTAL			0					0.00



(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1		0	0.00
TOTAL		0	0.00





(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
TOTAL		0	NIL	0.00

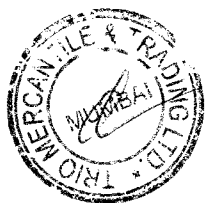


(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above
TOTAL		NIL	0	0.00



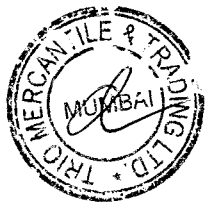
Introductory sub-table (I)(a)			
Name of the Company	TRIO MERCANTILE & TRADING LIMITED		
Scrip Code	534755		
Name of the scrip	TRIOMERC		
class of security	EQUITY SHARES		
Quarter ended	31-Mar-13		
POST SHAREHOLDING PATTERN			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
Held by promoter / promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	Nil	N.A	N.A
Held by public	Nil	N.A	N.A
Total	NIL	N.A	N.A
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	11646275		



**TRIO MERCANTILE & TRADING LIMITED - Statement Showing Shareholding Pattern as on 31.03.2013**

Category code	Category of Shareholder	Number of Shareholders	Table I(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	18	610995	384445	5.25	5.25	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	768075	768075	6.60	6.60	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
							0	0.00
	<b>Sub Total(A)(1)</b>	<b>21</b>	<b>1379070</b>	<b>1152520</b>	<b>11.84</b>	<b>11.84</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
e	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter</b>	<b>21</b>	<b>1379070</b>	<b>1152520</b>	<b>11.84</b>	<b>11.84</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	1	3300	0	0.03	0.03	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>3300</b>	<b>3300</b>	<b>0.03</b>	<b>0.03</b>	<b>0</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	55	4202434	3616244	36.08	36.08	0	0.00
(b)	Individuals							
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1185	1305911	1130054	11.21	11.21	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	128	4626033	4496178	39.72	39.72	0	0.00
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)							
(d-i)	Clearing Member	5	129527	129527	1.11	1.11	0	0.00
(d-ii)	OCB	0	0	0	0.00	0.00	0	0.00
(d-iii)	NRI	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>1373</b>	<b>10263905</b>	<b>9372003</b>	<b>88.13</b>	<b>88.13</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1374</b>	<b>10267205</b>	<b>9375303</b>	<b>88.16</b>	<b>88.16</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>1395</b>	<b>11646275</b>	<b>10527823</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0.00
	<b>Sub-Total (C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1395</b>	<b>11646275</b>	<b>10527823</b>		<b>100.00</b>	<b>0</b>	<b>0.00</b>

Sr.No	Notes
1	NIL
2	
3	
4	
5	
6	
7	
8	
9	



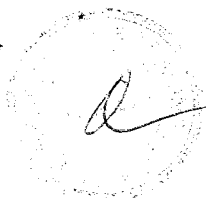
(1)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A) +(B) +( C )	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a )	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(I) *100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	CHETAN S KOTHARI	22500	0.19	0	0.00	0.00	0	0.00	0	0.00	0.19
2	CHETNA CHETAN KOTHARI	12485	0.11	0	0.00	0.00	0	0.00	0	0.00	0.11
3	KHYATI HIREN KOTHARI	20680	0.18	0	0.00	0.00	0	0.00	0	0.00	0.18
4	FORAM CHETAN KOTHARI	385	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
5	KHUSHBOO HIREN KOTHARI	2200	0.02	0	0.00	0.00	0	0.00	0	0.00	0.02
6	MANAN HIREN KOTHARI	26840	0.23	0	0.00	0.00	0	0.00	0	0.00	0.23
7	MANJULA SHANTILAL KOTHARI	1540	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01
8	SHANTILAL TRIBHOVANDAS KOTHARI	5005	0.04	0	0.00	0.00	0	0.00	0	0.00	0.04
9	GAPARIK TRADE & FINANCE RESOURCES P	1375	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01
10	PALLAVI HIREN KOTHARI	37125	0.32	0	0.00	0.00	0	0.00	0	0.00	0.32
11	ADILNATH FINANCE PVT. LTD.	106700	0.92	0	0.00	0.00	0	0.00	0	0.00	0.92
12	CHETAN S KOTHARI	97130	0.83	0	0.00	0.00	0	0.00	0	0.00	0.83
13	HIREN S KOTHARI	181055	1.55	0	0.00	0.00	0	0.00	0	0.00	1.55
14	CHETAN S KOTHARI	55000	0.47	0	0.00	0.00	0	0.00	0	0.00	0.47
15	CHETNA CHETAN KOTHARI	38500	0.33	0	0.00	0.00	0	0.00	0	0.00	0.33
16	FORAM CHETAN KOTHARI	33000	0.28	0	0.00	0.00	0	0.00	0	0.00	0.28
17	HIREN KOTHARI HUF	12210	0.10	0	0.00	0.00	0	0.00	0	0.00	0.10
18	KHUSHBOO HIREN KOTHARI	24860	0.21	0	0.00	0.00	0	0.00	0	0.00	0.21
19	NIDHI C. KOTHARI	38830	0.33	0	0.00	0.00	0	0.00	0	0.00	0.33
20	SHANTILAL KOTHARI HUF	1650	0.01	0	0.00	0.00	0	0.00	0	0.00	0.01
21	SKY SCRAPER PROPERTIES PVT LTD	660000	5.67	0	0.00	0.00	0.00	0.00	0.00	0.00	5.67
TOTAL		1379070	11.84	0	0.00	0.00	0	0.00	0	0.00	11.84



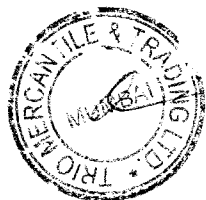
(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	UPSURGE INVESTMENT & FINANCE LTD.	123750	1.06	0	0.00	0	0.00	1.06
2	YASH MANAGEMENT & SATELITES LTD.	123750	1.06	0	0.00	0	0.00	1.06
3	YASH SECURITIES PVT. LTD.	123750	1.06	0	0.00	0	0.00	1.06
4	Mr. SANJAY HIRANI	120000	1.03	0	0.00	0	0.00	1.03
5	MS. SITA KEDIA	120000	1.03	0	0.00	0	0.00	1.03
6	KAUSHIK MAHENDRA KAMDAR (HUF)	120000	1.03	0	0.00	0	0.00	1.03
7	ANCHOR METAL PRIVATE LIMITED	600000	5.15	0	0.00	0	0.00	5.15
8	WELPLACE PORTFOLIO AND FINANCIAL CONSULTANCY SERVICES LTD	600000	5.15	0	0.00	0	0.00	5.15
9	NIGHTSHINE COMMERCIAL PVT LID	1200000	10.30	0	0.00	0	0.00	10.30
10	LINKUP VINTRADE PVT LTD	600000	5.15	0	0.00	0	0.00	5.15
TOTAL		3,731,250	32.04	0	0.00	0	0.00	32.04



(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	ANCHOR METAL PRIVATE LIMITED	600000	5.15	0	0.00	0	0.00	5.15
2	WELPLACE PORTFOLIO AND FINANCIAL CONSULTANCY SERVICES LTD	600000	5.15	0	0.00	0	0.00	5.15
3	NIGHTSHINE COMMERCIAL PVT LID	1200000	10.30	0	0.00	0	0.00	10.30
4	LINKUP VINTRADE PVT LTD	600000	5.15	0	0.00	0	0.00	5.15
TOTAL		3000000	25.76	0	0.00	0	0.00	25.76





(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1		0	0.00
TOTAL		0	0.00



(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
TOTAL		0	0	0.00



(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
NIL				
TOTAL			0	0.00





## TO WHOMSOEVER IT MAY CONCERN

We, Muktesh Jain & Co., Statutory Auditors of ARSS Engineering Limited having its Registered Office at Office No. 14, Goverdhan Apartments, Salasar Brij Bhumi Complex, 150 Feet Road, Bhayander West, Maharashtra- 401101 based on the information provided to us, do hereby certify the following figures.

Profit & Loss Statement	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	(Amount in Rs.) Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
Income from Operations	-	-	77,755,102	-
Other Income	-	-	960,112	-
<b>Total Income</b>	-	-	<b>78,715,214</b>	-
<b>Total Expenditure</b>	<b>2,500</b>	<b>3,500</b>	<b>76,442,438</b>	684,024
Profit before Depreciation, Interest and Tax	(2,500)	(3,500)	2,272,776	(684,024)
Depreciation	-	-	-	-
Interest and Financial Charges	-	-	-	-
<b>Profit before Tax</b>	<b>(2,500)</b>	<b>(3,500)</b>	<b>2,272,776</b>	<b>(684,024)</b>
Provision for FBT	-	-	-	-
Provision for Tax	-	-	712,332	-
Deferred Tax	-	-	-	-
Earlier Year	-	-	-	-
<b>Profit after Tax</b>	<b>(2,500)</b>	<b>(3,500)</b>	<b>1,560,444</b>	<b>(684,024)</b>

Balance Sheet Statement	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	(Amount in Rs.) Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
<b>Sources of Funds</b>				
Paid up Share Capital	500,000	500,000	101,050,000	14,000,000
Reserves & Surplus (Excluding Revaluation)	-	(20,500)	1,539,944	(14,770,158)
Secured Loan	-	-	-	1,152,308
Unsecured Loan	808,000	808,000	908,000	-
Current Liabilities	2,500	2,500	73,940,291	16,854
Deferred Tax Liability	-	-	-	-
<b>Total</b>	<b>1,310,500</b>	<b>1,290,000</b>	<b>177,438,235</b>	<b>399,004</b>
<b>Uses of Funds</b>				
Net Fixed Assets	-	-	-	-
Deferred Tax Asset	-	-	-	-
Investments	-	-	-	-
Current Assets, Loans and Advances	486,212	479,400	176,509,355	399,004
Miscellaneous Expenses not written off	810,600	810,600	928,880	-
Profit & Loss A/c (Dr. Bal)	13,688	-	-	-
<b>Total</b>	<b>1,310,500</b>	<b>1,290,000</b>	<b>177,438,235</b>	<b>399,004</b>

Other Financial Data	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
Net Worth (Amount in Rs)	(324,288)	(331,100)	101,661,064	(770,158)
Dividend (%)	-	-	-	-
Earning PerShare	(0.05)	(0.07)	0.15	(0.49)
Return on Networth (%)	0.77	1.06	1.53	88.82
Book Value Per Share	(6)	(7)	10	(1)

Muktesh Jain & Co.  
FRN : 132498W  
Chartered Accountants

Muktesh Kumar Jain  
Proprietor  
M. No.- 122654





# koshal & associates

chartered accountants

114/2, ostwal ornat, jesal park, bhayandar (e) thane - 401 105.  
(o): 022-65251691, mob- 9223411113, e-mail: koshal11@rediffmail.com

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## TO WHOMSOEVER IT MAY CONCERN

We, Koshal & Associates, Chartered Accountants, Statutory Auditors of **Trio Mercantile & Trading Limited** having its Registered Office at Ostwal Ornat, 114 Bldg No.2, Jespal Park, Bhayandar (East), Thane 401105, based on the information provided to us, do hereby certify the following figures.

(Amount in Rs.)				
Profit & Loss Statement	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
Income from Operations	6,043,017	10,569,934	10,551,430	6,004,929
Other Income	13,904,627	1,679,084	1,492,362	115,590
<b>Total Income</b>	<b>19,947,644</b>	<b>12,249,018</b>	<b>12,043,792</b>	<b>6,120,519</b>
<b>Total Expenditure</b>	<b>19,189,115</b>	<b>11,247,521</b>	<b>10,214,471</b>	<b>45,220,913</b>
Profit before Depreciation, Interest and Tax	758,529	1,956,353	2,104,565	(38,933,221)
Depreciation	-	240,835	241,092	57,344
Interest and Financial Charges	-	714,021	34,152	109,829
<b>Profit before Tax</b>	<b>758,529</b>	<b>1,001,497</b>	<b>1,829,321</b>	<b>(39,100,394)</b>
Provision for FBT	-	-	-	-
Provision for Tax	270,000	530,000	638,000	-
Deferred Tax	(36,952)	(45,993)	(99,524)	-
Earlier Year	-	-	-	-
<b>Profit after Tax</b>	<b>525,481</b>	<b>517,490</b>	<b>1,290,845</b>	<b>(39,100,394)</b>

(Amount in Rs.)				
Balance Sheet Statement	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
<b>Sources of Funds</b>				
Paid up Share Capital	55,832,750	55,832,750	55,832,750	55,832,750
Reserves & Surplus (Excluding Revaluation Reserve)	87,334,082	87,978,001	89,268,846	50,170,012
Secured Loan	-	-	1,781,806	2,227,632
Unsecured Loan/ Long Term Liabilities	14,049,114	18,021,857	43,391,857	32,708,145
Current Liabilities	15,783,712	12,750,511	6,081,534	17,075,295
Deferred Tax Liability	725,531	679,538	580,014	580,014
<b>Total</b>	<b>173,725,189</b>	<b>175,262,657</b>	<b>196,936,807</b>	<b>158,593,848</b>
<b>Uses of Funds</b>				
Net Fixed Assets	2,943,862	2,703,028	2,472,426	330,443
Deferred Tax Asset	-	-	-	-
Investments	42,873,145	40,543,145	40,543,145	-
Current Assets, Loans and Advances	124,678,933	129,337,399	153,682,904	158,238,405
Miscellaneous Expenses not written off	307,062	260,197	213,332	-
Other Non Current Assets	2,922,187	2,418,888	25,000	25,000
Profit & Loss A/c (Dr. Bal)	-	-	-	-
<b>Total</b>	<b>173,725,189</b>	<b>175,262,657</b>	<b>196,936,807</b>	<b>158,593,848</b>

(Amount in Rs.)				
Other Financial Data	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2013	Quarter Ended 30.06.2013
	(Audited)	(Audited)	(Audited)	(Unaudited)
Net Worth (Amount in Rs)	142,859,770	143,550,554	144,888,264	106,002,762
Dividend (%)	-	-	-	-
Earning PerShare	0.09	0.09	0.23	(7.00)
Return on Networth (%)	0.37	0.36	0.89	(36.89)
Book Value Per Share	25.59	25.71	25.95	18.99

For Koshal & Associates  
Chartered Accountants  
FRN: 121233W

Koshal Maheshwari  
Proprietor  
M. No. 043746





# Trio Mercantile & Trading Limited

613/B, Mangal Aarambh, Near Mc.Donalds, Kora Kendra, Off S. V Road  
Borivali (W), Mumbai - 400 092. • Tel : 2833 5999 / 2833 5998

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April, 8, 2013

To  
BSE Ltd  
P J Tower, Dalal Street,  
Mumbai - 400 001.

Sub: Submission of Corporate Governance Report for the Quarter Ended  
31<sup>st</sup> March, 2013.

Dear Sir,

Pursuant to clause 49 of the Listing Agreement, we hereby enclose the Corporate  
Governance Report of the Company for the quarter ended 31<sup>st</sup> March, 2013.

Kindly acknowledge receipt of the same and take it on record.

Thanking you,  
Yours faithfully,  
For Trio Mercantile and Trading Limited

Hiren Kothari  
Managing Director



CERTIFIED TRUE COPY  
For TRIO MERCANTILE & TRADING LTD.

Director

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

NAME OF THE COMPANY Trio Mercantile and Trading Limited

QUARTER ENDING ON 31st March, 2013

Particulars	Clause of Listing Agreement	Compliance Status	Remarks
		(Yes / No)	
<b>I. Board of Directors</b>	<b>49 I</b>		
(A) Composition of Board	49 (IA)	Yes	
(B) Non- Executive Director's compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees.	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
<b>II. Audit Committee</b>	<b>49 (II)</b>		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 (IID)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	N.A.	
<b>IV. Disclosures</b>	<b>49 (IV)</b>	Yes	
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues, etc.	49 (IV D)	N.A.	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	No	Will be Complied with at next AGM
<b>VI. Report on Corporate Governance</b>	<b>49 (VI)</b>	Yes	
<b>VII. Compliance</b>	<b>49 (VII)</b>	No	Will be Complied with at next AGM

Date : 08.04.2013

Place : Mumbai

For Trio Mercantile and Trading Limited



*Hiren Kothari*  
Hiren Kothari  
Managing Director

CERTIFIED TRUE COPY