



Sarvamangal Mercantile Company Limited

**35TH ANNUAL REPORT
2017-2018**

BOARD OF DIRECTORS

MRS. NUPUR SOMANI	-	MANAGING DIRECTOR
MR. ADARSH SOMANI	-	DIRECTOR
MR. B.K. TOSHNIWAL	-	DIRECTOR
MR. SANJAY JAIN	-	DIRECTOR

BANKERS

CENTRAL BANK OF INDIA
PUNJAB NATIONAL BANK

AUDITORS

R. SONI & CO.
CHARTERED ACCOUNTANTS,
MUMBAI.

SECRETARIAL AUDITOR

M/S. GMJ & ASSOCIATES
PRACTICING COMPANY SECRETARIES
MUMBAI

REGISTERED OFFICE

NO. 2 MOHATTA BHAVAN PROPERTIES
OFF. DR. E. MOSES ROAD,
WORLI,
MUMBAI - 400 018.
CIN : L51100MH1983PLC029600
E-mai : info@sarvamangalmercantile.com
Website : www.sarvamangalmercantile.com
Tel. No.: +91-22-24964656
Fax No.: +91-22-24963055

ADMINISTRATIVE OFFICE

1076, DR. E. MOSES ROAD,
WORLI,
MUMBAI - 400 018.

NOTICE

Notice is hereby given that the **Thirty Fifth** Annual General Meeting of the Company will be held on **Thursday, September 27, 2018 at 02.00 p.m.** at the Registered Office of the Company situated at No. 02, Mohatta Bhavan Properties, Dr. E. Moses Road, Worli, Mumbai -400018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 together with the Report(s) of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Adarsh Somani (DIN: 00192609), who retires by rotation and being eligible, offers himself for re- appointment as Director.

SPECIAL BUSINESS:

3. **To consider and approve re-appointment of Mrs. Nupur Somani (DIN: 00816788) as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendments or re-enactment thereof for the time being in force), and pursuant to applicable Article of the Articles of Association of the Company, on the recommendation of Nomination and Remuneration Committee, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mrs. Nupur Somani (DIN: 00816788) as Managing Director of the Company for a period of three years commencing from 1st April 2018 to 31st March 2021, not liable to retire by rotation, on such remuneration, terms and conditions, as detailed herein below:

a) Salary, Perquisites and Allowances: up to Rs. 1,00,000/- per month

Mrs. Nupur Somani shall be entitled to one month's privilege leave on full pay for every eleven months' service.

Mrs. Nupur Somani shall be entitled to reimbursement of all or any expenditure actually and properly incurred for Company's business. She shall not be entitled to any sitting fee for attending meetings of the Board of Directors.

Subject to the superintendence and control of the Board of Directors of the Company, Mrs. Nupur Somani shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to him by the Board of Directors.

The appointment may be terminated by either party giving to the other party, three months' notice in writing.

Compensation for loss of office in case of any termination before 31st March 2021 would be payable to Mrs. Nupur Somani as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT if in any financial year during her tenure as Managing Director, the Company has no profit or its profits are inadequate, salary as above will be payable to Mrs. Nupur Somani as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration payable to her as Managing director, from time to time subject to the ceiling laid down in Section 197 read with Schedule V of the Companies Act, 2013 without further approval of the

members of the Company, but with such other approvals, sanctions, or permission if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to the above resolution."

4. To consider and approve the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution.

"RESOLVED THAT pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") read with all the relevant Rules made thereunder, as may be amended from time to time, (including and statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to:

- a) give any loan to any person(s) or other body corporate(s);
- b) give any guarantee or provide security in connection with a loan to any other body corporate(s) or person (s); and
- c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate(s);

exceeding sixty percent of aggregate of its paid up share capital, free reserves and securities premium or one hundred percent of its free reserves and securities premium account, whichever is more, provided that the total amount of loans given, Investment made, guarantees given, and securities provided shall not at any time exceed Rs. 500 Crores (Rupees Five hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to decide and finalize the terms and conditions for the Loans given, guarantees given, Investments made and securities provided from time to time within the limit as prescribed herein above and to obtain approvals statutory, contractual or otherwise and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and/or expedient for implementing and giving effect to this resolution".

By order of the Board
For **Sarvamangal Mercantile Company Limited**

Nupur Somani
Managing Director
(DIN: **00816788**)

Place: Mumbai
Date: August 14, 2018.

Registered office:
2, Mohata Bhavan Properties,
Dr. E. Moses Road,
Worli Naka, Mumbai - 400018

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed, Stamped and signed, not less than 48 hours before the commencement of the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Company (ies), Societies, etc must be supported by an appropriate resolution or authority as applicable.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 21, 2018 to September 27, 2018 (both days inclusive).
3. Members are requested to intimate change in their address, if any, to the Company / R & T Agent.
4. Brief profile of the Directors proposed to be appointed / re-appointed (Item no. 2 & 3) is annexed and forms part of Notice of Annual General Meeting.
5. The Map of the venue of the Annual General Meeting is annexed to the Notice.
6. In support of the "Green Initiative" announced by the Government of India electronic copy of the Annual Report and this Notice *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy form are being sent by E-mail to those Member whose E-mail addresses have been made available to the Company / Depository Participants unless member have requested for a hard copy of the same. For Members who have not registered their e-mail addresses physical copies of Annual Report and this Notice *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy form will be sent to them in the permitted mode.

Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the Members to cast their votes electronically on the resolutions mentioned in the Notice of 35th Annual General Meeting (AGM). The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 24, 2018 (9:00 am) and ends on September 26, 2018 (5:00 pm). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- 3) Select “EVEN” of company for which you wish to cast your vote.
- 4) Now you are ready for e-Voting as the Voting page opens.
- 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- 6) Upon confirmation, the message “Vote cast successfully” will be displayed.
- 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- IX. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 20, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- XI. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date i.e. September 20, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. Prabhat Maheshwari, Partner M/s. GMJ & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper"/ "Poll Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM/ a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sarvamangalmercantile.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange.

By order of the Board
For **Sarvamangal Mercantile Company Limited**

Nupur Somani
Managing Director
(DIN: **00816788**)

Place: Mumbai
Date: August 14, 2018.

Registered office:
2, Mohata Bhavan Properties,
Dr. E. Moses Road,
Worli Naka, Mumbai - 400018

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 3

Mrs. Nupur Somani was appointed as the Managing Director of the Company by the Members at the 32nd Annual General Meeting of the Company held on September 29, 2015, for period of 3 years i.e. w.e.f April 01, 2015 to March 31, 2018.

The term of Mrs. Nupur Somani as Managing Director expired on March 31, 2018.

Further the Board of Directors on the recommendation of Nomination and Remuneration Committee, at their meeting held on February 14, 2018, has re-appointed Mrs. Nupur Somani as the Managing Director of the Company for the period of 3 years commencing from April 01, 2018 to March 31, 2021.

Mrs. Nupur Somani is a post graduate and having an experience of nearly 7 years in field of Operations, Administration and General Management.

In accordance with the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013, the particulars as prescribed therein are enclosed and the approval of the Shareholders is sought for re-appointment and for remuneration of Mrs. Nupur Somani as Managing Director w.e.f. April 01, 2018 to March 31, 2021.

Disclosure pertaining to Item No. 3 as required under sub-clause (iv) under the proviso to paragraph (A) & (B) under Section II of Part II of Schedule V of the Companies Act, 2013.

1. GENERAL INFORMATION :

Nature of Industry	Trading of Goods.			
Date or expected date of commencement of commercial production.	The Company is an existing Company and is involve in trading of goods since incorporation.			
In case of new Company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
Financial Performance based on given indicators during the Financial Year (Rs. In Lacs)	Particulars	2017-18	2016-17	2015-16
	Sales and other Income	39.97	286.94	79.28
	Profit / (Loss) before exceptional item, interest, depreciation, tax and	15.73	(55.09)	7.98
	Exceptional Item	-	-	-
	Interest	49.78	35.82	32.52
	Depreciation	0.15	0.15	0.15
	Tax	2.02	-	0.78
	Profit after tax	(3.22)	(91.06)	(25.47)
Foreign Investments or collaborations, if any	The Company does not have Foreign Investments or collaborations.			

2. INFORMATION ABOUT THE APPOINTEE

Background details	Mrs. Nupur Somani by qualification is B.Com graduate and has vast experience in the field of Operations, Administration and General Management.
Past Remuneration	Rs. 1,00,000/-per month.
Recognition or awards	--
Job Profile and his suitability	Mrs. Nupur Somani being the Managing Director shall be responsible for the day to day management of the Company. She shall also carry out such duties as may be entrusted to him by the Board of Directors.
Remuneration Proposed Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person	Rs. 1,00,000/-per month. The proposed remuneration of Mrs. Nupur Somani is fully justified and comparable to that prevailing in the industry, keeping in view the profile and the position of Managing Director and enriched knowledge & vast experience of the appointee. She shall be looking after and responsible for the whole affairs of the management of the Company and shall be accountable to the Board of Directors of the Company.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any.	Apart from receiving the managerial remuneration, Mrs. Nupur Somani does not have any other pecuniary relationship with the Company. Further she is wife of Mr. Adarsh Somani, Director of the Company.

3. OTHER INFORMATION

Reason of loss or inadequate profits	Due to difficult and unfavourable business conditions, the Company has incurred losses.
Steps taken or proposed to be taken for improvements	The Company is focusing to increase its revenue by increasing its trading activities in various commercial products.
Expected increase in productivity and profits in measurable terms.	On taking aforesaid steps, the Company is expecting to turn its business into profitable one.

Besides Mrs. Nupur Somani, Mr. Adarsh Somani being his relative under the provisions of the Companies Act, 2013 may be deemed concerned or interested in the resolution as set out in Item No. 3 of the accompanying notice.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution.

The Board recommends the Ordinary Resolution for the approval of the Members.

Item No. 4

In terms of the provisions of Section 186 of the Companies Act, 2013, no Company shall grant any loan to any person or body corporate or give any guarantee or provide any security to any loan taken by any person or body corporate in excess of 60% of the total of the paid-up share capital and free reserves or 100% of the

SARVAMANGAL MERCANTILE COMPANY LIMITED

free reserves and securities premium, whichever is higher, without the prior approval of the Shareholders by means of a Special Resolution.

The Company during its course of business may utilize its surplus cash for investment in securities for better utilization of liquid funds or may also require to give loan, guarantee or provide security to any loan taken by any person or body corporate.

Therefore in terms of the provisions of Section 186 of the Companies Act, 2013, the consent of the members be and is hereby sought to authorize Board of Directors of the Company to grant loan to any person or body corporate or give any guarantee or provide any security to any loan taken by any person or body corporate in excess of the limit provided under Section 186 of the Companies Act, 2013 but not exceeding Rs. 500 Crores.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Board recommends the Special Resolution for the approval of the Members.

Annexure to Notice (Item No. 2&3)

Brief particulars of the Director(s) seeking appointment/re-appointment

Name of the Director	Mr. Adarsh Somani	Mrs. Nupur Somani
Age	44 years	41 years
Date of Birth	April 20, 1974	September 29, 1976
Qualifications	B.Com	B.Com
Nationality	Indian	Indian
Terms and conditions of appointment / re-appointment	Mr. Adarsh Somani, Non – Executive Director, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for re-appointment.	Mrs. Nupur Somani, Managing Director of the Company is re-appointed for the period of 3 years i.e. w.e.f April 01, 2018 to March 31, 2021, at a remuneration of Rs. 1,00,000/- per month.
Details of remuneration sought to be paid	NA	Rs. 1,00,000/- per month.
Details of remuneration last drawn	NA	NIL
Date of first appointment on the Board	June 30, 2008	March 31, 2015.
Shareholding in the Company	1000 no. of Eq. Shares	NIL
Number of board meetings attended during the year	4	4

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List of Directorships held in other Companies	1) Hotel Empire Ltd. 2) Kopran Lifestyle Ltd. 3) Reay Road Iron And Metal Warehousing Pvt. Ltd. 4) Kopran Laboratories Ltd. 5) Kopran Lifesciences Ltd. 6) Debonair Publications Ltd. 7) Oricon Enterprises Ltd.	NIL
List of Chairmanship/Membership of Committees held in other Companies	NIL*	NIL*
Relationship with Directors, Managers or other KMPs	Mr. Adarsh Somani is husband of Mrs. Nupur Somani, Managing Director of the Company.	Mrs. Nupur Somani is wife of Mr. Adarsh Somani, Director of the Company.
Nature of Expertise or experience	Experience in Marketing of FMCG Products, Real Estate and Finance.	Operations, Administration and General Management.

** For counting Membership of committees only Membership of Audit Committee and Stakeholders Relationship Committee is taken into consideration.*

By order of the Board
For **Sarvamangal Mercantile Company Limited**

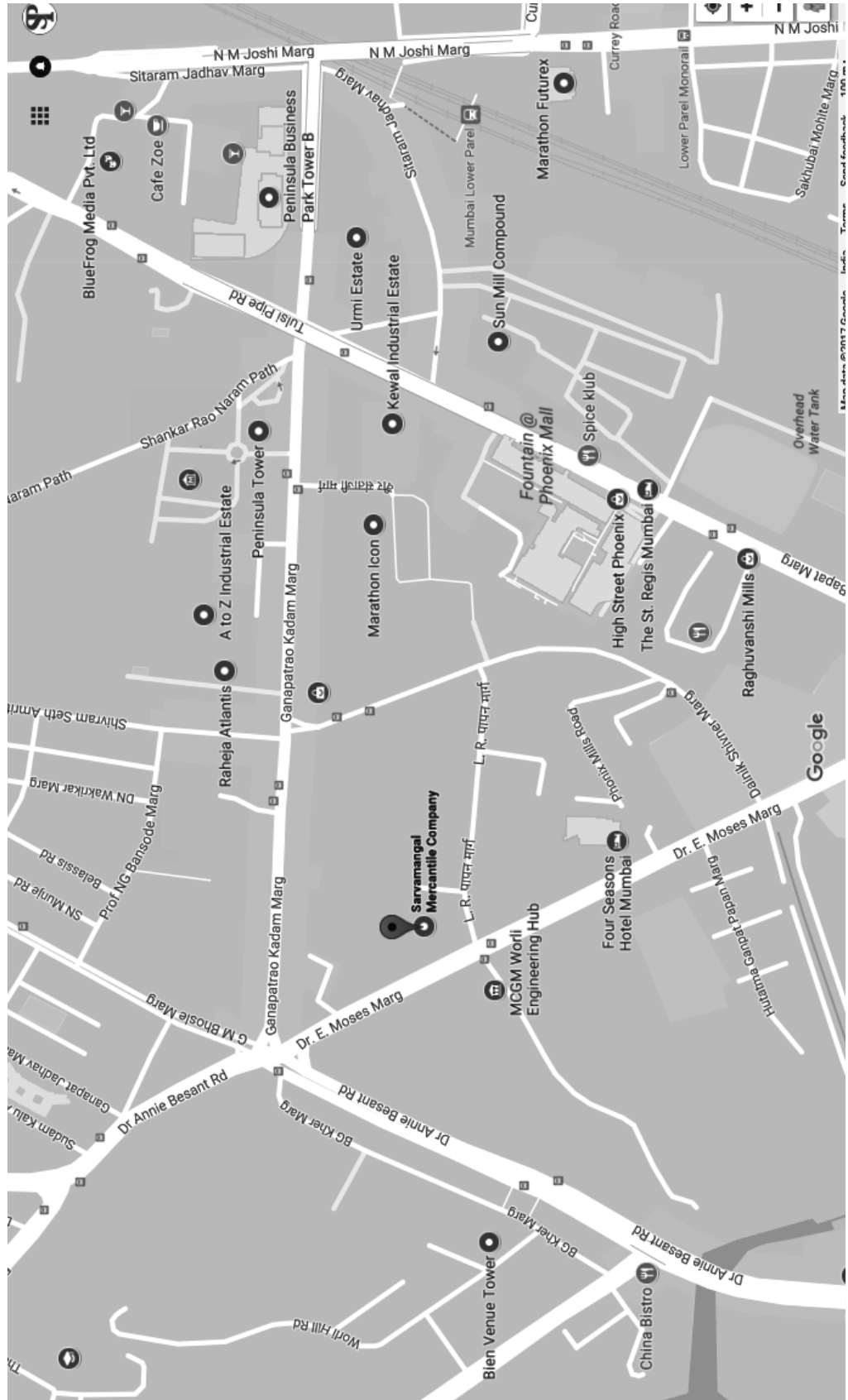
Nupur Somani
Managing Director
(DIN: **00816788**)

Place: Mumbai
Date: August 14, 2018.

Registered office:
2, Mohata Bhavan Properties,
Dr. E. Moses Road,
Worli Naka, Mumbai - 400018

ROUTE MAP TO THE VENUE OF 35TH ANNUAL GENERAL MEETING:

Venue: No. 02, Mohatta Bhavan Properties, Dr. E. Moses Road, Worli, Mumbai -400018.



DIRECTORS' REPORT

To
The Members,
Sarvamangal Mercantile Company Limited

Your Directors have pleasure in presenting the **THIRTY FIFTH ANNUAL REPORT** of the Company together with the Audited Financial Statement(s) of the Company for the year ended March 31, 2018.

1. Financial Summary:

Rs. In Lacs

Particulars	2017-18	2016-17
Gross Profit/Loss	15.73	(55.09)
Deduction there from:		
Finance Cost	49.78	35.82
Depreciation & amortization expenses	0.15	0.15
Profit (Loss) before tax	(34.20)	(91.06)
Taxation		
Current Tax	-	-
MAT Credit Entitlement	2.02	-
Income Tax for earlier years	-	-
Profit(Loss) after tax	<u>(36.22)</u>	<u>(91.06)</u>

2. Financial Performance

Sales and Other Income for the year ended March 31, 2018 amounted to Rs. 0.40 crores as against Rs. 2.86 crores in the previous Financial Year. Net loss for the year under review was Rs. 0.36 Crores as against loss of Rs. 0.91 crores in the previous Financial Year.

3. Dividend

Your Directors do not recommend any dividend for the Financial Year 2017-18.

4. Number of Board Meetings:

During the year March 31, 2018, Four (4) Meeting of the Board were held on the following dates:

- (i) May 29, 2017
- (ii) September 14, 2017
- (iii) December 14, 2017
- (iv) February 14, 2018

5. Details of Committees of the Board:

At present, the Board has following two (2) Committees:

- Audit Committee and
- Nomination and Remuneration Committee.

a) Audit Committee

The constitution, composition, terms of reference, role, powers, rights, obligations of Audit Committee are in conformity with the provisions of Section 177 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

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The Audit Committee consists of the following Members as on March 31, 2018:

Name	Designation	Non-Executive/Independent
Mr. B.K .Toshniwal	Chairman	Independent Director
Mr. Sanjay Jain	Member	Independent Director
Mr. Adarsh Somani	Member	Non-Executive Director

The Audit Committee has adequate powers and detailed terms of reference to play an effective role as required under Section 177 of the Companies Act, 2013, which *inter alia* include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management, approval of related party transactions, recommendation of appointment and remuneration of Auditors of the Company and etc.

During the year ended March 31, 2018, Four Meetings of the Audit Committee were held on following dates:

- (i) May 29, 2017
- (ii) September 14, 2017
- (iii) December 14, 2017
- (iv) February 14, 2018

b) Nomination and Remuneration Committee.

The constitution, composition, terms of reference, role, powers, rights, obligations of Nomination and Remuneration Committee are in conformity with the provisions of Section 178 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Nomination and Remuneration Committee consists of the following Members as on March 31, 2018:

Name	Designation	Non-Executive/Independent
Mr. B.K .Toshniwal	Chairman	Independent Director
Mr. Sanjay Jain	Member	Independent Director
Mr. Adarsh Somani	Member	Non-Executive Director

During the year ended March 31, 2018, one meeting of the Nomination and Remuneration Committee was held on February 14, 2018.

The purpose of the Remuneration Committee of the Board of Directors shall be to review and to discharge the Board's responsibilities related to remuneration of the Managing Director, Key Managerial Personnel, and Senior Management. The Committee has the overall responsibility for formulation of criteria of evaluation of Independent Director, identifying persons who are qualified to become a Director and appointment of Senior Management Personnel.

6. Policy on Directors' Appointment and Remuneration:

The Nomination and Remuneration Committee is entrusted with the responsibility of identifying and ascertaining the integrity, qualification, expertise and experience of the person for appointment as Directors, KMP or at Senior Management level and recommending their appointment for the consideration of the Board.

The Company has drawn up Nomination and Remuneration policy in line with the requirement of Section 178 of the Companies Act, 2013. The Policy *inter alia* provides that a person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

7. Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism cum Whistle Blower Policy ('Vigil Mechanism') in place. The Vigil Mechanism is a system for providing a tool to the employees of the Company to report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of code of conduct. The Company is committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization.

The Policy provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Board of Directors affirm and confirm that no employee of the Company has been denied access to the Committee.

Details of the Vigil Mechanism are available on the Company's website www.sarvamangalmercantile.com

8. Risk Management

Your Company has appropriate risk management system in place for identification of risks and assessment of risks, measure to mitigate them and mechanism for their proper and timely monitors and reports.

9. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

Although the Company do not have large number of employees however to comply with the legal requirement, Company has in place adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment. The policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto.

Further as there are only 2 employees in the Company, the Company is not required to constitute Internal Complaints Committee under the provisions of Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

10. Adequacy of Internal Financial Controls with reference to the Financial Statements.

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls.

Further, the Board annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company.

A report of the Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors' Report.

11. Annual Evaluation of Board Performance

Pursuant to the provisions of the Companies Act, 2013 the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors in their meeting held on March 28, 2018 who also reviewed the performance of the Board as whole.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation of the Board of Directors.

The Board's functioning was evaluated on various aspects, including *inter alia* degree of fulfillment of key responsibilities, Board Structure and Composition, effectiveness of Board process, information and functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board / Committee Meeting and guidance / support to the management outside Board / Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement of all Board Members.

Evaluation of Independent Directors was done by the Entire board.

12. Particulars of Loans, Guarantees and Investments.

Particulars of Loans, Guarantees and Investment as required under Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in Notes no. 4 & 5 , forming part of Financial Statements.

13. Particulars of contracts or arrangements with related parties.

The Company does not have any contract or arrangement or transaction with related party in terms of Section 188 of the Companies Act, 2013. Hence, the disclosure required to be provided under Section 134(3) (h) of the Companies Act, 2013, in Form AOC – 2 is not applicable and need not to be furnished.

The Disclosures as required under IND AS - 24 "Related Party Disclosures" notified under Rule 7 of the Companies (Accounts) Rules, 2014 have been provided in Note no. 25, of the Notes forming part of the Financial Statements.

14. Declaration of Independent Directors

The Independent Directors have submitted their disclosures/ declarations to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

15. Directors Responsibility Statement

The Board of Directors of the Company confirm:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2018 the applicable Accounting Standards have been followed.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended 31st March, 2018 on a 'going concern' basis.
- (v) that the Directors have laid down internal financial control and that such internal financial control are adequate.
- (vi) that the Directors have devised proper system to ensure compliance with the Provisions of all applicable laws.

16. Disclosures Relating to Remuneration of Directors, Key Managerial Personnel And Particulars of Employees.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ Employees of your Company is appended in **Annexure I** forming part of this Report.

In accordance with provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are required to be given in Directors Report. In terms of provisions of Section 136(1) of the Companies Act, 2013 this report is being sent to the members without this annexure. Members interested in obtaining copy of the annexure may write to the Company Secretary and the same will be furnished on request. The said information is available also for inspection at the registered office of the Company during working hours.

17. Extract of Annual Return

In terms of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, details' forming the part of the extract of annual return is enclosed in **Annexure II** forming part of this Report.

18. Disclosure of Particulars

Information's as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy ,Technology Absorption, Foreign Exchange Earnings and Outgo is given in **Annexure III** forming part of this Report.

19. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

20. Directors and Key Managerial Personnel

In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Adarsh Somani, Director of the Company retire at the forthcoming Annual General Meeting and being eligible, offers himself, for re-appointment as Director liable to retire by rotation.

The Board of Directors at their meeting held on February 14, 2018 has re-appointed Mrs. Nupur Somani as Managing Director of the Company for a period of 3 years commencing from April 01, 2018, subject to approval of the members in the forthcoming Annual General Meeting, except this, there was no change in office of Director/Key Managerial Personnel of the Company.

21. Auditors

a) Statutory Auditors

The Statutory Auditors of the Company, M/s. R. Soni & Co., Chartered Accountants (FRN No. 130349W) were appointed at the 34th Annual General Meeting of the Company to hold office for a term of 5 consecutive years until the conclusion of 39th Annual General Meeting of the Company. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

b) Secretarial Auditor and Secretarial Audit Report

The Board has appointed M/s. GMJ & Associates, Practicing Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2017- 18. The Report of Secretarial Auditor for the Financial Year 2017-18 is annexed to this report as **Annexure IV**.

As per the Secretarial Audit report, the Company has not appointed Whole Time Company Secretary during the Financial Year 2017-18 and therefore not complied with the provisions of Section 203 of the Companies Act, 2013.

The Company is in process to find suitable candidate for appointment as a Company Secretary of the Company.

22. Other Disclosures/Reporting:

Your Directors further state that during the year under review:

- a) no amount is transferred to General Reserve;
- b) there was no change in nature of Business;
- c) there was no change in Share Capital of the Company;
- d) the Company has not taken any deposits from Public or Shareholders of the Company;
- e) there were no significant / material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future;
- f) there were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of this Report and
- g) there are no qualifications, reservation or adverse remark or disclaimer made by the Statutory Auditors in their Report

23. Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meeting', respectively, have been duly followed by the Company.

24. Personnel

Your Company continued to enjoy cordial relations with its employees at all locations. Your Directors take this opportunity to record their appreciation for the significant outstanding contribution made by the employees at all levels.

25. Acknowledgement

Your Directors express their deep gratitude for the co-operation and support extended to the Company by its Members, Customers, Suppliers, Bankers and various Government agencies.

For and on behalf of the Board

Nupur Somani
Managing Director
(DIN: 00816788)

B. K. Toshniwal
Director
(DIN: 00048019)

Sanjay Jain
Director
(DIN: 00047973)

Place: Mumbai
Date: August 14, 2018

Annexure – I

Information as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the Financial Year 2017-18 is as follows:

Name of the Director	Total remuneration (In Rs.)	Ratio of remuneration of Director to the median remuneration
Adarsh Somani	0	0:1
Sanjay Jain	0	0:1
B. K. Toshniwal	0	0:1
Nupur Somani	0	0:1

Notes:

- a) Mrs. Nupur Somani, Managing Director of the Company do not draw any remuneration from the Company. Further, no sitting fees is paid to the Other Directors for attending the Meetings of Board and Committees.
- b) Median remuneration of the Company for all its employees was Rs. 3,65,943/- for the Financial Year 2017-18.

2. **Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the Financial Year 2017-18 are as follows:**

Name	Designation	Remuneration (in Rs.)		Increase (%)
		2017-18	2016-17	
Adarsh Somani	Director	0	0	0%
Sanjay Jain	Director	0	0	0%
B. K. Toshniwal	Director	0	0	0%
Nupur Somani	Managing Director	0	0	0%
Shashikant Sharma	CFO	6,10,020	6,10,020	0%

3. **Percentage increase in the median remuneration of all employees in the Financial Year 2017-18:**

	2017-18 (Rs.)	2016-17 (Rs.)	Increase (%)
Median remuneration of all employees per annum	3,65,943	3,65,310	0.17%

4. **Number of permanent employees on the rolls of the Company as on March 31, 2018:**

Total Number of Employees on pay roll during the Financial Year ended March 31, 2018 is 2.

SARVAMANGAL MERCANTILE COMPANY LIMITED

5. **Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the Key managerial remuneration:**

Particulars	2017-18	2016-17	Increase%
Average salary of all employees (other than Key Managerial Personnel)	1,21,866	1,20,600	1.54%
Average salary of Key Managerial Personnel	6,10,020	6,10,020	0%

6. **Affirmation :**

Pursuant to Rule 5(1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration policy of the Company.

For and on behalf of the Board

Nupur Somani
Managing Director
(DIN- 00816788)

B. KToshniwal
Director
(DIN-00048019)

Sanjay Jain
Director
(DIN- 00047973)

Place: Mumbai
Date: August 14, 2018

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L51100MH1983PLC029600
2.	Registration Date	22/03/1983
3.	Name of the Company	Sarvamangal Mercantile Company Limited
4.	Category / Sub- Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	No.2 Mohatta Bhavan Properties, Dr E Moses Road, Worli, Mumbai-400018
6.	Whether Listed Company	Listed
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd C 101, 247 Park, L.B.S Marg, Vikhroli (West) Tel: 022-49186270 Email Id: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of the main products/ Services	NIC Services of the Product/ services	% to total turnover of the Company
1	Trading and Investment	NA	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

There is no Holding, Subsidiary and Associate Company.

SARVAMANGAL MERCANTILE COMPANY LIMITED

IV. SHAREHOLDING PATTERN (Equity Shares Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Share held at the beginning of the Year (01-04-2017)				No. of Share held at the end of the Year (31-03-2018)				% Change during the Year
	Demat	Phy-sical	Total	% of Total Share	Demat	Phy-sical	Total	% of Total Share	
A) PROMOTERS									
Indian									
Individuals/ HUF	32000	0	32000	12.85	32000	0	32000	12.85	0.00
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	87500	0	87500	35.14	87500	0	87500	35.14	0.00
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	119500	0	119500	47.99	119500	0	119500	47.99	0.00
Foreign									
Individuals (Non-Residents Individuals/	-	-	-	-	-	-	-	-	-
Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	119500	0	119500	47.99	119500	0	119500	47.99	0.00
B) Public shareholding									
Institutions									
Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Foreign Portfolio Investor)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00

SARVAMANGAL MERCANTILE COMPANY LIMITED

Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Non-institutions									
Bodies Corporate	24500	0	24500	9.83	24500	0	24500	9.83	0.00
INDIVIDUALS									
Individuals – i. Individual shareholders holding nominal share capital up to Rs 1 lakh	27100	77900	105000	42.17	29500	75500	105000	42.17	0.00
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other –Foreign Companies/ NBFC registered with RBI									
Clearing Member									
NRI									
Trusts									
Sub-Total (B)(3)	51600	77900	129500	52.00	54000	75500	129500	52.00	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)+ (B)(3)	51600	77900	129500	52.00	54000	75500	129500	52.00	0.00
TOTAL (A)+(B)	171100	77900	249000	100.00	173500	75500	249000	100.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Sub-Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
GRANDTOTAL (A)+(B)+(C)	171100	77900	249000	100	173500	75500	249000	100	0.00

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(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the Year (01.04.2017)			Shareholding at the end of the Year (31.03.2018)			% change in share holding during the Year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Susheel Somani	16000	6.43	0.00	16000	6.43	0.00	-
2	Surendra Somani	2500	1.00	0.00	2500	1.00	0.00	-
3	Mridula Somani	2000	0.80	0.00	2000	0.80	0.00	-
4	Vandana Somani	2000	0.80	0.00	2000	0.80	0.00	-
5	Rajendra Somani	1500	0.60	0.00	1500	0.60	0.00	-
6	Jaya Somani	1000	0.40	0.00	1000	0.40	0.00	-
7	Adarsh Somani	1000	0.40	0.00	1000	0.40	0.00	-
8	Rajendra Somani (HUF)	1000	0.40	0.00	1000	0.40	0.00	-
9	Susheel G. Somani (HUF)	1000	0.40	0.00	1000	0.40	0.00	-
10	Varun Somani	1000	0.40	0.00	1000	0.40	0.00	-
11	Vrinda Somani	1000	0.40	0.00	1000	0.40	0.00	-
12	Kumkum Somani	500	0.20	0.00	500	0.20	0.00	-
13	Shantanu Somani	500	0.20	0.00	500	0.20	0.00	-
14	Suhrid Susheel Somani	500	0.20	0.00	500	0.20	0.00	-
15	Susheel G Somani	500	0.20	0.00	500	0.20	0.00	-
16	Kopran Lifestyle Limited	45000	18.07	0.00	45000	18.07	0.00	-
17	Parijat Shipping and Finale Limited	24500	9.84	0.00	24500	9.84	0.00	-
18	Kopran Laboratories Limited	18000	7.23	0.00	18000	7.23	0.00	-
	TOTAL	119500	47.99	0.00	119500	47.99	0.00	-

(iii) Change in Promoter's Shareholding

During the year under review, there is no change in the Shareholding of the Promoter Group.

SARVAMANGAL MERCANTILE COMPANY LIMITED

(iv) Shareholding Pattern of top ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	No. of Shares at the beginning of the year (01.04.2017)	Percentage of total shares of the company	Increase / Decrease in Shareholding	No. of Shares at the end of the year (31.03.2018)	Percentage of total shares of the company
1.	Skyland Securities Pvt Ltd	24500	9.84	0	24500	9.84
2.	Archana R Sharma	5000	2.01	0	5000	2.01
3.	Vijay Satyanarayan Holani	4400	1.77	0	4400	1.77
4.	Pramod Jain	2400	0.96	0	2400	0.96
5.	B M Gaggar	2400	0.96	0	2400	0.96
6.	Neelkamal Gaggar	2400	0.96	0	2400	0.96
7.	Shyamsunder Bang	2400	0.96	0	2400	0.96
8.	Shobha Bang	2400	0.96	0	2400	0.96
9.	Virendra Malapani	2400	0.96	0	2400	0.96
10.	Jagdish Biyani	2400	0.96	0	2400	0.96
11.	Santosh Biyani	2400	0.96	0	2400	0.96
12.	Hariprasad Sharma	2400	0.96	0	2400	0.96

(v) Shareholding of Directors and Key Managerial Personnel:

SL. NO.	Particulars	Shareholding at the beginning of the Year (01.04.2017)		Shareholding during the Year (31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	B K Toshniwal	0	0.00	0	0.00
2.	Adarsh Somani	1000	0.40	1000	0.40
3.	Sanjay Jain	0	0.00	0	0.00
4.	Nupur Somani	0	0.00	0	0.00
5.	Shashikant Sharma	0	0.00	0	0.00

SARVAMANGAL MERCANTILE COMPANY LIMITED

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year (01.04.2017)				
(i) Principal Amount	56,09,002	--	4,30,000	60,39,002
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	56,09,002	--	4,30,000	60,39,002
Change in Indebtedness during the financial year				
Addition (+)	-	25,00,000	4,00,000	29,00,000
Reduction (-)	(12,55,716)	--	--	(12,55,716)
Net Change	(12,55,716)	25,00,000	4,00,000	(16,44,284)
Indebtedness at the end of the Financial Year (31.03.2018)				
i) Principal Amount	43,53,286	25,00,000	8,30,000	76,83,286
ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	43,53,286	25,00,000	8,30,000	76,83,286

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors And/ or Manager.

Sr.No	Particulars of Remuneration	Name of MD/WTD/Manager
		Mrs. Nupur Somani (Managing Director)
1	Gross Salary	
	a) Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961	0
	b) Value of perquisites u/s17(2) of Income Tax Act, 1961	0
	c) Profits in lieu of salary under Sec.17(3) of Income Tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission - As % of profit - Others, specify	0
5	Others, please Specify	0
	Total (A)	0
	Ceiling as per the Act	5% of the net profit of the Company

SARVAMANGAL MERCANTILE COMPANY LIMITED

B. Remuneration to Other Director

I. Independent Director

Particulars of Remuneration	Name of Director		
	Sanjay Jain	B K Toshniwal	Total
Fee for attending Board / Committee Meeting	0	0	0
Commission	0	0	0
Others	0	0	0
Total (A)	0	0	0

II. Other Non-Executive Director:-

Other Non-Executive Director	Adarsh Somani
Fee for attending Board / Committee Meeting	0
Commission	0
Others	0
Total (B)	0
Total (A) + (B)	0

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD.

Sr.No	Particulars of Remuneration	Name of the KMP
		Shashikant Sharma (CFO)
1	GROSS SALARY	
	a) Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961	6,10,020/-
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	---
	c) Profits in lieu of salary under Sec.17(3) of Income Tax Act, 1961	---
2	Stock Option	---
3	Sweat Equity	---
4	Commission	
	- As % of profit - Others, specify.	---
5	Others, please Specify – provident fund	---
	Total	6,10,020/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (under the Companies Act): NIL

FOR AND ON BEHALF OF THE BOARD

Nupur Somani
(Managing Director)
(DIN – 00816788)

B K Toshniwal
(Director)
(DIN – 00048019)

Place: Mumbai
Date : August 14, 2018

Sanjay Jain
(Director)
(DIN – 00047973)

ANNEXURE- III

(Information pursuant to the Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 and forming part of the Director's Report to the Members for the year ended March 31, 2018

	PARTICULARS	REMARKS
1.	CONSERVATION OF ENERGY	
a.	The steps taken or impact on Conservation of energy	The Company has no manufacturing activities; hence there is no need to take any steps for conservation of energy and technology absorption.
i.	Process optimization and automation	
ii.	Optimization of Electrical Equipment	
iii.	Lighting	
iv.	Other Key initiatives for Energy conservation	
b.	The steps taken by the Company for utilizing alternate sources of energy	
c.	The Capital Investment on energy conservation equipment	
2.	TECHNOLOGY ABSORPTION	
a.	The efforts made by the Company towards technology absorption	The Company has no manufacturing activities; hence there is no need to take any steps for conservation of energy and technology absorption.
b.	The benefits derived like product improvement, cost reduction, product development or import substitution	
c.	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial year)	
d.	The expenditure incurred on Research and Development	
3.	FOREIGN EXCHANGE EARNINGS AND OUTGO	There is no foreign exchange earnings or outgo during the year.

For and on behalf of the Board

Nupur Somani
Managing Director
(DIN- 00816788)

B. K Toshniwal
Director
(DIN-00048019)

Sanjay Jain
Director
(DIN- 00047973)

Place: Mumbai
Date: August 14, 2018

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
Sarvamanagal Mercantile Company Limited
No 2, Mohata Bhavan Properties,
Off Dr. E. Moses Road,
Worli, Mumbai - 400 018.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sarvamanagal Mercantile Company Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Amendment Act, 2017 (to the extent notified);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz:
 - a. The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the Company during the audit period]
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the Company during the audit period]
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the audit period] and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the Company during the audit period].

- vi. We further report that the Company is into the business of trading and there were no other Acts which were specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, except that the Company has not appointed a Company Secretary (KMP) as required under the provisions of section 203 of The Companies Act, 2013.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

**For GMJ & ASSOCIATES
Company Secretaries**

**[CS PRABHAT MAHESHWARI]
PARTNER
FCS No.: 2405
COP No. : 1432**

**PLACE: MUMBAI
DATE: AUGUST 14, 2018**

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

**To,
The Members,
Sarvamanagal Mercantile Company Limited**
No 2, Mohata Bhavan Properties,
Off Dr. E. Moses Road,
Worli, Mumbai - 400 018.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For GMJ & ASSOCIATES
Company Secretaries**

**[CS PRABHAT MAHESHWARI]
PARTNER
FCS No. : 2405
COP No. : 1432**

**PLACE: MUMBAI
DATE: AUGUST 14, 2018**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management of Sarvamangal Mercantile Company Limited, presents the analysis of Company for the year ended on March 31, 2018 and its outlook for the future. This outlook is based on assessment of current business environment. It may vary due to future economic and other developments.

This Management Discussion and Analysis (MD&A) of Sarvamangal Mercantile Company Limited for the year ended on March 31, 2018 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's Audited Financial Statements for the year ended on March 31, 2018.

ECONOMIC SCENARIO

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. According to JM financials, corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure.

The Union Budget for 2018-19 will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022 which would help in increasing the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Your Company is currently engaged in trading of goods and investments activities.

OPPORTUNITIES AND THREAT

- High degree of Entrepreneurship
- Rich market potential
- Matured Industry

RISKS AND CONCERNS:

To sustain and grow in global market brings in uncertainties. Greater the uncertainties, higher the risk.

The Company has a risk identification and management framework appropriate to it and to the business environment under which it operates. Risks are being identified at regular intervals by the Board.

The Company has a Risk Management Policy, which provides overall framework of Risk Management in the Company. The Board of Directors is responsible for the assessment, formulation and implementation of guidelines, managing key risks, risk minimization procedures and periodical review.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. The Company maintains a system of internal controls designed to provide assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which the Company operates. The Company has in place adequate internal control systems and procedures covering all the

operational, financial, legal, and compliance functions. The structured internal audit process charged with the task of ensuring reliability and accuracy of the accounting and of the other operational data.

The Company has a system of monthly review of businesses as a key operational control wherein the performance of units is reviewed against budgets and corrective actions are taken.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Sales and Other Income for the year ended March 31, 2018 amounted to Rs. 0.40 crores as against Rs. 2.86 crores in the previous Financial Year. Net loss for the year under review was Rs. 0.36 Crores as against loss of Rs. 0.91 crores in the previous Financial Year.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Your Company has team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. Your Company's industrial relations continued to be harmonious during the year under review.

Your Company has been succeed in attracting and retaining key professional and intends to continue to seek fresh talents to further enhance and grow our business.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, estimates, expectations or projections may constitute "forward looking statements", within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws and other statutes and other incidental factors.

INDEPENDENT AUDITORS' REPORT

**To the Members of
Sarvamangal Mercantile Company Limited**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Sarvamangal Mercantile Company Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended 31st March 2018 and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

1. We draw attention to note no. 18 & 19 to standalone financial statements regarding purchase of Stock-In-Trade. Pursuant to adoption of IND-AS Financial Statements Shares held as Inventories require to be reclassified as Investments w.e.f. adoption date 01st April 2016. However, amount of shares purchased Rs. 184.76 during 2016-17 not applied as per Ind AS 109 "Financial Instrument". We also drew attention that effect of changes in inventories during Financial Year 2016-17 and 2017-18 were debited to Profit & Loss Accounts to the tune of Rs. 61.07 Lakh and Rs. (0.66) Lakh respectively.

Our opinion is not modified in respect of these matters.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, and its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

FOR R SONI & COMPANY

Chartered Accountants
Firm's registration number: 130349W

Rajesh Soni
Partner
Membership No.133240

Place: Mumbai
Date- 30/05/2018

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31st, 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) There are no inventories held by the Company.
- (iii) (a) The Company has granted loans to one party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'),
- (b) In the case of the loans granted to any parties in the register maintained under section 189 of the act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(ii) (b) of the order is not applicable to the company in respect of payment of the principal amount.
- (c) There are no overdue amounts for period of more than ninety days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of Act, with respect to the loan and investment made.
- (v) The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, employees' state insurance and duty of excise.
- (b) According to the information and explanation given to us, there is no dispute pending in respect of dues of provident fund/sales tax/wealth tax/service tax/custom duty/excise duty/cess/value added tax, were in arrears as at 31st march, 2018 for a period of more than six month from the date they became payable.
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the record of the Company, managerial remuneration has been paid.

- (xii) In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly paragraph 3(xii) of Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR R SONI & COMPANY

Chartered Accountants

Firm's registration number: 130349W

Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date- 30/05/2018

ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sarvamangal Mercantile Company Limited** ('the Company') as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
- Inherent Limitations of Internal Financial Controls Over Financial Reporting** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at march 31,2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial control over financial reporting issued by the institute of chartered accountant of India.

FOR R SONI & COMPANY

Chartered Accountants

Firm's registration number: 130349W

Rajesh Soni

Partner

Membership No.133240

Place: Mumbai

Date: 30/05/2018

SARVAMANGAL MERCANTILE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current Assets				
(a) Property, Plant and Equipment	3	0.29	0.43	0.58
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets	4	-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Asset other than beared plants		-	-	-
(h) Investment in associates/ joint venture accounted for using the equity method		-	-	-
(i) Financial Assets				
(i) Investments	4	4,035.68	4,889.67	4,225.93
(ii) Trade Receivables	5	-	-	-
(ii) Loans & Advances	5	0.77	0.77	0.77
(iv) Other Bank Balance	6	-	-	-
(v) Others		-	-	-
(j) Deferred tax assets (net)	7	-	-	-
(k) Other non-current assets	8	-	-	-
Total non-current assets		<u>4036.74</u>	<u>4890.88</u>	<u>4227.28</u>
Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	6	261.59	269.41	6.89
(iii) Cash & cash equivalents	7	1.81	2.10	0.58
(iv) Bank balances other than (ii) above		-	-	-
(v) Loans	8	318.08	351.63	372.15
(vi) Others		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		-	-	-
(e) Current Tax Assets (net)		6.06	4.83	4.18
Total current assets		<u>587.55</u>	<u>627.98</u>	<u>383.81</u>
Total Assets		<u>4624.29</u>	<u>5518.85</u>	<u>4611.09</u>
Equity				
(a) Equity Share capital	9	24.90	24.90	24.90
(b) Other Equity	10	3,118.68	4,009.55	3,375.73
Total Equity		<u>3,143.58</u>	<u>4,034.45</u>	<u>3,400.63</u>
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	33.30	29.30	432.64
(ii) Trade Payables		-	-	-
(ii) Others		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		<u>33.30</u>	<u>29.30</u>	<u>432.64</u>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	43.53	56.09	272.40
(ii) Trade Payables		-	-	-
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	13	61.41	106.83	1.14
(iii) Other financial liabilities	14	1,337.65	1,269.58	504.14
(b) Other current liabilities	15	4.81	22.61	0.14
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)		-	-	-
Total current liabilities		<u>1447.41</u>	<u>1455.10</u>	<u>777.82</u>
Total Liabilities		<u>1480.71</u>	<u>1484.40</u>	<u>1210.46</u>
Total equity and liabilities		<u>4624.29</u>	<u>5518.85</u>	<u>4611.09</u>

As per our Report of even date

For R Soni & Co.
Chartered Accountants
FRN: 130349W

Rajesh Soni
Partner
Membership No. 133240
Place: Mumbai
Date: May 30, 2018

For and on Behalf of the Board

Nupur Somani
Managing Director
(DIN-00816788)

Sanjay Jain
Director
(DIN-00047973)

B K Toshniwal
Director
(DIN-00048019)

Shashikant Sharma
(CFO)
PAN-AAOPS7972D

SARVAMANGAL MERCANTILE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	For the end March 31, 2018	(Rs. in Lakhs) For the end March 31, 2017
I INCOME			
Gross revenue from sale of products	16	-	267.25
Other operating revenue		-	-
Revenue from operations		-	267.25
Other Income	17	<u>39.97</u>	<u>19.70</u>
Total Revenue (I)		<u><u>39.97</u></u>	<u><u>286.94</u></u>
II EXPENSES			
Cost of Materials Consumed		-	-
Stores & Spares Consumed		-	-
Purchase of Stock-in-trade	18	-	184.76
Excise Duty	19	-	-
Changes in inventories of finished goods, stock in trade and work in progress	19	-0.66	61.08
Employee benefits expense	20	7.51	9.02
Finance Cost	21	49.78	35.82
Depreciation and amortisation expense	22	0.15	0.15
Other Expenses	23	<u>17.38</u>	<u>87.16</u>
Total Expenses (II)		<u><u>74.16</u></u>	<u><u>378.00</u></u>
III Profit / (loss) before exceptional items and tax (I-II)		-34.20	-91.06
IV Exceptional item			
Profit on sale of assets		-	-
V Profit / (Loss) before tax (III - IV)		-34.20	-91.06
VI Tax expense			
Current Tax relating to :			
- Current Year		-	-
- Earlier Year		2.02	-
Deferred Tax		-	-
XI Profit/(loss) for the period (VII + X)		-36.22	-91.06
XII Other Comprehensive Income			
A) Items that will not be reclassified to profit or loss			
(i) remeasurement of defined benefit plans;		-	-
(ii) Equity Instruments through OCI;		-854.65	724.87
(iii) Deferred Tax on above		-	-
B) Items that will be reclassified to profit or loss;		-	-
XIII Other comprehensive income for the period after tax		854.65	724.87
XIV Total comprehensive income for the period (XI + XIII)		890.87	633.82
XV Paid-up equity share capital			
Face Value Rs.2/- per share each		24.90	24.90
XVI Earnings per share (in Rs.)			
Face Value Rs.2/- per share each (not annualised):			
Basic & Diluted earnings per share			
From continuing and discontinued operations		-14.54	-36.57

As per our Report of even date

For R Soni & Co.
Chartered Accountants
FRN: 130349W

Rajesh Soni
Partner
Membership No. 133240
Place: Mumbai
Date: May 30, 2018

For and on Behalf of the Board

Nupur Somani
Managing Director
(DIN-00816788)

Sanjay Jain
Director
(DIN-00047973)

B K Toshniwal
Director
(DIN-00048019)

Shashikant Sharma
(CFO)
PAN-AAOPS7972D

SARVAMANGAL MERCANTILE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flows from operating activities Profit before Tax	(34.20)	(91.06)
Adjustments for:		
Depreciation, Amortization and Impairment	0.15	0.15
Finance Costs	49.78	35.82
Profit Share of Partnership Firm	9.52	(0.45)
Operating cash flow before changes in assets and liabilities	25.26	(55.54)
Decrease/(increase) in inventory	-	-
Decrease/(increase) in trade receivables	7.82	(262.52)
Decrease/(increase) in other financial and non-financial assets	(1.23)	(0.65)
Increase/(decrease) in trade payable	(45.42)	105.69
Increase/(decrease) in other financial and non-financial liabilities	50.28	787.91
Cash generated from operations	36.71	574.89
Income tax paid	2.02	-
Net cash inflow from operating activities	34.69	574.89
Cash flows from investing activities		
Sale of Shares	-	0.50
Property, Plant and equipment & Capital Work-in-Progress	(0.15)	(0.15)
Changes in Investments	(853.99)	786.10
Effect of OCI - Fair Value Measurements	854.65	(724.87)
Net cash flow from investing activities	0.51	61.58
Cash flows from financing activities		
Borrowing Cost - Finance Cost	(60.47)	(35.82)
Other Financing Activities		
Repayments of Borrowings	(8.56)	(619.65)
Loans granted	33.54	20.52
Interest & other borrowing costs paid	-	
Net cash flow from financing activities	(35.49)	(634.96)
Net increase/(decrease) in cash and cash equivalents during the year	(0.29)	1.51
Cash and cash equivalents at beginning of the financial year	2.10	0.58
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the financial year	1.81	2.10

As per our Report of even date

For R Soni & Co.
Chartered Accountants
FRN: 130349W

Rajesh Soni
Partner
Membership No. 133240
Place: Mumbai
Date: May 30, 2018

For and on Behalf of the Board

Nupur Somani
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(CFO)
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SARVAMANGAL MERCANTILE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2018

(Rs. in lakhs)

Equity Share Capital

Particulars	Note No.	Amount
As at April 1, 2016	9	24.90
Changes in equity share capital		-
As at March 31, 2017	9	24.90
Changes in equity share capital		-
As at March 31, 2018	9	24.90

Other equity

	Retained Earnings	Equity Instruments measured at FVTOCI	Total
Balance as at April 1, 2016	674.94	2,700.79	3,375.73
Changes in accounting policy or prior period errors	-		-
Restated balance at the beginning of the reporting period	-		-
Total Comprehensive Income for the year	-91.06	724.87	633.82
Dividends		-	-
Transfer to retained earnings	-		-
Any other change (to be specified)	-		-
Balance as at March 31, 2017	583.89	3,425.66	4,009.55
Changes in accounting policy or prior period errors	-		-
Restated balance at the beginning of the reporting period	-		-
Total Comprehensive Income for the year	-36.22	-854.65	-890.87
Dividends		-	-
Transfer to retained earnings	-		-
Any other change (to be specified)			-
Balance as at March 31, 2018	547.67	2,571.01	3,118.68

As per our Report of even date

For R Soni & Co.
Chartered Accountants
FRN: 130349W

Rajesh Soni
Partner
Membership No. 133240
Place: Mumbai
Date: May 30, 2018

For and on Behalf of the Board

Nupur Somani
Managing Director
(DIN-00816788)

Sanjay Jain
Director
(DIN-00047973)

B K Toshniwal
Director
(DIN-00048019)

Shashikant Sharma
(CFO)
PAN-AAOPS7972D

Notes to Financial Statements for the Year ended March 31, 2018

3 Property, Plant and equipment & Capital Work-in-Progress

(Rs. In lakhs)

Costs	Premises	Vehicles	Total
As at April 1, 2016	0.50	0.08	0.58
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2017	0.50	0.08	0.58
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2018	0.50	0.08	0.58
Accumulated depreciation and impairment	Premises	Vehicles	Total
As at April 1, 2016	-	-	-
Depreciation for the year	0.15	-	0.15
Disposals / Adjustments	-	-	-
As at March 31, 2017	0.15	-	0.15
Depreciation for the year	0.15	-	0.15
Disposals / Adjustments	-	-	-
Transfer to retained earning	-	-	-
As at March 31, 2018	0.29	-	0.29
Net Book Value	Premises	Vehicles	Total
As at April 1, 2016	0.50	0.08	0.58
As at March 31, 2017	0.35	0.08	0.43
As at March 31, 2018	0.21	0.08	0.29

Notes to Financial Statements for the Year ended March 31, 2018

4 Non-Current Financial Assets

Particulars	Number of Shares	As at March 31, 2018	Number of Shares	As at March 31, 2017	Number of Shares	As at April 1, 2016
(Rs. In lakhs)						
Investments						
A.) Investment in Partnership firm						
a) S.K. Somani & Co.		0.75		0.75		0.75
B.) Other Investments						
Unquoted						
- Suraj Containers limited	5,000	0.60	5,000	0.60	5,000	0.60
Less :- Diminution in the value of Investment		-0.50		-0.50		-0.50
- 2% Redeemable Preference shares of Kempo Finvest Pvt. Ltd.	1,00,000	10.00	1,00,000	10.00	1,00,000	10.00
Less :- Diminution in the value of Investment		-10.00		-10.00		-10.00
- Shree Ventakesh Karriers Pvt. Ltd.	83,000	68.28	83,000	68.28	83,000	68.28
- Vishnu Vijay Packaging Ltd.	1,50,000	0.38	1,50,000	0.38	1,50,000	0.38
- Malvika Steel Ltd.	1,45,700	1.46	1,45,700	1.46	1,45,700	1.46
- Suraj Containers Ltd.	-	-	-	-	10,000	0.20
- Digvijay Investment Limited	25	0.03	25	0.03	25	0.03
- USL Auto Services Limited	15,000	-	15,000	-	15,000	-
- Twenty One Trends Pvt. Ltd.	10	0.46	10	0.46	10	0.46
- Convertible Preference shares Twenty One Trends Pvt. Ltd.	317	14.54	317	14.54	317	14.54
- Hyderabad Construction Co Ltd	100	0.07	100	0.07	100	0.07
- Co Nick Alloy (I) Ltd	5,000	0.28	5,000	0.28	5,000	0.28
- G. Claridge & Co Ltd	8,04,000	443.43	8,04,000	443.43	8,04,000	443.43
- Kopran Laboratories Limited	28,000	45.20	28,000	45.20	28,000	45.20
- Digvijay Investment Limited	25	0.03	25	0.03	25	0.03
- Venkatesh Karrier Limited	-	-	-	-	1,53,500	126.28
Quoted						
- Oricon Enterprises Ltd	36,12,500	1,777.35	36,12,500	2,030.23	36,12,500	2,042.87
- Kopran Ltd	29,03,951	1,601.53	29,03,951	2,205.55	29,03,951	1,422.94
- KDL Bio-Tech Ltd	250	0.01	250	0.01	250	0.01
- Supreme Industries Ltd	1,600	19.05	1,600	17.45	1,600	11.81
- Supreme Petrochem Ltd	700	2.25	700	2.12	700	0.76
- Onward Technologies Ltd	250	0.22	250	0.20	250	0.17
- KJMC Financial Services Ltd	100	0.03	100	0.02	100	0.01
- KJMC Global Services Ltd	150	0.04	150	0.04	150	0.02
- NMDC Ltd	2,000	2.37	2,000	2.66	2,000	1.96
- Shree Vindhya Paper Mills Ltd	79,877	-	79,877	-	79,877	-
- Soma Paper Mills Ltd	55,000	8.67	55,000	7.88	55,000	5.43

SARVAMANGAL MERCANTILE COMPANY LIMITED

Notes to Financial Statements for the Year ended March 31, 2018

4 Non-Current Financial Assets (Continued...)

Particulars	(Rs. In lakhs)					
	Number of Shares	As at March 31, 2018	Number of Shares	As at March 31, 2017	Number of Shares	As at April 1, 2016
- Hindustan Tin Works Ltd	100	0.08	100	0.07	100	0.05
- IMP Powers Ltd	24	0.02	24	0.02	24	0.02
- Alstom Projects India Limited	300	-	300	-	300	-
- Atash Industries Ltd.	37,500	-	37,500	-	37,500	-
- Bhilai Wires Limited	8,300	-	8,300	-	8,300	-
- Balaji Foods	15,000	-	15,000	-	15,000	-
- Cifco Finance Limited	100	-	100	-	100	-
- Can India Limited	100	-	100	-	100	-
- Cyberscepe Multimedia Limited	1,00,000	2.90	1,00,000	2.85	1,00,000	2.90
- DSQ Software Limited	28,000	-	28,000	-	28,000	-
- DSQ Biotech Limited	33,700	-	33,700	-	33,700	-
- DLF Cements Limited	5,000	-	5,000	-	5,000	-
- Ensa Steel Ltd.	350	0.01	350	0.01	350	0.02
- Finolex Industries Limited	100	0.28	100	0.28	100	0.28
- Globe Stock Limited	3,00,000	-	3,00,000	-	3,00,000	-
- Gautam Resources Limited	2,00,000	-	2,00,000	-	2,00,000	-
- Gujarat Thermis Biosys Limited	900	0.34	900	0.34	900	0.34
- Gujarat Alkalies & Chemicals Limited	100	0.16	100	0.16	100	0.16
- Jayant Vitamins Limited	740	-	740	-	740	-
- Kshiti Investment Co. Limited	50	-	50	-	50	-
- Kilburn Chemical Limited	50	0.01	50	0.01	50	0.01
- Kayveear Limited	2,00,000	-	2,00,000	-	2,00,000	-
- Libord Securities Limited	4,09,200	26.60	4,09,200	26.60	4,09,200	16.60
- Modi Xerox Limited	200	-	200	-	200	-
- Morgan Stanley Growth Fund	1,600	-	1,600	-	1,600	-
- Origin Agrostar Limited	19,300	-	19,300	-	19,300	-
- Sudal Industries Limited	1,100	0.13	1,100	0.10	1,100	0.13
- Sona Koya Streeing Limited	1,000	0.50	1,000	0.50	1,000	0.47
- Shree Krishna Petro Yarn Limited	1,200	-	1,200	-	1,200	-
- Synergy Log-in Systems Limited	1,000	-	1,000	-	1,000	-
- Sharp Industries Limited	2,495	-	2,495	-	2,495	-
- Spartak Ceramics (I) Ltd.	1,486	-	1,486	-	1,486	-
- SBEC Sugar Limited	1,00,000	6.96	1,00,000	10.00	1,00,000	7.60
- Team Asia Semico Limietd	67,000	-	67,000	-	67,000	-
- The Aluminium Industries Ltd.	24,600	-	24,600	-	24,600	-
- The West Coast Paper Mills Ltd.	500	0.24	500	0.24	500	0.24
- Tube Investment Limited.	122	0.45	122	0.45	122	0.45

Notes to Financial Statements for the Year ended March 31, 2018

4 Non-Current Financial Assets (Continued...)

(Rs. In lakhs)

Particulars	Number of Shares	As at March 31, 2018	Number of Shares	As at March 31, 2017	Number of Shares	As at April 1, 2016
- 21st Century Management Limited	25,000	8.40	25,000	4.56	25,000	6.88
- United Diamond Limited	1,000	-	1,000	-	1,000	-
- Videocon Industries Limited	280	0.04	240	0.29	240	0.30
Fully Paid - up debentures						
16% Debentures of Essar Shipping Ltd	1,000	0.30	1,000	0.30	1,000	0.30
15% Debentures of Supreme Industries Limited	1,600	1.60	1,600	1.60	1,600	1.60
14% Debentures of Spartak Granites Limited	50	0.07	50	0.07	50	0.07
14% Debentures of Gujarat State Fertilizers Limited 106	0.01	106	0.01	106	0.01	0.01
12.5% Deb. of Jayant Vitamins Ltd.	3,570	0.04	3,570	0.04	3,570	0.04
15% Deb. of Jayant Vitamins Ltd. (Series B)	200	0.03	200	0.03	200	0.03
Total		4,035.68		4,889.67		4,225.93

Note i. No Deferred Tax Liability/ Assets has been made for the difference arising on account of Fair Value Measurements for Investments for Shares above.

SARVAMANGAL MERCANTILE COMPANY LIMITED

5 Non-Current Financial Assets - Loans

Particulars	As at March 31, 2018	As at March 31, 2017	(Rs. In lakhs) As at April 1, 2016
Loans			
A.) Security Deposits			
(a) Secured, considered good;	-	-	-
(b) Unsecured, considered good;	0.77	0.77	0.77
Total	<u>0.77</u>	<u>0.77</u>	<u>0.77</u>

6 Current Financial Assets - Trade Receivables

Amount Outstanding for period Less than 6 months			
(a) Unsecured, considered good;	1.88	212.52	-
Amount Outstanding for period more than 6 months			
(a) Unsecured, considered good;	259.71	56.89	6.89
Total	<u>261.59</u>	<u>269.41</u>	<u>6.89</u>

7 Current Financial Assets - Cash & cash equivalents

Cash & Cash Equivalents			
Balance with banks;	0.40	0.25	0.50
Cash on hands;	1.41	1.85	0.08
Total	<u>1.81</u>	<u>2.10</u>	<u>0.58</u>

8 Current Financial Assets - Loans

Loans			
Loans & Advances			
(a) Secured, considered good;	-	-	-
(b) Unsecured, considered good;	-	-	-
Net Advances recoverable in cash / kind	138.63	138.00	138.15
Other Loans	179.45	213.63	233.99
(c) Doubtful		-	-
Total	<u>318.08</u>	<u>351.63</u>	<u>372.15</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

9 Equity Share Capital

Particulars	(Rs. In lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
EQUITY SHARE CAPITAL			
Authorized Share Capital			
2.50 Lakh Equity shares, Re. 10/- par value (Previous Year 2.50 Lakh equity shares Re. 10/- par value)	25.00	25.00	25.00
2.50 Lakh Redeemable Cumulative Preference Shares of Rs. 10 each (Previous Year 2.50 Lakh equity shares Re. 10/- par value)	25.00	25.00	25.00
Issued, Subscribed and Fully Paid Up Shares			
2.49 Lakh Equity shares, Re. 10/- par value fully paid up (Previous Year 2.49 Lakh Equity shares, Re. 10/- par value)	24.90	24.90	24.90

A) Rights, preference and restrictions attached to the shares

- (A) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of the equity shares is entitled to one vote per share.
- (B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (C) Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :

No Bonus Shares Issued and Sub-Division of shares during the period of five years.

B) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at March 31, 2018 No. of share held	% holding in the class	As at March 31, 2017 No. of share held	% holding in the class	As at April 1, 2016 No. of share held	% holding in the class
Equity Shares of Rs.10/- each fully paid						
Susheel Somani Jt. Mridula Somani	16,000	6.43%	16,000	6.43%	16,000	6.43%
Kopran Laboratories Limited	18,000	7.23%	18,000	7.23%	18,000	7.23%
Skyland Securities Pvt. Limited	24,500	9.84%	24,500	9.84%	24,500	9.84%
Parijat Shipping & Finale Limited	24,500	9.84%	24,500	9.84%	24,500	9.84%
Kopran Lifestyle Ltd	45,000	18.07%	50,000	20.08%	50,000	20.08%

C) The reconciliation of the number of shares outstanding is set out below:

(Rs. In lakhs)

Particulars	Number of Shares as at		
	31st March, 2018	31st March, 2017	1st April, 2016
Number of shares at the beginning	2,49,000	2,49,000	2,49,000
Add: Shares issued during the year	-	-	
Number of shares at the end	2,49,000	2,49,000	2,49,000

SARVAMANGAL MERCANTILE COMPANY LIMITED

10 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	(Rs. In lakhs) As at April 1, 2016
Retained Earnings	547.67	583.89	674.94
Equity Instruments measured at FVTOCI	2,571.01	3,425.66	2,700.79
	<u>3,118.68</u>	<u>4,009.55</u>	<u>3,375.73</u>

(i) Retained Earnings

Opening Balance	583.89	674.94	911.06
Add :			
Profit And Loss Account-Current year	-36.22	-91.06	-25.47
Less : Deferred sales tax liability	-	-	-210.64
Closing Balance	<u>547.67</u>	<u>583.89</u>	<u>674.94</u>

(ii) Equity Instruments measured at FVTOCI

Opening Balance	3,425.66	2,700.79	-
Add :			
Current Year impact	-854.65	724.87	2,700.79
Closing Balance	<u>2,571.01</u>	<u>3,425.66</u>	<u>2,700.79</u>

11 Non-Current Financial Liabilities - Borrowings

a) Deferred payment liabilities	-	-	-
i) Deferred sales tax (unsecured)	-	-	429.92
Less: Discount Value	-	-	-237.23
ii) Payable to Oricon Enterprise	-	-	192.70
b) Deposits;	-	-	210.64
Others	8.30	4.30	4.30
Related Parties (Oricon Properties Private Limited)	-	-	-
c) 11% Redeemable Cumulative preference shares	25.00	25.00	25.00
Total	<u>33.30</u>	<u>29.30</u>	<u>432.64</u>

12 Current Financial Liabilities - Borrowings

a) Loans repayable on demands			
(i) Cash credit facility from Central Bank of India (Secured by Pledge of Third Party's FCNR Deposits)	-2.47	22.19	172.69
(ii) Cash credit facility from Punjab National Bank (Secured by Pledge of Third Party's FCNR Deposits)	46.00	33.90	99.71
Total	<u>43.53</u>	<u>56.09</u>	<u>272.40</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

13 Current Financial Liabilities - Trade Payables

Particulars	(Rs. In lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables			
a) Total outstanding dues of Micro and small enterprises	-	-	-
b) Total outstanding dues of trade payable other than Micro and small enterprises	61.41	106.83	1.14
Total	<u><u>61.41</u></u>	<u><u>106.83</u></u>	<u><u>1.14</u></u>

14 Current Financial Liabilities - Other Liabilities

Other Financial Liabilities	1,337.65	1,269.58	504.14
Total	<u><u>1,337.65</u></u>	<u><u>1,269.58</u></u>	<u><u>504.14</u></u>

15 Other Current Liabilities

TDS Payable	4.81	22.61	0.14
Total	<u><u>4.81</u></u>	<u><u>22.61</u></u>	<u><u>0.14</u></u>

16 Revenue from operations

Particulars	(Rs. In lakhs)	
	March 31, 2018	March 31, 2017
Sale of Products		
Traded Goods	-	188.46
Sale of shares	-	78.79
Total	<u><u>-</u></u>	<u><u>267.25</u></u>

17 Other Income

Rent Received	8.36	9.60
Interest Income	5.39	4.21
Dividend received (Gross)	16.69	0.02
Profit on sale of Investment	-	0.45
Discount received	-	5.42
Profit/(loss) from Partnership Firm	9.52	-
Total	<u><u>39.97</u></u>	<u><u>19.70</u></u>

18 Purchase of Stock-in-trade

Purchase of traded goods	-	184.76
Total	<u><u>-</u></u>	<u><u>184.76</u></u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

19 Change in inventory of finished goods and work in progress

(Rs. In lakhs)

Particulars	March 31, 2018	March 31, 2017
Stock at close		
Traded Goods	276.36	275.70
	276.36	275.70
Stock at commencement		
Traded Goods	275.70	336.78
	275.70	336.78
Total	<u><u>-0.66</u></u>	<u><u>61.08</u></u>

20 Employee benefits expenses

Employee benefit expenses	7.51	9.02
Total	<u><u>7.51</u></u>	<u><u>9.02</u></u>

21 Finance costs / Finance Income (Net)

Finance Costs:

Interest Expenses		
Interest paid on Term loans	2.30	7.72
Interest paid on Other borrowings	47.49	28.10
Total	<u><u>49.78</u></u>	<u><u>35.82</u></u>

22 Depreciation

Depreciation	0.15	0.15
Total	<u><u>0.15</u></u>	<u><u>0.15</u></u>

23 Other expenses

Rent, rate and taxes	3.54	3.57
Electricity Charges	0.16	-
Discount charges	-	56.16
Demat charges	0.01	0.02
Legal & Professional charges	8.39	16.77
Audit Fee	0.30	0.35
Miscellaneous expenses	4.59	4.06
Brokerage & Commission	0.40	-
Loss from partnership firm	-	6.24
Total	<u><u>17.38</u></u>	<u><u>87.16</u></u>

24 Earning Per Share

(Rs. In lakhs)

Particulars	As at March 31, 2018 (in ₹)	As at March 31, 2017 (in ₹)
Profit/(Loss) for the year	-36.22	-91.06
Weighted average number of shares for basic loss per share	2,49,000	2,49,000
Weighted average number of shares for diluted loss per share	2,49,000	2,49,000
Basic earning per Share (in ₹)	(14.54)	(36.57)
Diluted earning per Share (in ₹)	(14.54)	(36.57)

Basic Profit/(loss) per share is calculated by dividing the Profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted Profit/(loss) per share are calculated by dividing the Profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

25 Related party disclosure

a) Name of the related party and description of relationship.

Related Parties	Nature of Relationship
Kopran Lifestyle Limited	Associate Company
Napur Somani	Managing Director
Shashikant Sharma	Chief Financial Officer
Sanjay Jain	Director
Balkishan Toshniwal	Director
Adarsh Somani	Director

b) Details of Transactions and Balances during the year with related parties at the year end.

(Rs. In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Remuneration		
Shashikant Sharma	6.1	6.1
Loans payable		
Napur Somani	83.60	83.60
Balance Receivable		
Kopran Lifestyle Limited	252.82	262.52

26 Contingent Liability- NIL

27 There is no availability of information about the amount dues to small/micro undertaking, we are unable to comment that the interest if any is due to such undertaking.

28 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31st March 2018	Carrying amount			Fair value			Total
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Level 1	Level 2	Level 3	
Financial assets							
Investments	-	4,035.68	-	3,458.65		577.03	4,035.68
Loans Receivable	-	-	318.08	-	-	-	-
Trade receivables	-	-	261.59	-	-	-	-
Cash and cash equivalents	-	-	1.81	-	-	-	-
	-	4,035.68	581.48	3,458.65	-	577.03	4,035.68
Financial liabilities							
Trade Payables	-	-	1,403.88	-	-	-	-
Borrowings	-	-	76.83	-	-	-	-
	-	-	1,480.71	-	-	-	-
31st March 2017							
Financial assets							
Investments		4,889.67	-	4,312.64	-	577.03	4,889.67
Loans Receivable		-	352.40	-	-	-	-
Trade receivables		-	269.41	-	-	-	-
Cash and cash equivalents		-	2.10	-	-	-	-
		4,889.67	623.91	4,312.64	-	577.03	4,889.67
Financial liabilities							
Trade Payables	-	-	1,399.01	-	-	-	-
Borrowings	-	-	85.39	-	-	-	-
	-	-	1,484.40	-	-	-	-
1st April 2016							
Financial assets							
Investments		4,225.93	-	3,522.42	-	703.51	4,225.93
Loans Receivable		-	372.92	-	-	-	-
Trade receivables		-	6.89	-	-	-	-
Cash and cash equivalents		-	0.58	-	-	-	-
		4,225.93	380.39	3,522.42	-	703.51	4,225.93
Financial liabilities							
Trade Payables	-	-	505.42	-	-	-	-
Borrowing Cost	-	-	705.04	-	-	-	-
	-	-	1,210	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

C. Financial Risk Management**C.i. Risk management framework**

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

C.ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Accounts receivables :

(Rs. In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0 - 6 months	1.88	212.52	-
Beyond 6 months	259.71	56.89	6.89
Total	262	269	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 2,22,236 at 31st March 2018 (31st March 2017: Rs. 2,03,661 1st April 2016 : Rs. 3,90,945). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

C.iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C.iv.a Currency risk

The Company is not exposed to any currency risk as there is no receivable or payable amount in currency other than domestic currency i.e. INR. Further, the company neither has FDI nor any other contractually obligations in foreign currency.

C.iv.b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

29 Company Overview

The Company ("Sarvamangal Merchantile", "Sarvamangal") is an existing public limited company incorporated on 22nd March 1983 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Office No. 02 Mohatta Bhavan Properties Off Dr. E Moses Road, Worli, Mumbai 400018. The Company offers a diverse range of

products and services including company is in to Trading Business and Allied Activities business including Investing. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹).

30 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) Basis Of Preparation Of Financial Statement

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 29 on 'First Time Adoption of Ind AS' for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows which is separately presented in the annual report.

The financial statements were authorized for issue by the Company's Board of Directors on 30.05.2018. These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (i) Investments are measured at fair value.

(B) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company. Interest Income is recognised in time proportionate method.

(I) Sales

Domestic sales are recognised when significant risks and rewards are transferred to the buyer as per the contractual terms or on dispatch where such dispatch coincides with transfer of significant risks and rewards to the buyer.

(II) Other Income

(i) Interest Income

Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

(ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(C) Property, plant and equipment

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

- (i) All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- (ii) Depreciation
 - (a) Fixed assets are stated at cost less accumulated depreciation.
 - (b) The depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(D) Cash And Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(E) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(F) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(G) Borrowing Cost

- (i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.
- (ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(H) Investments

All equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income.

(I) Segment Report

- (i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

- (ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(J) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares, if any.

(K) Taxation

- (i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.
- (ii) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.
- (iii) Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.
- (iv) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the no tax has been recognised in the books of Accounts.

(L) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(M) Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(N) Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

(O) Financial Instruments**(I) Financial Assets****(i) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

(ii) Subsequent measurement

- (a) Financial assets carried at amortised cost (AC): A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (b) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (c) Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(II) Financial Liabilities**(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

(ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

31 FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Explanation 1 - Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(I) Ind AS Optional exemptions**deemed cost - property, Plant and Equipment and Intangible Assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

(II) Ind AS mandatory exemptions**(i) Estimates**

An entity's estimates in accordance with Ind AS' at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error.

(ii) Classification and measurement of financial assets (other than equity instruments)

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

(iii) De-recognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions for Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows first time adopter to apply the derecognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past Ind AS 101 retrospectively from the date of entity's choosing, transactions was obtained at the time of initially accounting for the transactions.

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Significant Accounting Policy has been suitably modified/ redrafted over previous period, as found necessary to elicitate the accounting policies adopted by the Company in accordance with Indian Accounting Standard (Ind-AS) notified by Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standard) Rules 2015.

The impact of change in accounting policy and other changes to comply with IND-AS in Net Profit is stated below:

31 (A) Reconciliation of Profit & Loss for the year ended 31st March 2017

(Rs. In Lakhs)

Particulars	As per INDIAN GAAP	Adjustments	Reclassification	As per IND-AS
I Income				
Revenue from operations	267.25			267.25
Other income	19.70			19.70
Total Income	286.94	-	-	286.94
II Expenses		-		
Purchase of goods for resale	184.76			184.76
Excise Duty	-			-
(Increase) / Decrease in stock	61.08			61.08
Employee benefits expense	9.02			9.02
Finance Cost	35.82			35.82
Depreciation	0.15			0.15
Other Expenses	87.16			87.16
Total Expenses	378.00			378.00
III Profit before exceptional items & tax	-91.06			-91.06
Exceptional Items	-	-		-
IV Profit/(Loss) before tax	-91.06			-91.06
V Tax expenses		-		
(1) Current tax :		-		
(a) of Current year		-		
(b) of Earlier years	-	-		-
(2) Deferred tax	-	-		-
VI Profit for the period	-91.06			-91.06
VII Other Comprehensive Income		-		
A. (i) Items that will be reclassified to profit or loss	-	-		-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	724.87		724.87
B. (i) Items that will not be reclassified to profit or loss	-	-		-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	724.87		724.87
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	-91.06	724.87		633.82

Note: 1. Previous period's figure have been restated as per Ind-AS and Regrouped and rearranged wherever considered necessary.

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31 (B) Reconciliation of Equity as at 31st March 2017

(Rs. In Lakhs)

Particulars	As per INDIAN GAAP	Opening Adjustments As on 1st April 2016	Adjust- ments	Reclassi- fication	As per IND-AS
I Non - Current Assets					
(a) Property, Plant and Equipment	0.43				0.43
(b) Capital work - in - progress					
(c) Other Intangible Assets					
(d) Intangible assets under development					
(e) Financial assets					
(i) Investments	1,188.30	2,700.79	724.87	275.70	4,889.67
(iii) Other financial assets	0.77				0.77
(f) Other tax assets (Net)					
(g) Other non - current assets					
(h) Deferred tax asset					
Total Non - Current Assets (A)	1,189.51	2,700.79	724.87	275.70	4,890.88
II Current Assets		-		-	
(a) Inventories	275.70			(275.70)	-
(b) Financial assets					
(i) Trade receivables	269.41				269.41
(ii) Cash and cash equivalents	2.10				2.10
(iii) Bank balances other than (ii) above					
(iv) Loans	562.27		(210.64)		351.63
(v) Other financial assets					
(c) Current tax assets (Net)	4.83		-		4.83
(d) Other current assets			-		-
Total Current Assets (B)	1,114.32		(210.64)	(275.70)	627.98
TOTAL ASSETS (A+B)	2,303.83	2,700.79	514.23	-	5,518.85
EQUITY AND LIABILITIES					
I EQUITY					
(a) Equity share capital	49.90	(25.00)		-	24.90
(b) Other Equity	794.53	2,490.15	724.87		4,009.55
Total Equity (A)	844.43	2,465.15	724.87		4,034.45
II LIABILITIES				-	
(1) Non Current Liabilities	-		-		-
(a) Financial Liabilities					
(i) Borrowings	-	235.64	(210.64)	4.30	29.30
(ii) Trade Payables	-				-
(iii) Other financial liabilities	4.30		-	(4.30)	-
(b) Provisions	-		-		-
Total Non Current Liabilities (B)	4.30	235.64	(210.64)	-	29.30
(2) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	56.09				56.09
(i) Trade payables	-		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	106.83				106.83
(ii) Other financial liabilities	1,292.19		(22.61)		1,269.58
(b) Other current liabilities			22.61		22.61
(c) Provisions	-		-		-
(d) Current tax liabilities (Net)	-		-		-
Total Current Liabilities (c)	1,455.10		-		1,455.10
TOTAL EQUITY AND LIABILITIES (A+B+C)	2,303.83	2,700.79	514.23		5,518.85

Note: 1. Previous period's figure have been restated as per Ind-AS and Regrouped and rearranged wherever considered necessary.

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31 (C) Reconciliation of Equity as at 1st April 2016

(Rs. In Lakhs)

Particulars	As per INDIAN GAAP	Current Period Ind-AS Adjustments	Reclassification	As per IND-AS
I Non - Current Assets				
(a) Property, Plant and Equipment	0.58			0.58
(b) Capital work - in - progress				
(c) Other Intangible Assets				
(d) Intangible assets under development				
(e) Financial assets				
(i) Investments	1,188.36	2,700.79	336.78	4,225.93
(iii) Other financial assets	0.77			0.77
(f) Other tax assets (Net)				
(g) Other non - current assets				
(h) Deferred tax asset				
Total Non - Current Assets (A)	1,189.71	2,700.79	336.78	4,227.28
II Current Assets		-		-
(a) Inventories	336.78		(336.78)	
(b) Financial assets				
(i) Trade receivables	6.89			6.89
(ii) Cash and cash equivalents	0.58			0.58
(iii) Bank balances other than (ii) above				
(iv) Loans	372.15			372.15
(v) Other financial assets				
(c) Current tax assets (Net)	4.18			4.18
(d) Other current assets			-	
Total Current Assets (B)	720.59		(336.78)	383.81
TOTAL ASSETS (A+B)	1,910.30	2,700.79	-	4,611.09
EQUITY AND LIABILITIES				
I EQUITY				
(a) Equity share capital	49.90	(25.00)		24.90
(b) Other Equity	885.58	2,490.15		3,375.73
Total Equity (A)	935.48	2,465.15	-	3,400.63
II LIABILITIES				-
(1) Non Current Liabilities	-		-	
(a) Financial Liabilities	-		-	
(i) Borrowings	192.70	235.64	4.30	432.64
(ii) Trade Payables	-			
(iii) Other financial liabilities	4.30		(4.30)	
(b) Provisions	-		-	
Total Non Current Liabilities (B)	197.00	235.64	-	432.64
(2) Current Liabilities			-	
(a) Financial Liabilities			-	
(i) Borrowings	272.40			272.40
(i) Trade payables	-		-	
Total outstanding dues of creditors other than micro enterprises and small enterprises. 1.14			1.14	
(ii) Other financial liabilities	504.28		(0.14)	504.14
(b) Other current liabilities			0.14	0.14
(c) Provisions				
(d) Current tax liabilities (Net)	-		-	
Total Current Liabilities (c)	777.82		-	777.82
TOTAL EQUITY AND LIABILITIES (A+B+C)	1,910.30	2,700.79	-	4,611.09

Note: 1. Previous period's figure have been restated as per Ind-AS and Regrouped and rearranged wherever considered necessary.

SARVAMANGAL MERCANTILE COMPANY LIMITED

31 (D) Reconciliation of total Equity as on March 31, 2017 & 1st April 2016

(Rs. In Lakhs)

Nature of Adjustments	As at March 31, 2017	As at April 1, 2016
Total equity under previous GAAP	844.43	935.48
IndAS Adjustments for previous period c/fd	2465.15	0.00
Adjustments:		
Less : Preference shares classified as liability		(25.00)
Add : Equity instruments measured at fair value (Current Year impact)	724.87	2700.79
Less : Opening Adjustments for provisioning of prior period items	0.00	(210.64)
Total adjustment to equity	3190.02	2465.15
Total equity under Ind AS	4034.45	3400.63

31 (E) Reconciliation of total comprehensive income for 3 months ended & year ended March 31, 2017:

(Rs. In Lakhs)

Nature of Adjustments	For the year ended 31st March 2017 (Audited)
Net Profit /(loss) for the period as per Previous GAAP (Indian GAAP)	(91.06)
Adjustments:	
Less: Finance cost unwinding on discounted deferred sales tax liability	-
Add: Deferred tax impact on above adjustments	-
Net Profit /(loss) for the period as per Ind AS	(91.06)
Less : Remeasurements of defined benefit plans	-
Add : Equity Instruments measured at FVTOCI	724.87
Add : Deferred Tax on above adjustment	-
Total Comprehensive Income as per Ind AS	633.82

Notes to the Standalone Financial Statements for the year ended March 31, 2018

1. Corporate information

Sarvamangal mercantile Co.Limited (The Company) is domiciled and incorporated in India having its registered office at No.2 Mohatta Bhavan Properties Off. Dr E Moses Road, Worli, Mumbai – 400018

The financial statements are approved for issue by the Company's Board of Directors on May 30, 2018.

2. Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Recent accounting pronouncements:-

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

Standards issued but not yet effective

Issue of IndAS 115:- Revenue from contracts with customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Amendment to Existing standards:

- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- Ind AS 40 - Investment Property
- Ind AS 12 - Income Taxes
- Ind AS 28 - Investments in Associates and Joint Ventures and
- Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards is not expected to have any significant impact on the Company's Financial Statements.

3. Significant accounting policies

3.1. Basis of preparation

3.1.1. Compliance with Ind AS

In accordance with the notification ***dated 16th February, 2015***, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The Standalone Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1, 2016. Refer Note 31 for details of First-time adoption - mandatory exceptions and optional exemptions

availed by the Company.

Up to the year ended March 31, 2017, the Company had prepared the Standalone Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

Reconciliations and descriptions of the effect of the transition has been summarized in note 31

3.1.2. Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value;
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded to the nearest Rupee except where otherwise stated.

3.3. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading, or
- c) Expected to be realised within twelve months after the reporting period other than for (a) above, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

3.4. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.
Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- a) quoted prices for similar assets or liabilities in active markets.
- b) quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) inputs other than quoted prices that are observable for the asset or liability.
- d) Market – corroborated inputs.

Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.5. Property Plant and Equipment

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT) and any cost directly attributable to bring

the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation has been calculated on Straight Line method (SLM) based on the useful life prescribed in Schedule II of the Companies Act, 2013, on a pro-rata basis. Lease hold improvements are amortised over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

3.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

3.6.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

Debt instruments at amortized cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments are measured at fair value. Equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P & L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

- A financial asset is de-recognized only when
- The Company has transferred the rights to receive cash flows from the financial asset or
 - Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred

substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; and

All lease receivables resulting from transactions within the scope of Ind AS 17

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

3.6.2 Financial liabilities

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3.7. Cash and Cash Equivalent

Cash and cash equivalent in balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalent consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management.

3.8. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.9. Trade Payables

These amount represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using effective interest method.

3.10. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

3.11. Dividend Income

Dividend Income in the books is accounted when right to receive the payment is established

3.12. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.13. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Dividend distribution tax paid on the dividends is recognized consistently with the presentation of the transaction that creates the income tax consequence

3.14. Other Accounting policies are consistent with generally accepted accounting practices.

As per our Report of even date

For R Soni & Co.
Chartered Accountants
FRN: 130349W

Rajesh Soni
Partner
Membership No. 133240
Place: Mumbai
Date: May 30, 2018

For and on Behalf of the Board

Nupur Somani
Managing Director
(DIN-00816788)

Sanjay Jain
Director
(DIN-00047973)

B K Toshniwal
Director
(DIN-00048019)

Shashikant Sharma
(CFO)
PAN-AAOPS7972D

Sarvamangal Mercantile Company Limited

CIN: L51100MH1983PLC029600

Registered office: No. 2 Mohatta Bhavan Properties, Off Dr. E. Moses Road, Worli, Mumbai - 400018

ATTENDANCE SLIP

(To be presented at the entrance of meeting hall)

DP ID _____ Folio No. / Client ID _____

I /We hereby record my / our presence at the 35th Annual General Meeting of the Company at No. 2, Mohatta Bhavan Properties, Dr. E. Moses Road, Worli, Mumbai – 400018 on Thursday, September 27, 2018 at 2.00 P.M.

Full name of the Shareholder in Block Letters: _____

Folio No.: _____ DPID No.: _____ Client ID No.: _____

Name of Proxy holder _____

Signature of Proxy holder _____

Signature of Shareholders _____

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 Read with Rule 19(3) of the Companies (Management and Administration) Rules 2014]

Sarvamangal Mercantile Company Limited

CIN: L51100MH1983PLC029600

Registered office: No. 2 Mohatta Bhavan Properties, DR. E. Moses Road, Worli, Mumbai – 400018

Name of the Member(s) : _____ Registered address : _____

E-mail Id: _____ Folio No. / Client ID: _____ DP ID: _____

I /We being the member(s) of _____ Shares of the above named Company hereby appoint:

(1) Name: _____ Address: _____ E-mail Id: _____ or failing him/her;

(2) Name: _____ Address: _____ E-mail Id: _____ or failing him/her;

(3) Name: _____ Address: _____ E-mail Id: _____ or failing him/her;

As my/ our proxy to attend and vote (on a poll) for me / us and on my/ behalf at the 35th Annual General Meeting of the Company to be held on **Thursday, September 27, 2018 at 2.00 P.M. at No. 2, Mohatta Bhavan Properties, Dr. E. Moses Road, Worli , Mumbai – 400018** and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No	Ordinary Business	For	Against
1.	Consider and adopt Audited Financial Statements of the Company for the year ended March 31, 2018 together with Reports of Board of Directors and Auditor's thereon		
2.	Re-appointment of Mr. Adarsh Somani (DIN: 00192609), who retire by rotation and being eligible offers himself for re-appointment as Director.		
3.	To consider and approve re-appointment of Mrs. Nupur Somani (DIN: 00816788) as Managing Director of the Company		
4.	To consider and approve the limits for the Loans and Investment by the Company in terms of the provisions of Section 186 of the Companies Act, 2013		

Signed this _____ day of _____ 2018

Signature of the Shareholder _____

Affix
Revenue
Stamp

Signature of 1st proxy holder(s) _____

Signature of 2nd proxy holder(s) _____

Signature of 3rd proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

