

BOARD OF DIRECTORS

SHRI RAJENDRA SOMANI (Up to 9.11.2011)
SHRI ADARSH SOMANI
SHRI B. K. TOSHNIWAL
SHRI SANJAY JAIN

BANKERS

CENTRAL BANK OF INDIA
PUNJAB NATIONAL BANK

AUDITORS

S. G. KABRA & CO.
Chartered Accountants,
MUMBAI

REGISTERED OFFICE

NO. 2 MOHATTA BHAVAN PROPERTY
OFF. DR. E. MOSES ROAD,
WORLI,
MUMBAI 400 018

NOTICE

NOTICE is hereby given that the **Twenty- Ninth** Annual General Meeting of the Company will be held on 15th September, 2012 at No. 2 Mohatta Bhavan Properties, Dr E Moses Road, Worli, Mumbai – 400018 at 10.00 a.m to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance-sheet as at 31st March, 2012 and Profit & Loss Accounts for the year ended 31st March, 2012 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Adarsh Somani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board

B K Toshniwal
Director

Place : Mumbai
Date : 30th May, 2012

Registered Office:
No. 2 Mohata Bhavan Properties
Off. Dr E Moses Road,
Worli, 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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 7th September, 2012 to 15th September, 2012 (both days inclusive).
3. Members are requested to intimate change in their address, if any, to the Company / R & T Agent.

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the **TWENTY NINTH ANNUAL REPORT** together with the Audited Statement of Accounts for the year ended March 31, 2012.

Financial Highlights :

	Rs. In Lacs	
	Current Year	Previous Year
Gross Profit / (Loss)	14.85	(120.72)
Less: Interest	7.62	5.73
Depreciation	1.11	1.48
Provision for Income Tax	1.80	0.000
Leaving a Balance	4.32	(127.93)
Balance brought forward from previous year	424.91	552.84
Balance transferred from General Reserve	—	---
Profit / (Loss) available for appropriation	429.23	424.91
Surplus carried to Balance – Sheet	429.23	424.91
	-----	-----
Balance carried to balance sheet	429.23	424.91
	-----	-----

DIVIDEND

Your Directors do not recommend any dividend, for the year, under review.

FIXED DEPOSITS :

During the year under review the Company has not accepted any deposit from the public.

PARTICULARS OF EMPLOYEES :

None of the employees are drawing salary and allowance exceeding the limits prescribed U/S. 217(2A) of the Companies Act, 1956 hence the information need not to be given.

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

Since the Company has no manufacturing activities the disclosure of particulars as required under section 217(1)(e) of the Companies Act, 1956 , read with the (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are not applicable in so far it relates to the conservation of energy and technology absorptions.

There were no foreign exchange earnings and outgo during the year under review :

DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Board of Directors of the Company Confirms:

- (I) that in the preparation of the accounts for the financial year ended 31st March 2012, 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 or loss 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, 1956 for safeguard of the assets of the Company and for preventing and detecting fraud and other irregularities;
- (IV) that the directors have prepared the accounts for the financial year ended 31st March , 2012 on a 'going concern' basis.

CERTIFICATE OF COMPLIANCE :

The Certificate of Compliance for all the provisions the Companies Act 1956, by a secretary in whole time practice is attached hereto, as required under section 383A of the said Act.

LISTING /TRADING OF SHARES :

Your Company shares are listed with The Bombay Stock Exchange Limited, P.J Towers, Dalal Street, Mumbai – 400001.

The Scrip code of shares of the company is 506190.
The Listing fee for the current year 2012-2013 has been paid.

DIRECTORS

During the year Shri Rajendra Somani, has resigned from directorship of the Company. The Board thank for his services and support rendered by him to the company.

Mr. Adarsh Somani retires by rotation and being eligible offers themselves for reappointment.

AUDITORS

The Auditors, M/s. S G Kabra & Co. Chartered Accountants, hold office until the conclusion of the Annual General Meeting and are recommended for re appointment Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act 1956.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 30th May, 2012

Adarsh Somani
(Director)

B. K. Toshniwal
(Director)

Sanjay Jain
(Director)

COMPLIANCE CERTIFICATE

(Under Proviso to Sub-Section (1) of Section 383A of the Companies Act, 1956)

Registration No.: 11-029600 of 1983
Nominal Capital : Rs. 50,00,000/-
Paid-up Capital : Rs. 49,90,000/-

To
The Members,
SARVAMANGAL MARCANTILE COMPANY LIMITED

We have examined the registers, records, books and papers of **SARVAMANGAL MARCANTILE COMPANY LIMITED** having its registered office at No. 2 Mohata Bhavan Properties, Off. Dr. E. Moses Road, Worli, Mumbai – 400 018 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

01. the company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
02. the company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Ministry of Corporate Affairs within the time prescribed under the Act and the rules made thereunder except as specified in the said Annexure.
03. the company is a public limited company and hence comments are not required .
04. the Board of Directors duly met 6 times on 13th May, 2011, 13th August, 2011, 25th August, 2011, 24th September, 2011, 14th November, 2011 and 13th February, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
05. the company has closed its Register of Members during the year from 23rd September, 2011 to 30th September, 2011 and has complied with the provisions of the Act.
06. the Annual General Meeting for the financial year ended on 31st March, 2011 was held on 30th September, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
07. no extra ordinary general meeting was held during the financial year under scrutiny.
08. the company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
09. the company has entered into contract falling within the purview of section 297 of the Act, during the year under review.
10. the company has made necessary entries in the register maintained under Section 301 of the Act.
11. as there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. the company did not issue any duplicate share certificates during the financial year under scrutiny.
13. the company has :
 - i. delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
 - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

SARVAMANGAL MERCANTILE COMPANY LIMITED

- iii. not posted warrants to any member of the company as no dividend was declared during the financial year.
- iv. no amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Education and Protection Fund does not arise.
- v. duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. the company has not appointed any Managing Director or Whole-time Director during the financial year under scrutiny.
16. the company has not appointed any sole-selling agents during the financial year under scrutiny.
17. the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. the company has not bought back any shares during the financial year under scrutiny.
21. the company has not redeemed any preference shares during the financial year under scrutiny.
22. during the year there was no need for the company to keep in abeyance right to dividend, rights shares and bonus shares.
23. the company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year under scrutiny.
24. the amounts borrowed by the company from bodies corporate are within the borrowing limits of the company and that necessary resolution as per Section 293(1)(d) of the Act has been passed in earlier years.
25. the company has made investments in other bodies corporate and given guarantee in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. the company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the year under scrutiny.
31. there was no prosecution initiated against or show cause notice received by the company and no

SARVAMANGAL MERCANTILE COMPANY LIMITED

finances or penalties or any other punishment was imposed on the company during the financial year, for the offences under the Act.

32. the company has not received any sum as security from its employees during the year under scrutiny.
33. the provisions of Section 418 of the Act are not applicable to the company during the year under scrutiny.

**For GMJ & ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
(ALKA MODI)
PARTNER
C.P. NO. 5419**

PLACE : MUMBAI
DATE : 30th MAY, 2012.

**Registration No. : 11- 029600 of 1983
Nominal Capital : Rs. 50,00,000/-
Paid-up Capital : Rs. 49,90,000/-**

Annexure A

Registers as maintained by the Company

1. Register of Charges U/S. 143.
2. Register of Members U/S. 150.
3. Attendance Register for General Meetings U/S. 174.
4. Minutes Books of General Meetings and Board Meetings U/S. 193.
5. Attendance Register for Board Meetings U/S. 287.
6. Register of Contracts U/S. 301.
7. Register of Directors U/S. 303.
8. Register of Directors Shareholding U/S. 307.
9. Register of Share Transfer.
10. Books of Accounts U/S. 209.
11. Register of Investments U/S. 372A.

Annexure B

Forms and Returns as filed by the company with the Ministry of Corporate Affairs during the financial year ended on 31st March, 2012.

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed with in Prescribed time Yes/No	If delay In filing whether requisite additional fee paid Yes/No.
01.	Form No.8	125	for creation of charge by giving guarantee in favour of Punjab National Bank, Shiv E Numh, Dr Annie Besant Road, Worli, Mumbai- 400 018 for Rs. 19.25 Crore created on 23 rd March, 2011.	28 th April, 2011	No	Yes
02.	Form No.8	125	for modification of charge on guarantee given in favour of Oricon Enterprises Ltd to Punjab National Bank, Shiv E Numh, Dr Annie Besant Road, Worli, Mumbai- 400 018 for Rs. 45.60 Crore Created on 28 th September, 2011.	20 th October, 2011	Yes	---
03.	Compliance Certificate in Form No. 66	383A	the year ended 31 st March, 2011	31 st October, 2011	Yes	---
04.	Annual Return in Form No.20B	159	as on the date of the Annual General Meeting held on 30 th September, 2011	4 th November, 2011	Yes	---

SARVAMANGAL MERCANTILE COMPANY LIMITED

05.	Form 23B	224(1A)	appointment of Auditor for the year ended 31 st March, 2010	17 th November, 2011	—	---
06.	Form 23B	224(1A)	appointment of Auditor for the year ended 31 st March, 2011	18 th November, 2011	—	---
07.	Form No. 32	303(2)	retirement of Shri. Rajendra Somani as Director of the Company w.e.f. 9 th November, 2011.	25 th November, 2011	Yes	---
08.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL & 23ACA XBRL	220	the year ended 31 st March, 2011	24 th December, 2011	Yes	---

AUDITORS' REPORT

To,
THE MEMBERS OF SARVAMANGAL MERCANTILE COMPANY LIMITED.

We have audited the attached Balance Sheet of **M/S. SARVAMANGAL MERCANTILE COMPANY LIMITED**, as at 31st March, 2012 and also statement of Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the Company.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit and statement of Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
 - (e) On the basis of written representations received from the directors of the company, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) We further report that :-
 - (a) *Note No. 16 (2) regarding some of balances of sundry debtors, sundry creditors, deposits, loans & advances and unsecured loan are subject to confirmation and adjustments necessary upon reconciliation, if any consequential impact thereof on the financial statement is not ascertainable.*
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to para (f) above and read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

SARVAMANGAL MERCANTILE COMPANY LIMITED

- (ii) In so far as it relates to the statement of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**For S. G. Kabra & Co.,
Chartered Accountants**

Place : Mumbai
Date : 30/05/2012

**(Malvika P. Mitra)
Partner
Membership No. 44105**

Annexure to Auditors' Report

Referred to in paragraph 2 of our report of even date

On the basis of such checks, as we considered appropriate and in terms of the information and explanations given to us, we state that:-

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) We have been informed that most of fixed assets have been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable. No material discrepancies were noticed on such verification.
 - c) No substantial part of fixed assets has been disposed off during the year.
2.
 - (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) According to the information and explanations given to us, the procedures followed for physical verification of the inventory are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;
 - (c) According to the records produced before us for our verification, there were no material discrepancies notices on physical verification of stocks referred to in para 2(a) above as compared to the books records;
3. In respect to loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a) The Company has not granted/taken any loan secured or unsecured to/from firms or other parties listed in register maintained under section 301 of the Companies Act, 1956 during the year under audit. Therefore, Clause (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the year. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
 - b) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which these loans have been taken/granted are not prima facie prejudicial to the interest of the Company.
 - c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under Sanction 209 (1) (d) of the Companies Act, 1956 for any of the product of the Company.

9. In respect of statutory dues.
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
 - b) There are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities
10. The Company has no accumulated losses and not incurred cash losses during the financial year covered by our audit, but have incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Company Act 1956 and save for certain share which are either lodged for transfer or held with valid transfer form.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company except for certain shares pledged by the company for loan taken by the other company. However, in the opinion of the management, the same is not prejudicial to the interest of the company.
16. The Company has not raised any new term loans during the year.
17. In our opinion, the funds raised on short – term or long – term basis have been used for the purpose for which they were raised.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not made any debenture issue.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

**For S. G. Kabra & Co,
Chartered Accountants**

Place : Mumbai
Date : 30/05/2012

**(Malvika P. Mitra)
Partner
Membership No. 44105**

SARVAMANGAL MERCANTILE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH'2012

	Note	Figure as at the end of current reporting Period	Figure as at the end of previous reporting Period
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds:			
(a) Share Capital	1	4,990,000	4,990,000
(b) Reserves & Surplus	2	42,922,594	42,490,636
(2) Non- Current Liabilities			
(a) Long Term borrowings	3	124,064,717	15,128,917
(b) Deffered tax Liabilities		148,438,833	241,342,708
Less :- Discount Value		42,879,702	48,149,520
		<u>105,559,131</u>	<u>193,193,188</u>
(c) Other Long Term liabilities	4	806,589	806,589
(4) Current Liabilities			
(a) Short Term borrowings			
(b) Trade Payables	5	113,540	113,540
(c) Other current liabilities	6	616,222	7,717,516
Total		<u><u>279,072,793</u></u>	<u><u>264,440,386</u></u>
II. Assets			
(1) Non - current assets			
(a) Fixed assets			
(i) Tangible assets	7	428,253	539,154
(b) Non - Current investments	8	108,320,622	151,648,800
(c) Long term loans and advances		0	0
(2) Current assets			
(a) Inventories	9	88,525,740	25,907,990
(b) Trade receivables	10	7,514,208	3,999,725
(c) Cash and cash equivalents	11	506,599	1,376,660
(d) Short term Loans and advances	12	73,040,616	73,185,809
(e) Other current assets	13	736,755	7,782,248
Total		<u><u>279,072,793</u></u>	<u><u>264,440,386</u></u>
Significant Accounting Policies & Notes on Accounts	16		

As per our Report of even date

For and on Behalf of the Board

For **S. G. KABRA & CO**
Chartered Accountants
(F.R.N.104507W)

Adarsh Somani (Director)

B. K.Toshniwal (Director)

(MALVIKA P. MITRA)
Partner
Membership No. 44105

Sanjay Jain (Director)

Place :- Mumbai
Date :- 30/05/2012

SARVAMANGAL MERCANTILE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH'2012

	Note	Figure as at the end of current reporting period	Figure as at the end of previous reporting period
I. Revenue from Operations			
Sale of Shares		6,885,551	5,000,000
II. Other Income	14	1,873,220	2,639,538
III. Increase /(Decrease) In stock of Shares		62,617,750	(499,328)
	Total Revenue (I+II)	<u>71,376,521</u>	<u>7,140,210</u>
III. EXPENSES:			
Purchase of Shares		15,000,000	1,000
Shares transfer from Investment to Inventory		48,000,000	0
Loss on sale of Investment		224,553	0
Employees benefit expenses		223,137	303,602
Financial Cost		762,112	572,691
Depreciation and amortization expense		110,901	147,606
Other expenses	15	6,443,860	18,908,037
	Total Expenses	<u>70,764,563</u>	<u>19,932,936</u>
IV. Profit before Tax			
		611,958	(12,792,726)
(1) Current Tax		180,000	0
(2) Deferred Tax		0	0
V. Profit(Loss) from the period from continuing operations		431,958	(12,792,726)
Significant Accounting Policies & Notes on Accounts	16		

As per our Report of even date

For and on Behalf of the Board

For **S. G. KABRA & CO**
Chartered Accountants
(F.R.N.104507W)

Adarsh Somani (Director)

B. K. Toshniwal (Director)

(MALVIKA P. MITRA)
Partner
Membership No.44105

Sanjay Jain (Director)

Place :- Mumbai
Date :- 30/05/2012

SARVAMANGAL MERCANTILE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	611,958	(12,792,725)
Adjustments for:		
Depreciation	110,901	147,606
Dividend Received	(263,869)	(305,261)
Interest Expenses	762,112	572,691
Interest Received	(402,500)	(488,055)
(Profit)/ Loss on Sale of long term Investments	224,553	(441,014)
Discount Charges	5,269,818	16,530,497
Reinstatement of Investments	-	-
Operating Profit before Working Capital changes	<u>6,312,973</u>	<u>3,223,738</u>
Adjustments for:		
Trade & Other Receivables	3,676,203	6,590,929
Inventories	(62,617,750)	499,328
Trade Payables	<u>(7,101,294)</u>	<u>5,164,385</u>
Cash generated from Operations	<u>(59,729,867)</u>	<u>15,478,380</u>
Direct Taxes Paid (Net of Refund)	<u>(180,000)</u>	-
Cash Flow before prior period Adjustments	<u>(59,909,867)</u>	<u>15,478,380</u>
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	<u><u>(59,909,867)</u></u>	<u><u>15,478,380</u></u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Investment	48,103,624	16,022,614
Purchase of Investment	(5,000,000)	(38,054,866)
Interest Received	402,500	488,055
Dividend Received	263,869	305,261
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	<u><u>43,769,993</u></u>	<u><u>(21,238,936)</u></u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans (Net of Proceeds)	108,935,800	7,068,917
Deferred Sales Tax Liabilities	(92,903,875)	-
Interest paid	<u>(762,112)</u>	<u>(572,691)</u>
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	<u><u>15,269,813</u></u>	<u><u>6,496,226</u></u>
Net Increase in Cash and Cash Equivalents Total: (A+ B+ C)	(870,061)	735,670
Cash and Cash Equivalents - Opening Balance	1,376,660	640,990
Cash and Cash Equivalents - Closing Balance	506,599	1,376,660

Notes:

- Above statements have been prepared in the indirect method.
- Cash and Cash Equivalents represents Cash and Bank balances only.
- Previous years' figures have been regrouped and reclassified, wherever necessary.

As per our Report of even date attached.

For and on Behalf of the Board

For **S. G. KABRA & CO**
Chartered Accountants
(F.R.N.104507W)

Adarsh Somani (Director)

(MALVIKA P. MITRA)
Partner

B. K. Toshniwal (Director)

Sanjay Jain (Director)

Place :- Mumbai
Date :- 30/05/2012

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE "1"	As at 31st March'2012 Rupees	As at 31st March'2011 Rupees
SHARE CAPITAL		
Authorised :		
2,50,000 (Prev. Year 2,50,000) Equity Shares of Rs.10/- each	2,500,000	2,500,000
2,50,000 (Prev. Year 2,50,000) Redeemable Cumulative Preference Shares of Rs.10/- each	2,500,000	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>
Issued ,Subscribed and Paid-up		
2,49,000 (Prev. Year 2,49,000) Equity Shares of Rs.10/- each	2,490,000	2,490,000
2,50,000 (Prev. Year 2,50,000) 11% Redeemable Cumulative Pref. Shares of Rs.10/- each	2,500,000	2,500,000
	<u>4,990,000</u>	<u>4,990,000</u>

Notes :

- 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.
- The details of shareholders holding more than 5% of the equity shares of the Company as at Period /Year end is as below.

Name of Shareholder	Number of Equity shares Held	% of Holding	Number of Equity shares Held	% of Holding
Satyanarayan Properties Pvt. Limited	-	-	50,000	20.08%
Kopran Laboratories Pvt. Limited	18,000	7.23%	18,000	7.23%
Kramee Pharmaceuticals Pvt.Limited	16,000	6.43%	16,000	6.43%
S. V. Trading & Agencies Limited	24,500	9.84%	24,500	9.84%
Svaraj Trading & Agencies Limited	24,500	9.84%	24,500	9.84%
Ridhi Sidhi Equifin Pvt. Limited	50,000	20.08%		

- The reconciliation of the number of equity shares outstanding as at the period /year end set is as below

Number of Equity Shares at the beginning of the year	249,000
Add :- Equity shares issued during the year	-
Number of equity shares at the end of the year	249,000

SARVAMANGAL MERCANTILE COMPANY LIMITED

	As at 31st March'2012 Rupees	As at 31st March'2011 Rupees
NOTE "2"		
RESERVES AND SURPLUS :		
Surplus - Profit and Loss Account		
Opening Balance	42,490,636	55,283,362
Add :- Net Profit/(Loss) after tax from continuing operations	431,958	(12,792,726)
Closing Balance	<u>42,922,594</u>	<u>42,490,636</u>
NOTE "3"		
Long Term Borrowings		
Unsecured Loans		
Inter-corporate Loans	124,064,717	15,128,917
	<u>124,064,717</u>	<u>15,128,917</u>
NOTE "4"		
Other Long Term Liabilities		
Deposits	806,589	806,589
	<u>806,589</u>	<u>806,589</u>
NOTE "5"		
Trade Payable	113,540	113,540
	<u>113,540</u>	<u>113,540</u>
NOTE "6"		
Other current liabilities		
Other liabilities	595,222	7,682,625
Tds Payable	21,000	34,891
	<u>616,222</u>	<u>7,717,516</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "7"

Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2011	Additions during the year	Deduction and adjustment 31.03.2012	As at 31.03.2012	upto 01.04.2011	for the year	Deduction and adjustment 31.03.2012	As at 31.03.2012	As at 31.03.2011
Motor Car	2,063,876	-	-	2,063,876	1,662,050	104,033	-	297,793	401,826
Fire Fighting Equipment	1,127	-	-	1,127	1,114	2	-	11	13
Premises	426,196	-	-	426,196	288,881	6,866	-	130,449	137,315
Computer	95,000	-	-	95,000	95,000	-	-	-	-
Total	2,586,199	-	-	2,586,199	2,047,045	110,901	-	428,253	539,154
Previous Year	2,586,200	-	-	2,586,200	1,899,440	147,606	-	539,154	686,760

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "8"

Non - Current Investments (At Cost)

(As certified by Director)

(A) QUOTED - Fully paid up Equity Shares

Face Value	Nos.	Rupees	Nos.	Rupees
10 Videocon Industries Limited	40	18,449	40	18,449
02 Oricon Enterprises Limited	134150	1,366,945	26830	1,366,945
(Previous Year Face Value Rs.10/-)				
10 Kopran Limited	2168056	44,646,719	2168056	44,646,719
10 KDL Bio-Tech Limited	100	1,009	100	1,009
10 Supreme Petrochem Limited	1,900	14,060	1,900	14,060
10 Onward Technologies Limited	642,955	27,554,285	642,955	27,554,285
10 IMP Powers Limited	66	594,705	66	594,705
10 NMDC Limited	2,000	188,198	2,000	188,198
10 Parichay Investments Limited	0	0	1,000	328,178
TOTAL (A)		<u>74,384,370</u>		<u>74,712,548</u>

(B) UNQUOTED -

Fully paid up Equity and Preference Shares

100 Hotel Empire Ltd.	9790	27,622,900	9790	27,622,900
10 Suraj Containers Ltd.	5000	50,000	5000	50,000
Less :-Diminution in the value of Investment		<u>49,999</u>		<u>49,999</u>
		<u>1</u>		<u>1</u>
10 2% Redeemable Preference Shares of Kempo Finvest Pvt. Ltd.	100000	1,000,000	100000	1,000,000
Less :-Diminution in the value of Investment		<u>999,999</u>		<u>999,999</u>
		<u>1</u>		<u>1</u>
10 12% Redeemable Preference Shares of Kopran Limited	500,000	5,000,000	0	0
10 Shree Venkatesh Karriers Pvt. Limited	11,000	830,150	11,000	830,150
10 Vishnu Vijay Packaging Ltd.	150,000	37,500	150,000	37,500
10 Malvika Steel Ltd.	145,700	145,700	145,700	145,700
10 Manish Pharma Pvt. Ltd.	0	0	40,000	48,000,000
10 USL Auto Services Ltd.	15,000	150,000	15,000	150,000
TOTAL (B)		<u>33,786,252</u>		<u>76,786,252</u>

(C) PARTNERSHIP FIRM -

S. K. Somani & Co.

		<u>150,000</u>		<u>150,000</u>
		<u>150,000</u>		<u>150,000</u>
TOTAL (A+B)		<u>108,320,622</u>		<u>151,648,800</u>
Aggregate Book Value - Unquoted		33,936,252		76,786,252
Quoted		74,384,370		74,712,548
Aggregate Market Value - Quoted		<u>62,384,268</u>		<u>89,349,899</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "9"

INVENTORIES :

(As taken, valued and certified by a Director)

Face Value	Nos.	As at 31st March'2012 Rupees	Nos.	As at 31st March'2011 Rupees
(A) QUOTED - (At cost or market value which ever is lower)				
1. Fully Paid up Equity Shares :				
10 Alstom Projects India Limited (Market value Rs. 1,06,680/-)	300	0	300	0
10 Atash Industries Ltd. (Cost Rs. 11,25,000/-)	37500	37,500	37500	37,500
10 Can India Limited (Cost Rs. 500/-)	100	100	100	100
10 Cyberscepe Multimedia Limited (Cost Rs. 64,69,690/-)	100000	147,000	100000	147,000
10 Coroneli Indys Limited (Cost Rs. 1,57,86,644/-)	0	0	195000	195,000
10 DSQ Biotech Limited (Cost Rs. 2,00,505/-)	1,000	1,000	1,000	1,000
10 Ensa Steel Ltd. (Cost Rs.19,250/-)	350	3,440	350	3,357
10 Globe Stock Limited (Cost Rs. 87,98,177/-)	300,000	300,000	300,000	300,000
10 Gautam Resources Limited (Cost Rs. 334/-)	200,000	334	200,000	334
10 Kilburn Chemical Limited (Market Value Rs.1,170/-)	50	500	50	500
10 Kayveear Limited (Cost Rs.79,31,880/-)	200,000	200,000	200,000	200,000
10 Libord Securities Limited (Market value Rs.10,98,480/-)	159200	245,168	159200	245,168
10 Morgan Stanley Growth Fund (Cost Rs.13,781/-)	1600	13,781	1600	13,781
10 Origin Agrostar Limited (Cost Rs.333/-)	19,300	333	19,300	333
10 Sharp Industries Limited (Market Value Rs. 19,100/-)	500	8,980	500	8,980

SARVAMANGAL MERCANTILE COMPANY LIMITED

10 Spartak Ceramics (I) Ltd. (Cost Rs. 1,08,372/-)	1486	1,486	1486	1,486
10 SBEC Sugar Limited (Cost Rs.10,00,000/-)	100000	817,000	100000	1,000,000
10 Team Asia Semico Limited (Cost Rs.333/-)	67,000	333	67,000	333
10 The Aluminium Industries Ltd. (Cost Rs.4,24,850/-)	24000	24,000	24000	24,000
10 21st Century Management Limited (Market Value Rs.1,95,250/-)	25000	45,063	25000	45,063
10 Videocon Industries Limited (Cost Rs.1,15,176/-)	220	37,730	220	42,064
TOTAL		<u>1,883,748</u>		<u>2,265,998</u>

II. Fully Paid up Debentures :

30 16% Debentures of Essar Shipping Ltd (Cost Rs. 30,000/-)	1000	30,000	1000	30,000
100 15% Debentures of Supreme Industries Limited (Cost Rs. 1,60,000/-)	1600	160,000	1600	160,000
140 14% Debentures of Spartak Granites Limited (Cost Rs.7000/-)	50	7,000	50	7,000
TOTAL		<u>197,000</u>		<u>197,000</u>

(B) UNQUOTED -
(At Cost)

Fully Paid Up Equity Shares

100 Hyderabad Construction Co Ltd	100	6,717	100	6,717
10 Co Nick Alloy (I) Ltd	2500	25,000	2500	25,000
10 G. Claridge & Co Ltd	804,000	22,413,275	804,000	22,413,275
10 Kopran Laboratories Limited	100,000	1,000,000	100,000	1,000,000
10 Manish Pharma Pvt. Limited	40,000	48,000,000	0	0
10 10% Non Convertible Non Cumulative Pref. Shares of Kopran Limited	5,580,000	15,000,000	0	0
TOTAL		<u>86,444,992</u>		<u>23,444,992</u>
GRAND TOTAL :-		<u>88,525,740</u>		<u>25,907,990</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "10"

Trade Receivable

Unsecured & Considered Doubtful:

Debts outstanding for a period exceeding six months	7,616,032	4,101,549
Other Debts	<u>0</u>	<u>0</u>
	7,616,032	4,101,549
Less :- Provision for bad & doubtful debts	101,824	101,824
	<u><u>7,514,208</u></u>	<u><u>3,999,725</u></u>

NOTE "11"

CASH AND CASH EQUIVALENT

Cash on hand	14,643	18,087
Balance with Scheduled Banks In Current account	491,956	1,358,573
	<u><u>506,599</u></u>	<u><u>1,376,660</u></u>

NOTE "12"

Short - Term loans and advances

Other Loan & Advances

Loan and Advances	61,227,033	60,977,033
Advance recoverable in cash or kind or for value to be received	11,736,448	12,131,641
Deposits	<u>77,135</u>	<u>77,135</u>
	<u><u>73,040,616</u></u>	<u><u>73,185,809</u></u>

NOTE "13"

Other Current Assets

Dividend Receivable	0	124,000
Rent Receivable	129,598	388,798
S. K. Somani & Co.	330,952	6,791,208
Advance Payment of Income Tax (net of Provision)	<u>276,205</u>	<u>478,242</u>
	<u><u>736,755</u></u>	<u><u>7,782,248</u></u>

NOTE "14"

OTHER INCOME

Dividend from Long Term Investment (Gross)	263,869	305,261
Interest received from Income Tax Authorities	10,490	0
Interest received from Others	392,010	488,055
(TDS Rs.39,200/- Previous Year Rs. 24,247/-) Rent Received	864,000	864,000
(TDS Rs.86,400/- Previous year Rs.86,400/-) Profit on Sale of Investments	0	441,014
Income Tax paid for earlier year	2,353	0
Previous Year Income	9,546	0
Profit from Partnership Firm	330,952	541,208
TOTAL	<u><u>1,873,220</u></u>	<u><u>2,639,538</u></u>

SARVAMANGAL MERCANTILE COMPANY LIMITED**NOTE "15"****OTHER EXPENSES**

Discount Charges	5,269,818	16,530,497
Demat Charges	1,260	2,617
Staff Welfare Expenses	9,891	15,320
Rent Rates & Taxes	182,566	170,230
Legal & Professional	601,403	1,724,476
Sundry Balances Written Off	124,000	0
Auditors' Remuneration :		
Audit Fees	11,030	11,030
Tax Audit Fees	6,618	6,618
Directors Sitting Fees	4,400	3,200
Miscellaneous Expenses	232,874	444,049
TOTAL	<u>6,443,860</u>	<u>18,908,037</u>

Note – “16”

Notes forming part of Accounts for the year ended 31st March 2012

1. SIGNIFICANT ACCOUNTING POLICIES :

- a) The books of accounts are maintained on accrual basis.
- b) Dividend Income in the books is accounted when right to receive the payment is established
- c) Fixed Assets are stated at historical cost.
- d) Depreciation has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.
- e) Long Term Investments are stated at cost. Cost is determined on average method.
- f) Stock in Trade (quoted) are shown at Cost or Market value whichever is lower.
- g) Stock in Trade (unquoted) are valued at Cost.
- h) Taxation
 - i. Income-tax expenses comprise current tax and deferred tax charge or credit
 - ii. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax loss that have been enacted or substantially enacted by the Balance Sheet date.
 - iii. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.
 - iv. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.
 - i) Other Accounting Policies are consistent with generally accepted account practices.
- 2. Some of the balances of sundry debtors, sundry creditors, deposits, loans and advances and unsecured loan are subject to confirmation and adjustments necessary upon reconciliation, if any consequential impact thereof on the financial statement is not ascertainable.
- 3. Earnings per shares :

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit/(Loss) attributable to share holder (in Rs.)	4,31,958	(1,27,91,725)
Weighted average number of equity shares (in No.)	249000	249000
Basic earning per shares of Rs.10/- each	1.73	(51.38)

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the company remain the same.

SARVAMANGAL MERCANTILE COMPANY LIMITED

4. In view of time limitations on carry forward of losses and as a matter of prudence Deferred Tax Assets arising on account of brought forward losses and unabsorbed Depreciation under tax laws has not been recognised.
5. In the opinion of the Board, the Current Assets, Loans, and advances are approximately of the value stated in the Balance Sheets if realised in ordinary courses of the business and the provision of all known liabilities is made and is adequate and is not in excess of the amount reasonable considered necessary.
6. Quantitative details of Inventories (Shares & Debentures)

Particulars	No. of Shares		No. of Debentures	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Opening Stock	23,39,206	21,02,906	2,650	2,650
Add:-Purchase	55,80,000	2,86,300	-	-
Add:-Tfd. from Investment	40,000	-	-	-
	79,59,206	23,89,206	2,650	2,650
Less :- Sale	1,95,000	50,000	-	-
Closing Stock	77,64,206	23,39,206	2,650	2,650

7. Other additional information pursuant of the provisions of paragraph 3, 4C and 4D of part II of schedule VI of Companies Act, 1956, are not applicable to the company.
8. Previous years figures are regrouped, reclassified and recasted whenever necessary.

As per our Report of even date

For and on behalf of the board

For **S. G. KABRA & CO.**
Chartered Accountants
(FRN 104507W)

Adarsh Somani
(Director)

(Malvika P. Mitra)
Partner
Membership No. 44105

B. K. Toshniwal
(Director)

Sanjay Jain
(Director)

Place :- Mumbai
Date :- 30/05/2012