



Sarvamangal Mercantile Company Limited

**30th ANNUAL REPORT
2012-2013**

BOARD OF DIRECTORS

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.

ADMINISTRATIVE OFFICE

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

NOTICE

NOTICE is hereby given that the **Thirtieth** Annual General Meeting of the Company will be held on 14th September, 2013 at No.2 Mohatta Bhavan Properties, Dr E Moses Road, Worli, Mumbai – 400 018 at 01.00 p.m to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance-sheet as at 31st March, 2013 and Profit & Loss Accounts for the year ended on that date of the Company and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri B. K. Toshniwal 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

Place : Mumbai
Date : 29th May, 2013

Adarsh Somani
Director

Registered Office:

No. 2 Mohatta 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 6th September, 2013 to 14th September, 2013 (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 **THIRTIETH ANNUAL REPORT** together with the Audited Statement of Accounts for the year ended March 31, 2013.

Financial Highlights :

	Rs. In Lacs	
	Current Year	Previous Year
Gross Profit / (Loss)	(25.30)	14.85
Less: Interest	-----	7.62
Depreciation	0.84	1.11
Provision for Income Tax	-----	1.80
Income tax for Earlier Year	(0.01)	----
Leaving a Balance	(26.13)	4.32
Balance brought forward from previous year	429.23	424.91
Balance transferred from General Reserve	—	----
Profit / (Loss) available for appropriation	403.10	429.23
Surplus carried to Balance – Sheet	403.10	429.23
	-----	-----
Balance carried to balance sheet	403.10	429.23
	-----	-----

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 2013, the applicable accounting standards have been followed.

SARVAMANGAL MERCANTILE COMPANY LIMITED

- (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 , 2013 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 2013-2014 has been paid.

DIRECTORS

Mr. B. K. Toshniwal retires by rotation and being eligible offers himself 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 : 29th May, 2013

B. K. Toshniwal
(Director)

Adarsh Somani
(Director)

Sanjay Jain
(Director)

SARVAMANGAL MERCANTILE COMPANY LIMITED

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, 2013. 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.
03. the company is a public limited company and hence comments are not required.
04. the Board of Directors duly met 5 times on 30th May, 2012, 13th August, 2012, 9th November, 2012, 13th February, 2013 and 23rd March, 2013 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 7th September, 2012 to 15th September, 2012 and has complied with the provisions of the Act.
06. the Annual General Meeting for the financial year ended on 31st March, 2012 was held on 15th September, 2012 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.

SARVAMANGAL MERCANTILE COMPANY LIMITED

- ii. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - 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.

SARVAMANGAL MERCANTILE COMPANY LIMITED

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 fines 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

(ALKA MODI)
PARTNER
C.P. NO. 5419

PLACE : MUMBAI
DATE : 29th MAY, 2013.

Reg.: SARVAMANGAL MARCANTILE COMPANY LIMITED
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, 2013.

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No.
01.	Compliance Certificate in Form No. 66	383A	the year ended 31st March, 2012	27th September, 2012	Yes	—
02.	Form No.8	125	for modification of charge on 3rd September, 2012 for Rs. 12.85 crores, in favour of Oriental Bank of Commerce, Fort Branch.	9th October, 2012	No	Yes
03.	Annual Return in Form No. 20B	159	as on the date of the Annual General Meeting held on 15th September, 2012	15th October, 2012	Yes	—
04.	Form 23B	224(1A)	appointment of Auditor for the year ended 31st March, 2013	30th November, 2012	Yes	—
05.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL & 23ACA XBRL	220	the year ended 31st March, 2012	4th January, 2013	Yes	—

AUDITORS' REPORT

To,

THE MEMBERS OF SARVAMANGAL MERCANTILE COMPANY LIMITED.

Report on the Financial Statement

We have audited the accompanying financial statement of **SARVAMANGAL MERCANTILE COMPANY LIMITED**, (the Company) which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

1. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Company Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from the material misstatement, whether due to fraud or error.

Auditors' Responsibility

2. Our responsibility is to express an opinion on these financial statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the preparation and presentation of financial statement the give a true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting polices used and the reasonable of the accounting estimates made by management, as well as evaluating the over presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on the date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on the date.

Other Matters

4. Report on Other Legal and Regulatory Requirements
 - (i) As require by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said order.

SARVAMANGAL MERCANTILE COMPANY LIMITED

- (ii) Further to our comments in the Annexure referred to in paragraph 6(l) above, as required by section 227(3) of the Act, 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 Statement of Profit and 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 Statement of Profit & Loss 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, 2013 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, present a true and fair view, in conformity with the accounting principles generally accepted in India:

**For S. G. Kabra & Co.,
Chartered Accountants
(F.R.N. 104507W)**

Place : Mumbai
Date : 29th May, 2013

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

Annexure to Independent 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) In our opinion, the company has not disposed off any fixed assets during the year and the going concern status of the company is not affected.
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.
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.

SARVAMANGAL MERCANTILE COMPANY LIMITED

- 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, 2013 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 has not incurred any cash losses during the financial year covered by our audit and has not incurred any 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.
 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
(F.R.N. 104507w)**

Place : Mumbai
Date : 29th May, 2013

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

SARVAMANGAL MERCANTILE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds:			
(a) Share Capital	1	4,990,000	4,990,000
(b) Reserves & Surplus	2	40,309,917	42,922,594
(2) Non- Current Liabilities			
(a) Long Term borrowings	3	147,706,122	124,064,717
(b) Deffered tax Liabilities		118,739,181	148,438,833
Less :- Discount Value		38,448,369	42,879,702
		80,290,812	105,559,131
(c) Other Long Term liabilities	4	752,000	806,589
(4) Current Liabilities			
(a) Trade Payables	5	113,540	113,540
(b) Other current liabilities	6	22,246,948	616,222
Total		296,409,339	279,072,793
II. Assets			
(1) Non - current assets			
(a) Fixed assets			
(i) Tangible assets	7	344,622	428,253
(b) Non - Current investments	8	147,837,413	108,320,622
(2) Current assets			
(a) Inventories	9	88,506,818	88,525,740
(b) Trade receivables	10	7,514,208	7,514,208
(c) Cash and cash equivalents	11	1,323,513	506,599
(d) Short term Loans and advances	12	48,674,881	73,040,616
(e) Other current assets	13	2,207,883	736,755
Total		296,409,339	279,072,793
Significant Accounting Policies & Notes on Accounts	16		

As per our Report of even date

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

(MALVIKA P. MITRA)
Partner
Membership No. 44105

Place :- Mumbai
Date :- 29th May'2013

For and on Behalf of the Board

Adarsh Somani (Director)

B K Toshniwal (Director)

Sanjay Jain (Director)

SARVAMANGAL MERCANTILE COMPANY LIMITED

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

	Note	31st March, 2013 (₹)	31st March, 2012 (₹)
I. Revenue from Operations			
Sale of Shares		475,093	6,885,551
II. Other Income	14	3,192,946	1,870,867
III. Increase /(Decrease) In stock of Shares		(18,921)	62,617,750
Total Revenue (I+II)		<u>3,649,118</u>	<u>71,374,168</u>
III. EXPENSES:			
Purchase of Shares		407,186	15,000,000
Shares transfer from Investment to Inventory		0	48,000,000
Loss on sale of Investment		0	224,553
Loss on sale of Foreign Currency		44,810	0
Employees benefit expenses		185,023	223,137
Financial Cost		0	762,112
Depreciation and amortization expense		83,631	110,901
Other expenses	15	5,542,551	6,443,860
Total Expenses		<u>6,263,200</u>	<u>70,764,563</u>
IV. Profit before tax		(2,614,082)	609,605
(1) Current Tax		0	180,000
(2) Income Tax paid for earlier year		(1,405)	(2,353)
V. Profit(Loss) from the period from continuing operations		(2,612,677)	431,958
Significant Accounting Policies & Notes on Accounts	16		

As per our Report of even date

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

(MALVIKA P. MITRA)
Partner
Membership No. 44105

Place :- Mumbai
Date :- 29th May'2013

For and on Behalf of the Board

Adarsh Somani (Director)

B K Toshniwal (Director)

Sanjay Jain (Director)

SARVAMANGAL MERCANTILE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax and Prior period Adjustment & exceptional item	(2,614,082)	611,958
Adjustments for:		
Depreciation	83,631	110,901
Dividend Received	(271,491)	(263,869)
Interest Expenses	-	762,112
Interest Received	(14,959)	(402,500)
(Profit)/ Loss on Sale of long term Investments	153,770	224,553
Discount Charges	4,431,333	5,269,818
Sundry Balances Written off	(2)	-
Operating Profit before Working Capital changes	1,768,200	6,312,973
Adjustments for:		
Trade & Other Receivables	22,894,609	3,676,203
Inventories	18,921	(62,617,750)
Trade Payables	21,576,137	(7,101,294)
Cash generated from Operations	46,257,867	(59,729,867)
Direct Taxes Paid (Net of Refund)	1,405	(180,000)
Cash Flow before prior period Adjustments	46,259,272	(59,909,867)
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	46,259,272	(59,909,867)
<u>CASH FLOW FROM INVESTMENT ACTIVITIES</u>		
Sale of Investment	2,169,498	48,103,624
Purchase of Investment	(41,840,059)	(5,000,000)
Interest Received	14,959	402,500
Dividend Received	271,491	263,869
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(39,384,111)	43,769,993
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Unsecured Loans (Net of Proceeds)	23,641,405	108,935,800
Deferred Sales Tax Liabilities	(29,699,652)	(92,903,875)
Interest paid	-	(762,112)
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	(6,058,247)	15,269,813
Net Increase in Cash and Cash Equivalents Total: (A+ B+ C)	816,914	(870,061)
Cash and Cash Equivalents - Opening Balance	506,599	1,376,660
Cash and Cash Equivalents - Closing Balance	1,323,513	506,599

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

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 :- 29th May'2013

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE "1"	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
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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
Susheel Somani Jt. Mridula Somani	16,000	6.43%	-	-
Kopran Laboratories Limited	18,000	7.23%	18,000	7.23%
Karmer Pharmaceuticals Pvt.Limited	-	-	16,000	6.43%
S. V. Trading & Agencies Limited	24,500	9.84%	24,500	9.84%
Parijat Shipping & Finale Limited	24,500	9.84%	24,500	9.84%
Ridhi Sidhi Equifin Pvt. Limited	50,000	20.08%	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	<u><u>249,000</u></u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "2"	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
RESERVES AND SURPLUS :		
Surplus - Profit and Loss Account		
Opening Balance	42,922,594	42,490,636
Add :- Net Profit/(Loss) after tax from continuing operations	(2,612,677)	431,958
Closing Balance	<u>40,309,917</u>	<u>42,922,594</u>
NOTE "3"		
Long Term Borrowings		
Unsecured Loans		
Inter-corporate Loans	147,706,122	1,240,64,717
	<u>147,706,122</u>	<u>124,064,717</u>
NOTE "4"		
Other Long Term Liabilities		
Deposits	752,000	806,589
	<u>752,000</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	22,245,715	595,222
Tds Payable	1,233	21,000
	<u>22,246,948</u>	<u>616,222</u>

NOTE "7"

Fixed Assets

Particulars	Gross Block		Depreciation		Net Block	
	As at 01.04.2012	As at Additions during the year adjustment 31.03.2013	upto 01.04.2012	for the year adjustment 31.03.2013	As at 31.03.2013	As at 31.03.2012
Motor Car	2,063,876	-	1,766,083	77,098	220,695	297,793
Fire Fighting Equipment	1,127	-	1,116	11	-	11
Premises	426,196	-	295,747	6,522	123,927	130,449
Computer	95,000	-	95,000	-	-	-
Total	2,586,199	-	2,157,946	83,631	344,622	428,253
Previous Year	2,586,199	-	2,047,045	110,901	428,253	539,154

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	134150	1,366,945
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	700	5,180	1,900	14,060
10 Onward Technologies Limited	617,040	26,230,029	647,821	27,549,303
10 KJMC Financial Services Limited	100	2,381	100	2,381
10 KJMC Global Services Limited	150	2,601	150	2,601
10 IMP Powers Limited	0	0	66	594,705
10 NMDC Limited	2,000	188,198	2,000	188,198
TOTAL (A)		72,461,511		74,384,370

(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		49,999		49,999
		<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		999,999		999,999
		<u>1</u>		<u>1</u>
10 12% Redeemable Preference Shares of Kopran Limited	800,000	8,000,000	500,000	5,000,000
10 Shree Venkatesh Karriers Pvt. Limited	83,000	830,150	83,000	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 Parijat Shipping & Finale Ltd.	850,000	8,502,138	0	0
10 G. Claridge & Co. Limited	854,000	29,890,000	0	0
10 Suraj Containers Limited	5,000	5,000	0	0
10 Digvijay Investment Limited	25	2,512	0	0
10 USL Auto Services Ltd.	15,000	150,000	15,000	150,000
TOTAL (B)		75,185,902		33,786,252

(C) PARTNERSHIP FIRM -

S. K. Somani & Co.		190,000		150,000
		190,000		150,000

TOTAL (A+B) **147,837,413** **108,320,622**

Aggregate Book Value - Unquoted	75,375,902	33,786,252
Quoted	72,461,511	74,384,370
Aggregate Market Value - Quoted	55,751,921	62,384,268

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "9"

INVENTORIES :

(As taken, valued and certified by a Director)

Face Value	Nos.	As at 31st March, 2013 (₹)	Nos.	As at 31st March, 2012 (₹)
(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.95,475/-)	300	0	300	0
10 Atash Industries Ltd. (Cost Rs. 11,25,000/-)	37,500	37,500	37,500	37,500
10 Can India Limited (Cost Rs. 500/-)	100	100	100	100
10 Cyberscepe Multimedia Limited (Cost Rs. 64,69,690/-)	100,000	147,000	100,000	147,000
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	2,639	350	3,440
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. 768/-)	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. 13,37,280/-)	159,200	245,168	159,200	245,168
10 Morgan Stanley Growth Fund (Cost Rs.13,781/-)	1,600	13,781	1,600	13,781
10 Origin Agrostar Limited (Cost Rs.333/-)	19,300	333	19,300	333
10 Sharp Industries Limited (Cost Rs.8,980/-)	500	4,590	500	8,980
10 Spartak Ceramics (I) Ltd. (Cost Rs. 1,08,372/-)	1,486	1,486	1,486	1,486
10 SBEC Sugar Limited (Cost Rs.10,00,000/-)	100,000	841,000	100,000	817,000

SARVAMANGAL MERCANTILE COMPANY LIMITED

10 Team Asia Semico Limited (Cost Rs.333/-)	67,000	333	67,000	333
10 The Aluminium Industries Ltd. (Cost Rs.4,24,850/-)	24,000	24,000	24,000	24,000
10 21st Century Management Limited (Market Value Rs.1,06,250/-)	25,000	45,063	25,000	45,063
10 Videocon Industries Limited (Cost Rs.1,15,176/-)	0	0	220	37,730
TOTAL		<u>1,864,826</u>		<u>1,883,747</u>

II. Fully Paid up Debentures :

30 16% Debentures of Essar Shipping Ltd (Cost Rs. 30,000/-)	1,000	30,000	1,000	30,000
100 15% Debentures of Supreme Industries Limited (Cost Rs. 1,60,000/-)	1,600	160,000	1,600	160,000
140 14% Debentures of Spartak Granites Limited (Cost Rs.7,000/-)	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	2,500	25,000	2,500	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	40,000	48,000,000
10 10% Non Convertible Non Cumulative Pref. Shares of Kopran Limited	5,580,000	15,000,000	5,580,000	15,000,000
TOTAL		<u>86,444,992</u>		<u>86,444,992</u>
GRAND TOTAL :-		<u>88,506,818</u>		<u>88,525,739</u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "10"

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
Trade Receivable		
Unsecured & Considered Doubtful:		
Debts outstanding for a period exceeding six months	7,616,032	7,616,032
Other Debts	<u>0</u>	<u>0</u>
	7,616,032	7,616,032
Less :- Provision for bad & doubtful debts	101,824	101,824
	<u><u>7,514,208</u></u>	<u><u>7,514,208</u></u>

NOTE "11"

CASH AND CASH EQUIVALENT

Cash on hand	8,229	14,643
Balance with Scheduled Banks In Current account	1,315,284	491,955
	<u><u>1,323,513</u></u>	<u><u>506,599</u></u>

NOTE "12"

**Short - Term loans and advances
Other Loan & Advances**

Loan and Advances	37,838,438	61,227,033
Advance recoverable in cash or kind or for value to be received	10,759,308	11,736,447
Deposits	77,135	77,135
	<u><u>48,674,881</u></u>	<u><u>73,040,616</u></u>

NOTE "13"

Other Current Assets

Dividend Receivable	-	-
Rent Receivable	-	129,598
S. K. Somani & Co.	1,860,295	330,952
Advance Payment of Income Tax (net of Provision)	347,588	276,205
	<u><u>2,207,883</u></u>	<u><u>736,755</u></u>

NOTE "14"

OTHER INCOME

Dividend from Long Term Investment (Gross)	271,491	263,869
Interest received from Income Tax Authorities	-	10,490
Interest received from Others (TDS Rs.1,496/- Previous Year Rs. 39,200/-)	14,959	392,010
Rent Received (TDS Rs.1,16,854/- Previous year Rs.86,400/-)	1,040,000	864,000
Profit/(Loss) on Sale of Shares	6,200	-
Previous Year Income	-	9,546
Profit from Partnership Firm	1,860,295	330,952
Sundry Balances Written off	2	0
TOTAL	<u><u>3,192,946</u></u>	<u><u>1,870,867</u></u>

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "15"

	31st March, 2013 (₹)	31st March, 2012 (₹)
OTHER EXPENSES		
Discount Charges	4,431,333	5,269,818
Loss on Sale of Investment	153,770	0
Demat Charges	10,557	1,260
Staff Welfare Expenses	8,509	9,891
Rent Rates & Taxes	185,194	182,566
Legal & Professional	202,749	601,403
Sundry Repairs	274,360	0
Sundry Balances Written Off	0	124,000
Auditors' Remuneration :		
Audit Fees	11,236	11,030
Tax Audit Fees	0	6,618
Directors Sitting Fees	3,000	4,400
Miscellaneous Expenses	261,843	232,874
TOTAL	<u>5,542,551</u>	<u>6,443,860</u>

Note – “16”

Notes forming part of Accounts for the year ended 31st March 2013

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 31.03.2013	Year ended 31.03.2012
Net Profit/(Loss) attributable to share holder (in Rs.)	(26,12,677)	4,31,958
Weighted average number of equity shares (in No.)	249000	249000
Basic earning per shares of Rs.10/- each	(10.49)	1.73

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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Opening Stock	77,64,206	23,39,206	2,650	2,650
Add:-Purchase	8953	55,80,000	-	-
Add:-Tfd. from Investment	0	40,000	-	-
	77,73,159	79,59,206	2,650	2,650
Less :- Sale	9173	1,95000	-	-
Closing Stock	77,63,986	77,64,206	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 : 29th May 2013

