



Sarvamangal Mercantile Company Limited

**31ST ANNUAL REPORT
2013-2014**

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.
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 First** Annual General Meeting of the Company will be held on Saturday 30th August, 2014 at No. 2 Mohatta Bhavan Properties, Dr E Moses Road, Worli, Mumbai – 400018 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2014 together with 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 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 Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. S G Kabra & Co. Chartered Accountant (FRN No. 104507W), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) of the Company at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) Shri B K Toshniwal (DIN 00048019), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for term of 5 (Five) consecutive years i.e. from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company, and he shall not be liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to provision of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) Shri Sanjay Jain (DIN 00047973) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for term of 5 (Five) consecutive Years i.e. from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company, and he shall not be liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as **Special Resolution** :

“**RESOLVED THAT** in supersession of the ordinary resolution passed under Section 293(1)(d) of the Companies Act, 1956, by the Shareholders in the Extra ordinary General Meeting of the Company held on 18th March, 1994 and pursuant to Section 180 (1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, consent of the Members be and is hereby accorded to the Board of Directors of the Company to borrow such sums or sums of monies in any manner from time to time as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as they may think fit notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up Share Capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50.00 Crores (Rupees Fifty Crores Only) over and above the aggregate of the paid up Share Capital of the Company and its free reserves.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take necessary steps for giving effect to the aforesaid resolution.”

By Order of the Board

Place : Mumbai
Date : 28th May, 2014

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.** 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 acts 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 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. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd August, 2014 to 30th August, 2014 (both days inclusive).
4. Members are requested to intimate change in their address, if any, to the Company / R & T Agent.

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5. A brief profile along with other details of Directors seeking re-appointment/appointment as Director/Independent Director :-

Name of Director	Mr. Adarsh Somani	Mr. Sanjay Jain	Mr. B K Toshniwal
DIN	00192609	00048019	00047973
Date of Birth	20/04/1974	22/01/1951	17/12/1965
Date of Appointment	30/06/2008	21/03/1985	30/04/2002
Expertise in Specific Functional area	Expertise in Marketing of FMCG Products, Real Estate and Finance.	Expertise in manufacturing and marketing of packaging products. Expertise in finance, legal, secretarial and administration	Expertise in finance, legal and secretarial
Qualification	B.Com	B.COM, FCS	B.COM, M.COM, FCS
Board Membership of other Public Limited Companies	1. Kopran Laboratories Ltd. 2. Kopran Lifescience Ltd. 3. Hotal Empire Ltd. 4. S.V.Trading & Agencies Ltd. 5. Parijat Shipping & Finale Ltd. 6. Ridhi Sidhi Equifin Ltd. 7. Orion Enterprises Ltd.	1. Orion Enterprises Ltd 2. Oriental Containers Limited	Nil
Number of Shares Held in the Company as on 31st March, 2014.	1000	NIL	NIL

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4 and 5

The Companies Act, 2013 (hereinafter referred as the "ACT") and the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company.

The Company has received a declaration from Shri B K Toshniwal and Shri Sanjay Jain that they meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing agreement. Shri B K Toshniwal and Shri Sanjay Jain possess appropriate skills, experience and knowledge, inter alia in the field of finance and secretarial.

In the opinion of the Board, Shri B K Toshniwal and Shri Sanjay Jain fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement.

Keeping in view their vast experience and knowledge, it will be in the interest of the Company to appoint Shri B K Toshniwal and Shri Sanjay Jain, as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for term of 5 consecutive years i.e. from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting.

Shri B K Toshniwal and Shri Sanjay Jain, are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

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The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Shri B K Toshniwal and Shri Sanjay Jain, for the office of Directors of the Company.

Shri B K Toshniwal and Shri Sanjay Jain, are interested in the resolution set out respectively in item No. 4 and 5 of the Notice with regard to their respective appointments.

Therefore the Board recommends the resolution as set out in Item No 4 and 5 for approval of the Members. None of the other Directors, key managerial personnel and their relatives are concerned or interested in these resolutions.

Item No. 6

The shareholders of the Company had by an Ordinary Resolution, at the Extra ordinary General Meeting of the Company held on 18th March, 1994 authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company amount in excess of aggregate of the Paid up Share Capital or free reserves but not exceeding Rs. 25.00 Crores (Rupees Twenty Five Crores Only).

However, Section 180(1) (c) of the Companies Act, 2013, provides that the Board of Directors of the Company shall not borrow money in excess of the aggregate of Paid up Capital and free reserves without the consent of the Members of the Company is accorded by a Special Resolution.

The Board of Directors feels that it may be necessary for the Company to raise further monies from various sources which may exceed aggregate of Paid up Share Capital and free reserves. Accordingly the special resolution as set out in item No. 6 of the Notice is proposed for approval of Members.

None of the Directors, Key Managerial Personnel and their relative is concerned or interested in the resolutions.

By Order of the Board

Place : Mumbai
Date : 28th May, 2014

Adarsh Somani
Director

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

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the **THIRTY FIRST ANNUAL REPORT** together with the Audited Statement of Accounts for the year ended March 31, 2014.

Financial Highlights :

	Rs. In Lacs	
	Current Year	Previous Year
Gross Profit / (Loss)	(15.81)	(25.30)
Less: Interest	30.79	----
Depreciation	0.63	0.84
Provision for Income Tax	-----	-----
Income tax for Earlier Year	0.03	(0.01)
Leaving a Balance	(15.64)	(26.13)
Balance brought forward from previous year	403.10	429.23
Balance transferred from General Reserve	—	----
Profit / (Loss) available for appropriation	387.45	403.10
Surplus carried to Balance – Sheet	387.45	403.10
	-----	-----
Balance carried to balance sheet	387.45	403.10
	-----	-----

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 2014, 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 , 2014 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 2014-2015 has been paid.

DIRECTORS

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

In terms of Section 149, 152 Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Director) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri B K Toshniwal and Shri Sanjay Jain as Independent Director of the Company up to 5(five) consecutive years i.e. up to 31st March, 2019.

The brief resume of the aforesaid directors and other information have been detailed in the Notice.

AUDITORS

The Auditors, M/s S G Kabra & Co., Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. S G Kabra & Co. Chartered Accountant (FRN No. 104507W), are being appointed as Auditors as per the resolution included in the Notice of 31st Annual General Meeting.

Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 28th May, 2014

Adarsh Somani
(Director)

B. K. Toshniwal
(Director)

Sanjay Jain
(Director)

SARVAMANGAL MERCANTILE COMPANY LIMITED

GMJ & Associates
Company Secretaries

3rd Floor & 4th Floor, Vaastu Darshan B", Above Central Bank of India,
Azad Road, Andheri (East), Mumbai – 400 069.
Tel. No. 6191 9293/ 222 • Fax: 2684 2221 • E mail :cs@gmj.co.in

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 MERCANTILE 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, The Companies Act, 2013 to the extent notified and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2014. 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 4 times on 29th May, 2013, 12th August, 2013, 12th November, 2013 and 12th February, 2014, 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 6th September, 2013 to 14th September, 2013 and has complied with the provisions of the Act.
06. the Annual General Meeting for the financial year ended on 31st March, 2013 was held on 14th September, 2013 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 provisions of Section 295 relating to Loans to Director under the Companies Act, 1956 were applicable to the Company till 11.09.2013. Thereafter the provisions of Section 185 of the Companies Act, 2013 were made applicable with effect from 12.09.2013. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred as per the provisions of the Act.
09. no contracts were entered during the year attracting the provisions of Section 297 of the Act.
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.
 - 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 and banks 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 loans and advances to others and has also made investments in other bodies corporate 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.

SARVAMANGAL MERCANTILE COMPANY LIMITED

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 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**

Sd/-

**(P. MAHESHWARI)
PARTNER
C.P. NO. 1432
F.C.S NO. 2405**

PLACE : MUMBAI
DATE : 28th MAY, 2014.

**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, 2014.

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, 2013	26th September, 2013	Yes	-----
02.	Annual Return in Form No. 20B	159	as on the date of the Annual General Meeting held on 14th September, 2013	11th October, 2013	Yes	-----
03.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL & 23ACA XBRL	220	the year ended 31st March, 2013	12th October, 2013	Yes	-----
04.	Form 23B	224(1A)	appointment of Auditor for the year ended 31st March, 2014	26th October, 2013	No	Yes

INDEPENDENT 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 31st March, 2014, 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 Companies 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 assessments, the auditor considers internal control relevant to the preparation and presentation of the financial statement that 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 policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall 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 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

4. Report on Other Legal and Regulatory Requirements
 - (i) As require by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we 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(i) 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 , Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet , 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, 2014 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2014 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 : 28th May, 2014

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

SARVAMANGAL MERCANTILE COMPANY LIMITED

Annexure to Independent Auditors' Report as on 31st March, 2014

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 and fixed assets. 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, no 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 Section 209 (1) (d) of the Companies Act, 1956 for any of the product of the Company

SARVAMANGAL MERCANTILE COMPANY LIMITED

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, 2014 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 but has incurred cash losses during the financial year covered by our audit, and has also 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.
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 : 28th May, 2014

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

SARVAMANGAL MERCANTILE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds:			
(a) Share Capital	1	4,990,000	4,990,000
(b) Reserves & Surplus	2	38,745,506	40,309,917
(2) Non- Current Liabilities			
(a) Long Term borrowings	3	239,936,717	147,706,122
(b) Deffered tax Liabilities		89,895,485	118,739,181
Less :- Discount Value		33,985,988	38,448,369
		55,909,497	80,290,812
(c) Other Long Term liabilities	4	752,000	752,000
(4) Current Liabilities			
(a) Short Term Borrowings	5	62,070,352	-
(a) Trade Payables	6	113,540	113,540
(b) Other current liabilities	7	49,771,273	22,246,948
Total		452,288,885	296,409,339
II. Assets			
(1) Non - current assets			
(a) Fixed assets			
(i) Tangible assets	8	281,288	344,622
(b) Non - Current investments	9	221,787,364	147,837,413
(2) Current assets			
(a) Inventories	10	96,535,374	88,506,819
(b) Trade receivables	11	6,614,208	7,514,208
(c) Cash and cash equivalents	12	1,622,148	1,323,513
(d) Short term Loans and advances	13	124,984,079	48,674,881
(e) Other current assets	14	464,424	2,207,883
Total		452,288,885	296,409,339
Significant Accounting Policies & Notes on Accounts	17		

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 : 28th May, 2014

SARVAMANGAL MERCANTILE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	31st March, 2014 (₹)	31st March, 2013 (₹)
I. Revenue from Operations			
Sale of Shares		6,250,000	475,093
II. Other Income	15	3,870,985	3,192,946
III. Increase /(Decrease) In stock of Shares		8,028,555	(18,921)
Total Revenue (I+II)		18,149,540	3,649,118
III. EXPENSES:			
Purchase of Shares		8,536,443	407,186
Loss on sale of Foreign Currency		-	44,810
Employees benefit expenses		172,659	185,023
Financial Cost			
Interest Paid to Bank		2,504,083	-
Interest Paid to Others		575,620	-
Depreciation and amortization expense		63,334	83,631
Other expenses	16	7,858,694	5,542,551
Total Expenses		19,710,833	6,263,200
IV. Profit / (Loss) before tax		(1,561,293)	(2,614,082)
(1) Current Tax		-	-
(2) Income Tax paid for earlier year		3,118	(1,405)
V. Profit / (Loss) from the period from continuing operations		(1,564,411)	(2,612,677)
Significant Accounting Policies & Notes on Accounts	17		

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 : 28th May, 2014

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, 2014

PARTICULARS	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax and Prior period Adjustment & exceptional item	(1,561,293)	(2,614,082)
Adjustments for:		
Depreciation	63,334	83,631
Dividend Received	(1,825,463)	(271,491)
Interest Expenses	3,079,703	-
Interest Received	(133,062)	(14,959)
(Profit)/ Loss on Sale of long term Investments	79,186	153,770
Discount Charges	4,462,381	4,431,333
Sundry Balances Written off	-	(2)
Operating Profit before Working Capital changes	<u>4,164,786</u>	1,768,200
Adjustments for:		
Trade & Other Receivables	(73,665,739)	22,894,609
Inventories	(8,028,555)	18,921
Trade Payables	<u>27,524,325</u>	21,576,137
Cash generated from Operations	(50,005,183)	46,257,867
Direct Taxes Paid (Net of Refund)	(3,118)	1,405
Cash Flow before prior period Adjustments	<u>(50,008,301)</u>	46,259,272
Prior period adjustments	-	-
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	<u>(50,008,301)</u>	<u>4,62,59,272</u>
<u>CASH FLOW FROM INVESTMENT ACTIVITIES</u>		
Sale of Investment	3,485,230	2,169,498
Purchase of Investment	(77,514,367)	(41,840,059)
Interest Received	133,062	14,959
Dividend Received	<u>1,825,463</u>	271,491
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	<u>(72,070,612)</u>	<u>(39,384,111)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Unsecured Loans (Net of Proceeds)	92,230,595	23,641,405
Proceeds from Secured Loans (Net of Repayments)	62,070,352	-
Deffered Sales Tax Liabilities	(28,843,696)	(29,699,652)
Interest paid	<u>(3,079,703)</u>	-
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	<u>122,377,548</u>	<u>(6,058,247)</u>
Net Increase in Cash and Cash Equivalents Total: (A+ B+ C)	298,635	816,914
Cash and Cash Equivalents - Opening Balance	1,323,513	506,599
Cash and Cash Equivalents - Closing Balance	<u>1,622,148</u>	1,323,513

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 : 28th May, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE "1"	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
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
	5,000,000	5,000,000
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
	4,990,000	4,990,000

Notes :

1. 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.
2. 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%	16,000	6.43%
Kopran Laboratories Limited	18,000	7.23%	18,000	7.23%
Skyland Securities Pvt. Limited	24,500	9.84%	-	-
S. V. Trading & Agencies Limited	-	-	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%

3. 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

NOTE "2"	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
RESERVES AND SURPLUS :		
Surplus - Profit and Loss Account		
Opening Balance	40,309,917	42,922,594
Add :- Net Profit/(Loss) after tax from continuing operations	(1,564,411)	(2,612,677)
Closing Balance	<u>38,745,506</u>	<u>40,309,917</u>
NOTE "3"		
Unsecured Loans		
Inter-corporate Loans	239,936,717	147,706,122
	<u>239,936,717</u>	<u>147,706,122</u>
NOTE "4"		
Other Long Term Liabilities		
Deposits	752,000	752,000
	<u>752,000</u>	<u>752,000</u>
NOTE "5"		
Short Term Borrowings		
Cash Credit from Central Bank of India (Secured by Pledge of Third Party's FCNR Deposits)	40,037,108	-
Cash Credit from Punjab National Bank (Secured by Pledge of Third Party's FCNR Deposits)	22,033,245	-
	<u>62,070,352</u>	<u>-</u>
NOTE "6"		
Trade Payable	113,540	113,540
	<u>113,540</u>	<u>113,540</u>
NOTE "7"		
Other current liabilities		
Other liabilities	49,710,711	22,245,715
Tds Payable	60,562	1,233
	<u>49,771,273</u>	<u>22,246,948</u>

NOTE "8"

Fixed Assets

Particulars	Gross Block		Depreciation		Net Block				
	As at 01.04.2013	Additions during the year	Deduction and adjustment	As at 31.03.2014	upto 01.04.2013	for the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Motor Car	2,063,876	-	-	2,063,876	1,843,181	57,138	1,900,319	163,557	220,695
Fire Fighting Equipment	1,127	-	-	1,127	1,127	-	1,127	-	-
Premises	426,196	-	-	426,196	302,269	6,196	308,465	117,731	123,927
Computer	95,000	-	-	95,000	95,000	-	95,000	-	-
Total	2,586,199	-	-	2,586,199	2,241,577	63,334	2,304,911	281,288	344,622
Previous Year	2,586,199	-	-	2,586,199	2,157,946	83,631	2,241,577	344,622	428,253

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "9"

Non - Current Investments (At Cost)

(As certified by Director)

(A) QUOTED - Fully paid up Equity Shares

Face Value	Nos.	₹	Nos.	₹
10 Videocon Industries Limited	40	18,449	40	18,449
02 Oricon Enterprises Limited	3,612,500	59,069,179	134,150	1,366,945
10 Kopran Limited	2,903,951	54,962,299	2,168,056	44,646,719
10 KDL Bio-Tech Limited	250	1,309	100	1,009
10 Supreme Industries Limited	1,600	528,000	0	0
10 Supreme Petrochem Limited	700	5,180	700	5,180
10 Onward Technologies Limited	538,484	22,890,613	617,040	26,230,029
10 KJMC Financial Services Limited	100	2,381	100	2,381
10 KJMC Global Services Limited	150	2,601	150	2,601
10 NMDC Limited	2,000	188,198	2,000	188,198
10 Shree Vindhya Paper Mills Limited	79,877	39,939	0	0
10 Soma Paper Mills Limited	55,000	1,100,000	0	0
10 Hindustan Tin Works Limited	200,100	5,215,355	0	0
10 IMP Powers Limited	24	155,484	0	0
TOTAL (A)		144,178,987		72,461,511

(B) UNQUOTED -

Fully paid up Equity and Preference Shares

100 Hotel Empire Ltd.	9,790	27,622,900	9,790	27,622,900
10 Suraj Containers Ltd.	5,000	50,000	5,000	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.	100,000	1,000,000	100,000	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	800,000	8,000,000
10 Shree Venkatesh Karriers Pvt. Limited	83,000	833,990	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	850,000	8,502,138
10 G. Claridge & Co. Limited	915,590	32,233,510	854,000	29,890,000
10 Suraj Containers Limited	5,000	5,125	5,000	5,000
10 Digvijay Investment Limited	25	2,512	25	2,512
10 USL Auto Services Ltd.	15,000	150,000	15,000	150,000
TOTAL (B)		77,533,377		75,185,902

(C) PARTNERSHIP FIRM -

S. K. Somani & Co.	75,000	190,000
	<u>75,000</u>	<u>190,000</u>

TOTAL (A+B) 221,787,364 147,837,413

Aggregate Book Value - Unquoted 77,608,377 75,185,902

Quoted 144,178,987 72,461,511

Aggregate Market Value - Quoted 163,829,233 55,751,921

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "10"

INVENTORIES :

(As taken, valued and certified by a Director)

Face Value	Nos.	As at 31st March, 2014 (₹)	Nos.	As at 31st March, 2013 (₹)
(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.125,835/-)	300	-	300	-
10 Atash Industries Ltd. (Cost Rs. 1,125,000/-)	37,500	37,500	37,500	37,500
10 Bhilai Wires Limited (Cost Rs. 5,810/-)	8,300	5,810	-	-
10 Balaji Foods (Cost Rs. 27,000/-)	15,000	27,000	-	-
10 Cifco Finance Limited (Cost Rs. 225/-)	100	225	-	-
10 Can India Limited (Cost Rs. 500/-)	100	100	100	100
10 Cyberscepe Multimedia Limited (Cost Rs. 6,469,690/-)	100,000	31,000	100,000	147,000
10 DSQ Software Limited (Cost Rs. 208,040/-)	28,000	208,040	0	0
10 DSQ Biotech Limited (Cost Rs. 324,765.01)	33,700	125,260	1,000	1,000
10 DLF Cements Limited (Cost Rs. 45,000/-)	5,000	45,000	0	0
10 Ensa Steel Ltd. (Cost Rs.19,250/-)	350	1,540	350	2,639
10 Finolex Industries Limited (Market Value Rs.19,120/-)	100	3,584	0	0
10 Globe Stock Limited (Cost Rs. 8,798,177/-)	300,000	300,000	300,000	300,000
10 Gautam Resources Limited (Cost Rs. 334/-)	200,000	334	200,000	334
10 Gujarat Themis Biosys Limited (Market Value Rs. 8,784/-)	900	7,191	0	0
10 Gujarat Alkalies & Chemicals Limited (Market Value Rs. 18,255/-)	100	14,706	0	0
10 Jayant Vitamins Limited (Cost Rs. 2,220/-)	740	2,220	0	0
10 Kshitji Investment Co. Limited (Cost Rs. 500/-)	50	500	0	0
10 Kilburn Chemical Limited (Market Value Rs. 575/-)	50	500	50	500

SARVAMANGAL MERCANTILE COMPANY LIMITED

10	Kayveear Limited (Cost Rs. 7,931,880/-)	200,000	200,000	200,000	200,000
10	Libord Securities Limited (Market Value Rs. 2,659,800/-)	409,200	1,104,668	159,200	245,168
10	Modi Xerox Limited (Cost Rs. 14,244/-)	200	14,244	0	0
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	Sudal Industries Limited (Cost Rs. 14,250/-)	1,000	12,970	0	0
10	Sona Koya Streeing Limited (Market Value Rs. 21,250/-)	1,000	9,840	0	0
10	Shree Krishna Petro Yarn Limited (Cost Rs. 2,220/-)	1,200	2,220	0	0
10	Synergy Log-in Systems Limited (Cost Rs. 12,150/-)	1,000	12,150	0	0
10	Sharp Industries Limited (Cost Rs. 27,294/-)	2,495	17,739	500	4,590
10	Spartak Ceramics (I) Ltd. (Cost Rs. 108,372/-)	1,486	1,486	1,486	1,486
10	SBEC Sugar Limited (Cost Rs. 1,000,000/-)	100,000	960,000	100,000	841,000
10	Team Asia Semico Limited (Cost Rs. 333/-)	67,000	333	67,000	333
10	The Aluminium Industries Ltd. (Cost Rs. 426,050/-)	24,600	25,200	24,000	24,000
10	The West Coast Paper Mills Ltd. (Market Value Rs. 26,700/-)	500	5,592	0	0
10	Tube Investment Limited. (Market Value Rs. 22,003/-)	122	7,814	0	0
10	21st Century Management Limited (Market Value Rs. 101,250/-)	25,000	45,063	25,000	45,063
10	United Diamond Limited (Cost Rs. 13,000/-)	500	13,000	0	0
10	Videocon Industries Limited (Cost Rs. 16,208/-)	80	12,864	0	0
	TOTAL		3,269,807		1,864,826

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. 160,000/-)	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

SARVAMANGAL MERCANTILE COMPANY LIMITED

10	14% Debentures of Gujarat State Fertilizers Limited	106	1,060	0	0
50	12.5% Deb. of Jayant Vitamins Ltd.	70	3,500	0	0
50	15% Deb. of Jayant Vitamins Ltd.(Series B)	200	3,000	0	0
	TOTAL		204,560		197,000
 (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	5,000	27,500	2,500	25,000
10	G. Claridge & Co Ltd	804,000	22,413,275	804,000	22,413,275
10	Kopran Laboratories Limited	50,000	500,000	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
10	Digvijay Investment Limited	25	2,515	0	0
10	Venkatesh Karrier Limited	153,500	7,061,000	0	0
10	Suraj Containers Limited	5,000	50,000	0	0
	TOTAL		93,061,007		86,444,992
	GRAND TOTAL :-		96,535,374		88,506,818

NOTE "11"

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Trade Receivable		
Unsecured & Considered Doubtful:		
Debts outstanding for a period exceeding six months	6,716,032	7,616,032
Other Debts	0	0
	6,716,032	7,616,032
Less :- Provision for bad & doubtful debts	101,824	101,824
	6,614,208	7,514,208

NOTE "12"

CASH AND CASH EQUIVALENT

Cash on hand	9,015	8,229
Balance with Scheduled Banks In Current account	1,613,133	1,315,284
	1,622,148	1,323,513

SARVAMANGAL MERCANTILE COMPANY LIMITED

NOTE "13"

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Short - Term loans and advances		
Other Loan & Advances		
Loan and Advances	110,272,796	37,838,438
Advance recoverable in cash or kind or for value to be received	14,634,148	10,759,307
Deposits	77,135	77,135
	<u>124,984,079</u>	<u>48,674,881</u>

NOTE "14"

Other Current Assets

S. K. Somani & Co.	-	1,860,295
Advance Payment of Income Tax (net of Provision)	464,424	347,588
	<u>464,424</u>	<u>2,207,883</u>

NOTE "15"

OTHER INCOME

Dividend Received (Gross)	1,825,463	271,491
Interest received on PNB Fixed Deposit (TDS Rs.10,446/- Previous Year Rs.1,496/-)	104,458	-
Interest received from Others (TDS Rs.Nil Previous Year Rs.1,496/-)	-	14,959
Interest received from Income Tax Authority	28,604	0
Rent Received (TDS Rs.80,904/- Previous year Rs.1,16,854/-)	720,000	1,040,000
Profit/(Loss) on Sale of Shares	-	6,200
Profit/(loss) from Partnership Firm	11,88,960	1,860,295
Sundry Balances Written off	-	2
Provision for Bonus written off	3,500	-
TOTAL	<u>3,870,985</u>	<u>3,192,946</u>

NOTE "16"

OTHER EXPENSES

Discount Charges	4,462,381	4,431,333
Loss on Sale of Investment	79,186	153,770
Demat Charges	13,493	10,557
Staff Welfare Expenses	-	8,509
Rent Rates & Taxes	389,560	185,194
Legal & Professional	482,639	202,749
Service Tax Paid	24,720	0
Sundry Balance Written off	1,940,347	-
Sundry Repairs	1,18,139	274,360
Auditors' Remuneration :		
Audit Fees	11,236	11,236
Directors Sitting Fees	2,400	3,000
Miscellaneous Expenses	334,594	261,843
TOTAL	<u>7,858,694</u>	<u>5,542,551</u>

Note – “17”

Notes forming part of Accounts for the year ended 31st March, 2014

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 31.03.2014	Year ended 31.03.2013
Net Profit/(Loss) attributable to share holder (in Rs.)	(1,564,411)	2,612,677
Weighted average number of equity shares (in No.)	249,000	249,000
Basic earning per shares of Rs.10/- each	(6.28)	(10.49)

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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Opening Stock	7,763,986	7,764,206	2,650	2,650
Add:-Purchase	510,212	8,953	376	-
Add:-Tfd. from Investment	0	0	-	-
	8,274,198	7,773,159	3,026	2,650
Less :- Sale	50,000	9,173	-	-
Closing Stock	8,224,198	7,763,986	3,026	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 : 28th May, 2014

Sarvamangal Mercantile Co. Limited

CIN: L51100MH1983PLC029600

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

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I /We hereby record my / our presence at the 31st Annual General Meeting of the Company at **No. 2 Mohatta Bhavan Properties, Off Dr E Moses Road, Worli, Mumbai - 400018** on **Saturday 30th August, 2014** at **11.00 A.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 Co. 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;

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

(3) Name: _____ Address: _____ E-mail Id: _____

As my/ our proxy to attend and vote (on a poll) for me / us and on my/ behalf at the 31st Annual General Meeting of the Company to be held on **Saturday, 30th August, 2014 at 11.00 A.M.** at **No. 2 Mohatta Bhavan Properties, Off 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 Annual Financial Statement of the Company for the year ended 31st March, 2014 together with Reports of Board of Directors and Auditor's thereon		
2.	Re-appointment of Shri Adarsh Somani , who retire by rotation and being eligible offer himself for re-appointment as director		
3.	Re-appointment of M/s. S G Kabra & Co. as Statutory Auditor		
	Special Business		
4.	Appointment of Shri B K Toshniwal as Independent Director		
5.	Appointment of Shri Sanjay Jain as Independent Director		
6.	Approval pursuant to Section 180(1)(c) to the Board of Director to borrow monies		

Signed this _____ day of _____ 2014

Signature of the Shareholder _____

Affix
Re. 1
Revenue
Stamp

Signature of first 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.

