



**Sarvamangal Mercantile Company Limited**

**28th ANNUAL REPORT  
2010-2011**

# **Sarvamangal Mercantile Co. Limited**

## **BOARD OF DIRECTORS**

SHRI RAJENDRA SOMANI  
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

# Sarvamangal Mercantile Co. Limited

## NOTICE

NOTICE is hereby given that the TWENTY-EIGHTTH Annual General Meeting of the Company will be held at 1076 Dr. E. Moses Road, Worli, Mumbai 400 018, on Friday the 30<sup>th</sup> September, 2011 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March'2011 and the Profit & Loss Account for the year ended on that date of the Company and the Report of Directors' And Auditors' thereon.
2. To appoint a Director in place of Shri B. K. Toshniwal who retires by rotation and being eligible , offers himself for reappointment.
3. To appoint a Director in place of Shri Sanjay Jain who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board

(RAJENDRA SOMANI)  
Director

Place :- Mumbai

Date :- 25<sup>th</sup> August'2011

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND 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 23rd September, 2011 to 30th September, 2011 (both days inclusive).

# Sarvamangal Mercantile Co. Limited

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the TWENTY-EIGHTTH Annual Report together with the Audited Statement of Accounts for the year ended 31st March' 2011.

<b>Financial Highlights :</b>	<b>Rs. In Lacs</b>	
	<b>Current Year</b>	<b>Previous Year</b>
<b>Gross Profit/(Loss)</b>	(120.72)	10.76
Less : Interest	5.73	0.56
Depreciation	1.48	1.97
Provision for Income tax	0.00	0.00
Leaving a Balance	(127.93)	8.23
Balance brought forward from previous year	552.84	544.61
Balance transferred from General Reserve	—	—
Profit / (Loss) available for appropriation	424.91	552.84
Surplus carried to Balance Sheet	424.91	552.84
Balance carried to Balance Sheet	424.91	552.84

### **DIVIDEND :**

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

### **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.**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to director's responsibility statement, it is hereby confirmed.

- that in the preparation of the accounts for the financial year ended 31<sup>st</sup> March'2011 the applicable accounting standards have been followed
- that the director's have selected such accounting policies and applied them consistently and made judgement 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.
- 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;
- that the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March'2011 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 383 A 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 400 001, but were suspended for trading. The Board is pleased to inform the members that suspension of trading has been revoked by Bombay stock Exchange Limited and the shares are now trade able in Bombay Stock Exchange Limited.

The Scrip code of shares of the company is 506190

The listing fee for the current year have been paid.

### **DIRECTORS :**

Shri B. K. Toshniwal & Shri Sanjay Jain Director of the Company retires by rotation under the Company's Articles of Association and is eligible for re-appointment

### **AUDITORS :**

Members are requested to appoint Auditors for the current year and fix their remuneration, M/s. S.G. Kabra & Co. Chartered Accountants, the existing Auditors have informed their eligibility for re-appointment.

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> August'2011

RAJENDRA SOMANI (DIRECTOR)  
ADARSH SOMANI (DIRECTOR)  
B. K. TOSHNIWAL (DIRECTOR)

# Sarvamangal Mercantile Co. 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 MERCANTILE 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 Rd, 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 31<sup>st</sup> March, 2011. 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 beyond 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 6 times on 30<sup>th</sup> April, 2010, 14<sup>th</sup> August, 2010, 2<sup>nd</sup> September, 2010, 15<sup>th</sup> November, 2010, 14<sup>th</sup> February, 2011 and 22<sup>nd</sup> March, 2011 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 23<sup>rd</sup> September, 2010 to 30<sup>th</sup> September, 2010 and has complied with the provisions of the Act.
06. the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 30<sup>th</sup> September, 2010 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 Co. 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 issued any preference shares/debentures and hence there is no question of redemption of the same.
  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 in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
  26. the company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. the company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
  28. the company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
  29. the company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.

# Sarvamangal Mercantile Co. Limited

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 : 25<sup>th</sup> AUGUST, 2011.**

**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 31<sup>st</sup> March, 2011.**

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, 2010	12th January 2011	No	Yes
02.	Balance Sheet and Profit & Loss Account in Form No. 23AC & 23ACA	220	the year ended 31st March, 2010	12th January, 2011	No	Yes
03.	Annual Return in Form No. 20B	159	as on the date of the Annual General Meeting held on 30th September, 2010	12th January, 2011	No	Yes

# Sarvamangal Mercantile Co. Limited

## AUDITORS' REPORT

To The Members of,  
**SARVAMANGAL MERCANTILE COMPANY LIMITED**

We have audited the attached Balance Sheet of **M/s. SARVAMANGAL MERCANTILE COMPANY LIMITED** as at 31st March, 2011 and also Profit & Loss Account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and read with the amendments made by the Companies (Auditor's Report) Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent they are applicable to the Company.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
  - (a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet and Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow statement dealt with by this report comply with the mandatory Accounting Standards referred to 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, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) We further report that :-
    - (a) *Note No. 2 regarding some of balances of sundry debtors, sundry creditors, deposits, loans & advances and unsecured loan are subject to confirmation and adjustments necessary upon reconciliation, if any consequential impact thereof on the financial statement is not ascertainable.*
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to para (f) above and read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:
    - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(Malvika P. Mitra)  
Partner  
Membership No. 44105

Place : Mumbai  
Date : 25-08-2011



## ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date

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

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

## Sarvamangal Mercantile Co. Limited

8. The Central Government has not prescribed maintenance of Cost Records under Sanction 209 (1) (d) of the Companies Act, 1956 for any of the product of the Company.
9. In respect of statutory dues.
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 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 not 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 transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Company Act, 1956 and save for certain share which are either lodged for transfer or held with valid transfer form.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company except for certain shares pledged by the company for loan taken by the other company. However, in the opinion of the management, the same is not prejudicial to the interest of the company.
16. The Company has not raised any new term loans during the year.
17. In our opinion, the funds raised on short-term or long-term basis have been used for the purpose for which they were raised.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not made any debenture issue.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

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

(Malvika P. Mitra)  
Partner  
Membership No. 44105

Place : Mumbai  
Date : 25-08-2011

# Sarvamangal Mercantile Co. Limited

## BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>SOURCES OF FUNDS :</b>			
SHARE HOLDER FUND	1		
SHARE CAPITAL		4,990,000.00	4,990,000.00
RESERVES AND SURPLUS	2	42,490,636.36	55,283,361.82
<b>LOAN FUNDS</b>			
Unsecured Loan	3	15,128,917.00	8,060,000.00
DEFFERED SALES TAX LIABILITIES		241,342,708.00	241,342,708.00
Less :- Discounting value		48,149,520.00	64,680,017.00
		<u>193,193,188.00</u>	<u>176,662,691.00</u>
<b>TOTAL FUNDS EMPLOYED</b>		<u><u>255,802,741.36</u></u>	<u><u>244,996,052.82</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	2,586,199.50	2,586,199.50
Less : Depreciation		<u>2,047,045.50</u>	<u>1,899,439.50</u>
<b>NET BLOCK</b>		539,154.00	686,760.00
<b>INVESTMENT</b>	5	151,648,800.03	129,175,533.96
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	25,907,989.66	26,407,317.16
Sundry Debtors	7	3,999,725.30	773,258.00
Cash & Bank Balance	8	1,376,660.00	640,990.31
Other Current Assets	9	512,798.00	188,798.00
Loan & Advances	10	80,455,259.20	90,596,655.41
		<u>112,252,432.16</u>	<u>118,607,018.88</u>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	11	8,637,644.83	3,473,260.02
		<u>8,637,644.83</u>	<u>3,473,260.02</u>
<b>NET CURRENT ASSETS</b>		<u>103,614,787.33</u>	<u>115,133,758.86</u>
<b>TOTAL FUNDS UTILISED</b>		<u><u>255,802,741.36</u></u>	<u><u>244,996,052.82</u></u>
Significant Accounting Policies & Notes on Accounts	14		

As per our Report of even date

For and on Behalf of the Board

For S. G. KABRA & CO  
Chartered Accountants

Rajendra Somani (Director)

(MALVIKA P. MITRA)  
Partner  
Membership No. 44105

Adarsh Somani (Director)

B K Toshniwal (Director)

Place :- Mumbai  
Date :- 25th August'2011

# Sarvamangal Mercantile Co. Limited

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	Current Year Rupees	Previous year Rupees
<b>INCOME :</b>			
Sale of Shares/Debentures		5,000,000.00	15,550,000.00
Reinstatement of Investment		0.00	1,172,899.00
Trading Sale		0.00	1,026,000.00
Other Income	12	2,098,329.92	2,478,337.00
Increase / (Decrease) in Stock	13	(499,327.50)	177,400.00
		6,599,002.42	20,404,636.00
<b>EXPENDITURE :</b>			
Purchase of Shares & Debentures		1,000.00	0.00
Shares transfer from Investment to Inventory		0.00	1,500,000.00
Loss on Sale of Investment		0.00	858,236.75
Discount Charges		16,530,497.00	16,061,788.00
Demat Charges		2,617.32	4,054.58
Salaries		303,602.00	412,720.00
Staff Welfare Expenses		15,320.00	15,058.00
Rent Rates & Taxes		170,230.00	165,528.00
Interest Paid		572,690.84	56,046.62
Legal & Professional		1,724,476.00	162,758.00
Auditors' Remuneration :			
Audit Fees		11,030.00	11,030.00
Tax Audit Fees		6,618.00	6,618.00
Directors Sitting Fees		3,200.00	3,200.00
Miscellaneous Expenses		444,048.72	74,656.50
Depreciation		147,606.00	197,028.00
		19,932,935.88	19,528,722.45
Profit /(Loss) Before Taxation		(13,333,933.46)	875,913.55
Profit/(Loss) from Partnership Firm		541,208.00	0.00
Add/(Less) : Prior Period Adjustment		0.00	(24,784.00)
Add/(Less) : Vat paid for earlier year		0.00	(28,361.00)
Less : Provision for Income Tax		0.00	0.00
Profit /(Loss) After Tax		(12,792,725.46)	822,768.55
Balance Carried from earlier year		55,283,361.82	54,460,593.27
<b>PROFIT /(LOSS)AVAILABLE FOR APPROPRIATION</b>		42,490,636.36	55,283,361.82
Proposed Dividend on Preference Shares		0.00	0.00
Tax on Proposed Dividend		0.00	0.00
Balance Carried to Balance Sheet		42,490,636.36	55,283,361.82
		42,490,636.36	55,283,361.82
Basic/Diluted Earning Per share (Refer Note No.4 of Schedule 14)		(51.38)	3.30
Significant Accounting Policies & Notes on Accounts	14		

As per our Report of even date

For and on Behalf of the Board

For S. G. KABRA & CO  
Chartered Accountants

Rajendra Somani

(Director)

(MALVIKAP. MITRA)

Adarsh Somani

(Director)

Partner

B K Toshniwal

(Director)

Membership No. 44105

Place :- Mumbai

Date :- 25th August'2011

# Sarvamangal Mercantile Co. Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL :</b>		
<b>Authorised :</b>		
2,50,000 (Prev. Year 2,50,000) Equity Shares of Rs.10/- each	2,500,000.00	2,500,000.00
2,50,000 (Prev. Year 2,50,000) Redeemable Cumulative Preference Shares of Rs.10/- each	2,500,000.00	2,500,000.00
	5,000,000.00	5,000,000.00
<b>Issued ,Subscribed and Paid-up</b>		
2,49,000 (Prev. Year 2,49,000) Equity Shares of Rs.10/- each	2,490,000.00	2,490,000.00
2,50,000 (Prev. Year 2,20,000) 11% Redeemable Cumulative Pref. Shares of Rs.10/- each	2,500,000.00	2,500,000.00
	4,990,000.00	4,990,000.00
 <b>SCHEDULE '2'</b>		
<b>RESERVES AND SURPLUS :</b>		
Surplus as per Profit and Loss A/c	42,490,636.36	55,283,361.82
TOTAL	42,490,636.36	55,283,361.82
 <b>SCHEDULE '3'</b>		
<b>UNSECURED LOAN :</b>		
From Companies	15,128,917.00	8,060,000.00
	15,128,917.00	8,060,000.00

# Sarvamangal Mercantile Co. Limited

## SCHEDULE '4' FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2010	Additions during the year	Deduction and Adjustment	As at 31-03-2011	Upto 01-04-2010	For the year	Deduction and Adjustment	Upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
Motor Car	2,063,876.00	-	-	2,063,876.00	1,521,674.00	140,376.00	-	1,662,050.00	401,826.00	542,202.00
Fire & Fighting Equipment	1,127.50	-	-	1,127.50	1,112.50	2.00	-	1,114.50	13.00	15.00
Premises	426,196.00	-	-	426,196.00	281,654.00	7,227.00	-	288,881.00	137,315.00	144,542.00
Computer	95,000.00	-	-	95,000.00	94,999.00	1.00	-	95,000.00	-	1.00
<b>Total</b>	<b>2,586,199.50</b>	<b>-</b>	<b>-</b>	<b>2,586,199.50</b>	<b>1,899,439.50</b>	<b>147,606.00</b>	<b>-</b>	<b>2,047,045.50</b>	<b>539,154.00</b>	<b>686,760.00</b>
	<b>2,586,199.50</b>	<b>-</b>	<b>-</b>	<b>2,586,199.50</b>	<b>1,702,411.50</b>	<b>197,028.00</b>	<b>-</b>	<b>1,899,439.50</b>	<b>686,760.00</b>	<b>883,788.00</b>



# Sarvamangal Mercantile Co. Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

<b>SCHEDULE '6'</b>	<b>Nos.</b>	<b>As at 31st March, 2011 Rupees</b>	<b>Nos.</b>	<b>As at 31st March, 2010 Rupees</b>
<b>INVENTORIES :</b>				
(As taken, valued and certified by a Director )				
<b>(A) QUOTED -</b>				
(As cost or market value whichever is lower)				
Face Value :	<b>Nos.</b>	<b>Rupees</b>	<b>Nos.</b>	<b>Rupees</b>
<b>1. Fully paid up Equity Shares :</b>				
10 Alstom Projects India Limited (Market value Rs. 1,76,025/-)	300	0.00	300	0.00
10 Atash Industries Ltd. (Cost Rs. 11,25,000/-)	37500	37,500.00	37500	37,500.00
10 Can India Limited (Cost Rs. 500/-)	100	100.00	100	100.00
10 Cyberscepe Multimedia Limited (Cost Rs. 64,69,690/-)	100000	147,000.00	100000	147,000.00
10 Coroneli Indys Limited (Cost Rs. 1,57,86,644.50)	195000	195,000.00	195000	195,000.00
10 DSQ Biotech Limited (Cost Rs. 2,00,505.01)	1,000	1,000.00	1,000	1,000.00
10 Ensa Steel Ltd. (Cost Rs.19,250/-)	350	3,356.50	350	4,200.00
10 Globe Stock Limited (Cost Rs. 87,98,177.50)	300,000	300,000.00	300,000	300,000.00
10 Gautam Resources Limited (Cost Rs. 334/-)	200,000	334.00	0	0.00
10 Kilburn Chemical Limited (Market Value Rs.2,195/-)	50	500.00	50	500.00
10 Kayveear Limited Cost Rs.79,31,880/-)	200,000	200,000.00	200,000	200,000.00
10 Libord Securities Limited (Market value Rs.11,14,400/-)	159200	245,168.00	159200	245,168.00
10 Morgan Stanley Growth Fund (Cost Rs.13,780.66)	1600	13,780.66	1600	13,780.66
10 Origin Agrostar Limited (Cost Rs.333/-)	19,300	333.00	0	0.00
10 Sharp Industries Limited (Market Value Rs. 16,075/-)	500	8,980.00	500	500.00
10 Spartak Ceramics (I) Ltd. (Cost Rs. 1,08,372/-)	1486	1,486.00	1486	1,486.00
10 SBEC Sugar Limited (Market value Rs.13,89,000/-)	100000	1,000,000.00	100000	1,000,000.00
10 Team Asia Semico Limited (Cost Rs.333/-)	67,000	333.00	0	0.00



# Sarvamangal Mercantile Co. Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE '6'	<u>Nos.</u>	<u>As at 31st March, 2011 Rupees</u>	<u>Nos.</u>	<u>As at 31st March, 2010 Rupees</u>
<b>INVENTORIES (CONTD.) :</b>				
(As taken, valued and certified by a Director )				
<b>(A) QUOTED -</b>				
(As cost or market value whichever is lower)				
Face Value :				
10 The Aluminium Industries Ltd. (Cost Rs.4,24,850/-)	24000	24,000.00	24000	24,000.00
10 21st Century Management Limited (Market Value Rs.3,91,250/-)	25000	45,062.50	25000	45,062.50
10 Videocon Industries Limited (Cost Rs.1,15,176/-)	220	42,064.00	220	50,028.00
TOTAL		<u>2,265,997.66</u>		<u>2,265,325.16</u>
<b>II. Fully Paid up Debentures :</b>				
30 16% Debentures of Essar Shipping (Cost Rs. 30,000/-)	1000	30,000.00	1000	30,000.00
100 15% Debentures of Supreme Industries Limited (Cost Rs. 1,60,000/-)	1600	160,000.00	1600	160,000.00
140 14% Debentures of Spartak Granites Limited (Cost Rs.7000/-)	50	7,000.00	50	7,000.00
TOTAL		<u>197,000.00</u>		<u>197,000.00</u>
<b>(B) UNQUOTED -</b>				
(At Cost)				
<b>Fully Paid Up Equity Shares</b>				
100 Hyderabad Construction Co Ltd	100	6,717.00	100	6,717.00
10 Co Nick Alloy (I) Ltd	2500	25,000.00	2500	25,000.00
10 G. Claridge & Co Ltd	804,000	22,413,275.00	804,000	22,413,275.00
10 Koprana Laboratories Limited	100,000	1,000,000.00	150,000	1,500,000.00
TOTAL		<u>23,444,992.00</u>		<u>23,944,992.00</u>
GRAND TOTAL		<u>25,907,989.66</u>		<u>26,407,317.16</u>

# Sarvamangal Mercantile Co. Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>SCHEDULE '7'</b>		
<b>SUNDRY DEBTORS:</b>		
Unsecured & Considered Doubtful:		
Debts outstanding for a period exceeding six months	4,101,549.30	791,032.00
Other Debts	0.00	84,050.00
	4,101,549.30	875,082.00
Less :- Provision for bad & doubtful debts	101,824.00	101,824.00
	3,999,725.30	773,258.00
<b>SCHEDULE '8'</b>		
<b>CASH AND BANK BALANCES:</b>		
Cash on hand	18,087.45	22,176.45
Balance with Scheduled Banks In Current account	1,358,572.55	618,813.86
TOTAL	1,376,660.00	640,990.31
<b>SCHEDULE '9'</b>		
<b>OTHER CURRENT ASSETS</b>		
Dividend Receivable	124,000.00	124,000.00
Rent Receivable	388,798.00	64,798.00
TOTAL	512,798.00	188,798.00
<b>SCHEDULE '10'</b>		
<b>Loans and Advances:</b>		
(Unsecured, Considered Good)		
Loans & Intercompany Deposits	60,977,033.00	86,507,616.00
Advances recoverable in cash or kind or for value to be received	12,131,641.54	3,449,948.75
S.K. Somani & Co.	6,791,208.00	0.00
Deposits	77,134.66	77,134.66
Advance payment of Income Tax (net of Provision)	478,242.00	561,956.00
TOTAL	80,455,259.20	90,596,655.41

# Sarvamangal Mercantile Co. Limited

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>SCHEDULE '11'</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	113,540.00	113,540.00
Other Liabilities	7,717,515.83	2,553,131.02
Deposits	806,589.00	806,589.00
TOTAL	<u>8,637,644.83</u>	<u>3,473,260.02</u>

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE '12'</b>		
<b>OTHER INCOME</b>		
Dividend from Long Term Investment (Gross)	305,261.00	1,466,731.00
Interest received from Income Tax Authorities	0.00	23,456.00
Interest received from Others (TDS Rs.24,247/- Previous Year Rs. Nil )	488,055.00	0.00
Rent Received (TDS Rs.86,400/- Previous year Rs.1,95,780/-)	864,000.00	864,000.00
Profit on Sale of Investments	441,013.92	0.00
Service Charges Received (TDS Rs.Nil- Previous year Rs.12,020/- )	0.00	124,150.00
TOTAL	<u>2,098,329.92</u>	<u>2,478,337.00</u>

## SCHEDULE '13'

### INCREASE/DECREASE IN STOCK IN SHARES

Closing Stock	25,907,989.66	26,407,317.16
Opening Stock	26,407,317.16	25,182,804.16
<b>INCREASE/(DECREASE) IN STOCK IN SHARES</b>	<u>(499,327.50)</u>	<u>1,224,513.00</u>
<b>INCREASE/DECREASE IN TRADING STOCK</b>		
Closing Stock	0.00	0.00
Opening Stock	0.00	1,047,113.00
<b>INCREASE/(DECREASE) IN STOCK</b>	<u>0.00</u>	<u>(1,047,113.00)</u>
TOTAL	<u>(499,327.50)</u>	<u>177,400.00</u>

# Sarvamangal Mercantile Co. Limited

## **Schedule – 14**

**Notes forming part of Accounts for the year ended 31<sup>st</sup> March 2011**

### **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. Related Party Disclosure**

Disclosure requirement as per Accounting Standard 18(AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

List of Related Parties:

Key Management Personnel

- 1 Mr. Rajendra Somani
- 2 Mr. Adarsh Somani
- 3 Mr. B.K. Toshniwal

Note: Related Party Relationships have been identified by the Management and relied upon by the Auditors.

## Sarvamangal Mercantile Co. Limited

Details of Transactions between the Company & related parties & the status of outstanding balances as on 31<sup>st</sup> March'2011

Nature of Transaction	Key Management Personnel
1. Directors Sitting Fees	Rs. 2,400/-
2. Balances as on 31.03.2011 Directors Sitting Fees	Rs. 2,400/-

4. Earnings per shares :

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit/(Loss) attributable to share holder (in Rs.)	(1,27,92,725)	8,22,769
Weighted average number of equity shares (in No.)	2,49,000	2,49,000
Basic earning per shares of Rs.10/- each	(51.38)	3.30

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.

5. 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.
6. 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.
7. Quantitative details of Inventories (Shares & Debentures)

Particulars	No. of Shares		No. of Debentures	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	21,02,906	75,87,906	2,650	2,650
Add :- Purchase	2,86,300	-	-	-
Add :- Transfer from Investment	-	1,50,000	-	-
	23,89,206	77,37,906	2,650	2,650
Less :- Sale	50,000	56,35,000	-	-
Closing Stock	23,39,206	21,02,906	2,650	2,650

8. 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.
9. 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

Rajendra Somani (Director)

(MALVIKAP. MITRA)  
Partner  
Membership No. 44105

Adarsh Somani (Director)

B K Toshniwal (Director)

Place :- Mumbai  
Date :- 25th August'2011