

Date: September 04, 2021

To,

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

BSE Scrip Code – 538943

Dear Sir / Madam,

**Sub.: Notice of the 36<sup>th</sup> Annual General Meeting and submission of Annual Report for the Financial Year 2020 - 21**

We wish to inform you that the 36<sup>th</sup> Annual General Meeting (the 'AGM') of the Members of the Company will be held on Thursday, September 30, 2021 at 11.00 A.M. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in compliance with the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circulars dated May 12, 2020 and Jan 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as the 'Circulars').

The schedule of remote e-voting facility is set out as under (both days inclusive):

Event	Day, Date and Time
Cut-off date for e-voting	Friday, September 24 <sup>th</sup> , 2021
Commencement of remote e-voting	Monday, September 27 <sup>th</sup> , 2021 (9:00 a.m. IST)
End of remote e-voting	Wednesday, September 29 <sup>th</sup> , 2021 (5:00 p.m. IST)

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of the AGM for the financial year 2020-21, which is also being sent through electronic mode, only to those Members whose email addresses are registered with the Company/ Depository Participant(s) in accordance with aforesaid Circulars.

The same is also being made available on the Company's website at [www.sonalmercantile.in](http://www.sonalmercantile.in).

Kindly take the same on your records.

Thanking you,

For and on behalf of  
**SONAL MERCANTILE LIMITED**

Prabhjeet Kaur  
Company Secretary



# **Sonal Mercantile Limited**



**Annual Report 2020-2021**

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## Chairman's Message

**Dear Members**

*It's a pleasure to present the Annual Report of Financial Year 2020-2021 of your Company. This year was remarkable; your Company had earned profit of Rs. 451.59 Lakh which was highest of last five year's profit. It's only because of your trust and loyalty on the Company. I am very thankful to you and our team.*

*Your company is engaged in providing loans and advances to individuals and Body Corporates i.e. inter corporate loans, personal loans, long term and short term loans, Trade financing, Bills Discounting, Project Appraisal, Loans against Guarantee and Properties and also engaged in Trading in shares & securities and arbitrage business in stock and commodity market. We are committed to further strengthening our capabilities that allow us to serve various financial needs of our customers – offering not only such loans but also protection and security for a better future.*

*The Company is focusing to achieve its vision and will provide best opportunities to new talents and existing personnel. This will not be possible without support of 'SML Team' and You.*

*Once again, I am very thankful to the entire 'SML Team' and to you for your support.*



***Yours Sincerely  
Vikram Goyal  
(Chairman)***

## COMPANY'S INFORMATION

### BOARD OF DIRECTORS

Mr. Vikram Goyal	-	Chairman & Whole Time Director
Mr. Rajan Goyal	-	Non Executive Director
Mr. Deepak	-	Independent Director
Mrs. Rati Goswami	-	Independent Director
Mr. Munish Kumar Garg	-	Independent Director
Mr. Pardeep Kumar	-	Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Rohit Saraogi	-	Chief Financial Officer
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### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Prabhjeet Kaur	-	Company Secretary/Compliance Officer
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### STATUTORY AUDITOR

**M/s V.N. Purohit & Co., Chartered Accountants**  
214, New Delhi House, 2<sup>nd</sup> Floor, 27, Barakhamba Road, New Delhi-110001  
Email: [vnpdeldhi@vnppaudit.com](mailto:vnpdeldhi@vnppaudit.com) Website: [www.vnppaudit.com](http://www.vnppaudit.com)

### SECRETARIAL AUDITOR

**Mr. Nitin Gupta (Practicing Company Secretary)**  
A-177, Ground Floor, A Block, Sector-15, Noida, Uttar Pradesh-201301  
E-mail Id: [csguptanitin@gmail.com](mailto:csguptanitin@gmail.com)

### REGISTERED OFFICE

365, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085 Contact No. 011-49091417  
E-mail Id: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) Website: [www.sonalmercantile.in](http://www.sonalmercantile.in)

### REGISTRAR AND SHARE TRANSFER AGENT

**Skyline Financial Services Private Limited**  
D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020  
Tel No.: 011-26812682, 83  
Email Id: [admin@skylinerta.com](mailto:admin@skylinerta.com) Website: [www.skylinerta.com](http://www.skylinerta.com)

### BANKERS OF THE COMPANY

Union Bank of India

### LISTED AT- RBI REGISTRATION NUMBER - CORPORATE IDENTIFICATION NUMBER

#### Listed At:

BSE Limited, Mumbai (Scrip Code: 538943)  
Delhi Stock Exchange, Delhi (Scrip Code: 5053) *(DSE is an Inoperative Stock Exchange)*

**RBI Registration Number:** B-14.02393 Dated 19/07/2002

**Corporate Identification Number:** L51221DL1985PLC022433

## **BOARD COMMITTEES**

<b>Audit Committee</b>	<b>Mr. Pardeep Kumar (Chairman)</b>
	<b>Mrs. Rati Goswami (Member)</b>
	<b>Mr. Rajan Goyal (Member)</b>
	<b>Mr. Munish Kumar Garg (Member)</b>
	<b>Mr. Deepak (Member)</b>
<b>Nomination &amp; Remuneration Committee</b>	<b>Mrs. Rati Goswami (Chairperson)</b>
	<b>Mr. Rajan Goyal (Member)</b>
	<b>Mr. Munish Kumar Garg (Member)</b>
	<b>Mr. Pardeep Kumar (Member)</b>
	<b>Mr. Deepak (Member)</b>
<b>Stakeholders &amp; Relationship Committee</b>	<b>Mr. Munish Kumar Garg (Chairman)</b>
	<b>Mr. Pardeep Kumar (Member)</b>
	<b>Mr. Deepak (Member)</b>
	<b>Mrs. Rati Goswami (Member)</b>
	<b>Mr. Rajan Goyal (Member)</b>
<b>Risk Management Committee</b>	<b>Mr. Munish Kumar Garg (Chairman)</b>
	<b>Mr. Pardeep Kumar (Member)</b>
	<b>Mr. Deepak (Member)</b>
	<b>Mrs. Rati Goswami (Member)</b>
	<b>Mr. Rajan Goyal (Member)</b>

## **NOTICE**

**NOTICE** is hereby given that the **Thirty Sixth Annual General Meeting (AGM)** of the members of the Company which is scheduled to be held on **Thursday, September 30, 2021 at 11.00 AM** through Video Conferencing ('VC')-Other Audio Visual Means ('OAVM') to transact the following business:

### **Ordinary Business:**

#### **1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements (Standalone as well as Consolidated) of the Company for the year ended March 31, 2021, along with the reports of the Board of Directors and the Auditors thereon.

#### **2. Re-appointment of Mr. Rajan Goyal as Director, liable to Retire by Rotation**

To appoint a Director in place of Mr. Rajan Goyal (DIN: 02600825) who retires by rotation & being eligible offers himself for reappointment as a Director of the Company.

**By Order of the Board of Directors  
For Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director**

### ANNEXURE TO THE NOTICE

#### **Details of the Director seeking Appointment-Re-Appointment at the forthcoming Annual General Meeting**

*(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Secretarial Standard – 2 on General Meetings)*

Particulars	Description
<b>Name of Director</b>	Mr. Rajan Goyal
<b>DIN</b>	<a href="#">02600825</a>
<b>Date of Birth</b>	October 07, 1976
<b>Age</b>	44 years
<b>Category of the Director</b>	Director (Non-Executive Non Independent)
<b>Educational Qualifications</b>	Post Graduate
<b>Experience</b>	In the field of accounts, taxation, marketing, etc.
<b>Expertise in specific functional areas</b>	He has good experience in Marketing and Research, good communication skill, interpersonal skills and sound business knowledge etc.
<b>Date of Appointment on the Board</b>	November 23, 2018
<b>Terms and conditions of appointment</b>	Appointment as normal director
<b>Number of shares held in the Company as on March 31, 2020</b>	-
<b>List of Directorships held in other companies (excluding foreign, private and Section 8 companies)</b>	Nil
<b>Chairmanship - Membership of Committees in Audit and Stakeholders' Relationship Committees across Public Companies including Sonal Mercantile Limited</b>	Yes
<b>Relationship between Directors inter se</b>	Yes, brother of Mr. Vikram Goyal



## Notes:

1. General Instructions for accessing and participating in the 36<sup>th</sup> AGM through VC-OAVM facility and voting through electronic means including remote e voting.
  - a) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14-2020 dated April 08, 2020, Circular No.17-2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20-2020 dated May 05, 2020 and Circular No. 02-2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC-OAVM.
  - b) Pursuant to the Circular No. 14-2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC-OAVM and participate there at and cast their votes through e-voting.
  - c) The Members can join the AGM in the VC-OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC-OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - d) The attendance of the Members attending the AGM through VC-OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  - e) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  - f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17-2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - g) In terms of section 152 of the Act, Mr. Rajan Goyal (DIN: 02600825), Director, retire by rotation at the meeting and being eligible, offer himself for re appointment.  
  
Details of Director retiring by rotation, appointment-re appointment as required to be provided pursuant to the provision of (i) the Securities and Exchange Board of India (LODR) Regulation, 2015 and (ii) Secretarial Standard on General Meeting (SS-2), issued by the institute of Company Secretaries of India and approved by the Central Government are provided herein below in Annexure to the Notice.
  - h) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

## **PROCESS FOR E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 36<sup>th</sup> Annual General Meeting of the Company. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The remote e-voting period begins on September 27<sup>th</sup>, 2021 at 09:00 A.M. and ends on September 29<sup>th</sup>, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 24<sup>th</sup>, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 24<sup>th</sup>, 2021.

The Company has appointed Mr. Nitin Gupta proprietor of M/s Nitin Gupta & Associates, Practicing Company Secretaries (M. No. A35299, COP No. 14087), to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

### **PROCESS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

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

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





#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

	<ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csguptanitin@gmail.com](mailto:csguptanitin@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or at telephone nos.: +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested



scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in). The same will be replied by the company suitably.

## **BOARDS' REPORT**

**Dear Members,**

Your Directors present the **Thirty Sixth Annual Report** of your Company together with the **Audited Financial Statements** of the Company for the Financial Year ended **March 31, 2021**.

### **1. Background**

Your Company is registered with the Reserve Bank of India (RBI) as Non-Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC).

### **2. Financial Highlights**

Particulars	Financial Year ended	
	March 31, 2021 (In Lakh)	March 31, 2020 (In Lakh)
<b>Total Income</b>	1850.61	1310.75
<b>Total Expenditure</b>	1224.98	1,045.31
<b>Profit-(Loss) before tax</b>	625.63	265.43
<b>Profit-(Loss) after tax</b>	451.59	198.62
<b>Paid-up Share Capital</b>	1473.85	1473.85
<b>Reserves and Surplus</b>	1442.15	996.38

### **3. Operating Highlights**

During the year under review, revenue from operations of the Company is Rs. 1850.50 Lakh as compared to Rs. 1308.44 Lakh in the previous year. The Company earned a profit of Rs. 451.59 Lakh net of taxes as compared to Rs. 198.62 Lakh in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

### **4. Company's Affairs**

Your Company is engaged in the business of providing Secured and Unsecured Loans & Advances and also to make investment in both quoted and unquoted securities. The Company offers specialized solutions for meeting specific liquidity requirements with technical insights into Capital Markets.

### **5. Dividend**

To maintain the liquidity of funds, your Board of Directors does not recommend any dividend for the Financial Year under review.

### **6. Share Capital**

There is no change in the Share Capital of the Company during the Financial Year under review.

### **7. Fixed Deposits**

The Company has not accepted any fixed deposit during the year under review as per the provision of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### **8. Listing Agreement**

Your Company is listed on BSE Limited and complied with all the requirements of Listing Agreement. Also, your Company has already paid listing fees for the Financial Year 2020-21 to the BSE Limited. The Company is also listed on Delhi Stock Exchange (Inoperative Stock Exchange).



## **9. Particulars of Loans, Guarantees or Investments Under Section 186**

Your Company being a Non-Banking Financial Company (NBFC), the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. Details of the investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to accounts forming part of the audited financial statements for the financial year ended March 31, 2021.

## **10. Adequacy of Internal Financial Controls**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use for disposition of its assets. All the transactions are probably authorized, recorded and reported to the Management. The Company is following all applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Auditor of the company checks and verifies internal control and monitors them in accordance with policy adopted by the Company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of business.

## **11. Transfer to Reserves**

The Company has transferred an amount of Rs. 90.31 Lakh to the Special Reserve u-s 45-IC of the RBI Act, 1934 out of current year's profits.

## **12. Directors**

### **❖ Number of Meetings of the Board**

During the year, 09 (Nine) Board Meetings were convened and held, details of which are provided in the Corporate Governance Report. The intervening gap between the Meetings was in compliance with the Companies Act, 2013.

### **❖ Policy on Directors' Appointment and Remuneration**

The policy of the Company on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the companies Act, 2013, adopted by the Board, is placed on the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in). The web link of the policy is <http://www.sonalmercantile.in-investors-information.php>.

### **❖ Declaration by Independent Directors**

All Independent Directors have given declarations under section 149(7) of the Companies Act, 2013 that, they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **❖ Evaluation of the performance of the Board**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

The Independent Directors in their separate meeting has evaluated performance of Non-Independent Directors, performance of the Board as a whole and also performance of the Chairman of the Company.

### **❖ Familiarization Programme for Independent Directors**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarization Programme for its Independent

Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Programme are explained in the Corporate Governance Report. The same is also available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

#### ❖ Inductions

The following Directors were induced on Board during the year:

S. No.	Name of Key Managerial Personnel	Designation	Appointment-Cessation
1.	Mrs. Rati Goswami	Non-Executive - Independent Director	June 20, 2020
2.	Mr. Pardeep Kumar	Non-Executive - Independent Director	September 08, 2020
3.	Mr. Munish Kumar Garg	Non-Executive - Independent Director	September 08, 2020

#### ❖ Retirement -Re-appointment

In terms of Section 152 of the Companies Act, 2013, *Mr. Rajan Goyal (DIN: 02600825)* who retires by rotation at the ensuing AGM, being eligible offered himself for reappointment. His Brief Resume is mentioned in the annexure attached to the Notice.

#### ❖ Resignation

During the year, no resignation was filed.

#### ❖ Disclosure of Relationships Between Directors Inter-Se

Mr. Vikram Goyal and Mr. Rajan Goyal are directly related to each other. As they both are Brothers.

#### ❖ Key Managerial Personnel

The details of Key Managerial Personnel (KMP) of the Company are:

S. No.	Name of Key Managerial Personnel	Designation	Appointment-Cessation
1.	Mr. Vikram Goyal	Whole Time Director	November 23, 2018
2.	Mr. Rohit Saraogi	Chief Financial Officer	May 22, 2018
3.	Mr. Kush Mishra	Company Secretary & Compliance Officer	June 13, 2020 to December 16, 2020
4.	Mrs. Prabhjeet Kaur	Company Secretary & Compliance Officer	w.e.f. June 14, 2021

### 13. Committees of the Board

Your Company has a duly constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee as per the provisions of Section 177, 178 of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors has constituted such committees to enable the Board to deal with specific areas-activities that need a closer review and to have an appropriate structure to assist in the discharge of its responsibilities.

A detailed note on the Board and its committees is provided under the Corporate Governance report section in this Annual Report.

#### **14. Subsidiary Companies-Associate Companies-Joint Ventures**

The Company has One Associate Company i.e. M/s Rudraveerya Developers Limited.

#### **15. Code of Conduct**

Your Company has already in place a well framed Code of Conduct for carrying its day to day business operations of the Company. The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. The detailed Code of Conduct can be referred from the website of the Company and the web link is <http://www.sonalmercantile.in-investors-information.php>.

#### **16. Details of Establishment of Vigil Mechanism- Whistle Blower Policy For Directors And Employees**

The Company has already in place a well framed Vigil Mechanism- Whistle Blower Policy for Directors and Employees. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about irregularities within the Company. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. This policy is also placed on the website of the Company.

The link of the Vigil Mechanism is <http://www.sonalmercantile.in-investors-information.php>.

#### **17. Business Risk Management Policy**

Pursuant to section 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has constituted a Risk Management Committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Annual report. The Company has implemented Risk Management Policy and the Board of Directors has prepared a comprehensive framework of risk management for assessment of risks and to determine the responses to these risks so as to minimize their adverse impact on the organization.

The policy as approved by the Board of Directors is uploaded on Company's website at <http://www.sonalmercantile.in-investors-information.php>.

#### **18. Prevention of Insider Trading**

The Company has already adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. All Board Directors and the designated employees have confirmed compliance with the Code. The Code is uploaded on Company's website at <http://www.sonalmercantile.in-investors-information.php>.

#### **19. Auditors**

##### **❖ Statutory Auditors**

The shareholders of the Company had appointed M-s V.N. Purohit & Co., Chartered Accountants, (ICAI Firm's Registration No. 304040E) as Statutory Auditors for a period of three (3) years commencing from the (34<sup>th</sup>) Thirty Four AGM till the conclusion of the Thirty Seven (37<sup>th</sup>) AGM, subject to ratification by Members every year to conduct the Statutory Audit of the company.

## ❖ Auditors' Report

The observations and Comments made by the Statutory Auditor in their Report read together with notes on the Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013.

## ❖ Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed *Mr. Nitin Gupta (Practicing Company Secretary)* to undertake the Secretarial Audit of the Company for Financial Year 2020-21. There is no qualification, reservation or adverse remark made in his Secretarial Audit Report. The Audit Report is annexed herewith as **"Annexure A"**.

## ❖ Reporting of frauds by Auditors

There were no frauds reported by Auditors as per Section 134(3) and Section 143(12) of the Act.

## 20. Extract of Annual Return

In accordance with Section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **"Annexure B"**.

## 21. Corporate Social Responsibility

Pursuant to provision of Section 135 of the Companies Act, 2013, your Company does not fall within the criteria of turnover and-or profit and-or net worth, therefore, the Company has neither formed CSR Committee nor CSR Policy.

## 22. Prudential Norms & Directions of RBI for NBFCs

Your company has complied with all the requirements prescribed by the Reserve Bank of India and has filed the required returns.

## 23. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

i. **Conservation of Energy & Technology Absorption:** The Company, being a Non-Banking Finance Company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on 'Conservation of Energy and Technology Absorption'.

ii. **Foreign Exchange Earnings and Outgo:** The foreign exchange earnings and outgo are given below:

Particulars	2020-21 (Rs.)	2019-20 (Rs.)
Foreign Exchange Earnings	0	0
Foreign Exchange outgo	0	0

## 24. Particulars of Employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report and annexed herewith as **"Annexure C"**.

## 25. Related Party Transactions

All the Related Party Transactions are entered into by the Company, at arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Policy on Related Party

Transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 is mentioned in Form AOC-2. (**“Annexure D”**)

The policy on Related Party Transactions is displayed on the website of the Company and the web link is <http://www.sonalmercantile.in-investors-information.php>.

## **26. Sexual Harassment**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the Year 2020-21, no complaint was received by the Company related to sexual harassment.

## **27. Business Responsibility Report**

Business Responsibility Report as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

## **28. Corporate Governance**

The Company is committed to maintain the steady standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. A Report on Corporate Governance regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report and also a Certificate from the Practicing Company Secretary of the Company regarding compliance with the conditions of Corporate Governance forms a part of this Report.

## **29. Management’s Discussion and Analysis Report**

Management’s Discussion and Analysis Report (MDAR) for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## **30. Disclosures under the Act**

### **❖ Significant and Material Orders**

No significant and material order was passed against the Company by any regulator or court or tribunal impacting going concern status and company’s operations in future.

### **❖ Material changes and commitments affecting the financial position of the Company after the close of financial year**

There are NO material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2021 and the date of the Boards’ Report.

### **❖ Change in the Nature of Business**

There is no change in the nature of the Business of the Company during the Financial Year.

## **31. Director’s Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.

- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The directors have prepared the annual accounts on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### **32. Compliance with the provisions of Secretarial Standard-1 and Secretarial Standard-2**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems are adequate and operating effectively.

### **33. Acknowledgments and Appreciation**

The Directors take this opportunity to thank the Company's customers, shareholders, investors, suppliers, bankers, financial institutions and Central & State Governments for their consistent support to the Company. The Directors also wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

**For and on Behalf of the Board  
Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director  
DIN: 00381115**

**Rajan Goyal  
Director  
DIN: 02600825**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members,  
**Sonal Mercantile Limited**  
365, Vardhman Plaza, III Floor,  
Sector-3, Rohini, New Delhi-110085

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sonal Mercantile Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sonal Mercantile Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sonal Mercantile Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the company during the audit period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the audit period);**



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the audit period);**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Reserve Bank of India Act, 1934

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);
- (ii) The Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except the following:

*(i) There was a delay in compliance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22.02.2020 for Regulation 23(9) with respect to disclosure of Related Party Transactions on consolidated basis, due to the ongoing COVID-19 pandemic situation in the country, during the period. The Company had received an e-mail dated 22.04.2021 from the Stock Broker MSB e-Trade Securities Limited, Delhi (at the behest of the BSE) in this regard. However, the Company has complied with aforesaid circular and provided sufficient justification.*

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**I further report that** during the audit period, there were following instances:

- (j) Change in directors and Key Managerial persons are as follows:
  - (a) Mrs. Rati Goswami was appointed as Additional Independent Director with effect from 20-06-2020 while Mr. Munish Kumar Garg and Mr. Pradeep Kumar was appointed as Additional Independent Directors with effect from 08-09-2020. Further, they were regularized as Independent Directors, by the Shareholders in Annual General Meeting of the Company held on 16-10-2020.
  - (b) Mr. Kush Mishra was appointed as Whole time Company Secretary with effect from 13-06-2020 and resigned from the aforesaid office w.e.f. 16-12-2020.



**Place: New Delhi**  
**Date: 02-09-2021**  
**UDIN: A035299C000879551**

**NITIN GUPTA**  
**Practicing Company Secretary**  
**Membership No: 35299**  
**C.P. No.: 14087**

*Note: This report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.*

**ANNEXURE 1' TO THE SECRETARIAL AUDIT REPORT**

02-09-2021

To,

The Members,

**Sonal Mercantile Limited**

365, Vardhman Plaza, III Floor,

Sector-3, Rohini, New Delhi-110085

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

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

**Place: New Delhi**

**Date: 02-09-2021**

**Nitin Gupta**  
**Practicing Company Secretary**  
**Membership No: 35299**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON FINANCIAL YEAR ENDED ON 31-03-2021**

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

**I. REGISTRATION AND OTHER DETAILS:**

i.	<b>CIN</b>	L51221DL1985PLC022433
ii.	<b>Registration Date</b>	04-11-1985
iii.	<b>Name of the Company</b>	Sonal Mercantile Limited
iv.	<b>Category-Sub-Category of the Company</b>	Public Company -Limited By Shares
v.	<b>Address of the Registered office and contact details</b>	365, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085 Tel. No. 011-49091417 Email: <a href="mailto:sonalmercantile@yahoo.in">sonalmercantile@yahoo.in</a> Website: <a href="http://www.sonalmercantile.in">www.sonalmercantile.in</a>
vi.	<b>Whether listed company</b>	Yes (Listed on BSE Limited and DSE)
vii.	<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	Contact Officer : Mr. Virender Rana Skyline Financial Services Private Limited SEBI Regn. No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020. Tel No.: +91-11- 26812682- 011-40450193 Fax No.: +91-11-26812683 Email id.: <a href="mailto:viren@skylinert.com">viren@skylinert.com</a> - <a href="mailto:admin@skylinert.com">admin@skylinert.com</a> Website : <a href="http://www.skylinert.com">www.skylinert.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products- services	NIC Code of the Product- service	% to total turnover of the company
1	Non-Banking Financial Services	649	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN-GLN	Holding-Subsidiary -Associate	% of shares held	Applicable Section
1.	RUDRAVEERYA DEVELOPERS LIMITED 375, TF Block-B, Plot No. 7, Vardhman Grand Plaza, Mangalam Place, Near M2K, Sector-3, Rohini, New Delhi	U70109DL2016PLC304243	Associate	50	2(6)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i. Category-wise Share Holding:

A) Category-wise Share Holding		Shares Held at beginning of the Year 31-03-2020				Shares Held at the End of the Year 31-03-2021				% Change During The Year
S.No.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a)	Individual HUF	0	0	0	0.00	0	0	0	0.00	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporate	3672396	0	3672396	24.92	3672396	0	3672396	24.92	0
e)	Banks-FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>3672396</b>	<b>0</b>	<b>3672396</b>	<b>24.92</b>	<b>3672396</b>	<b>0</b>	<b>3672396</b>	<b>24.92</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks –FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoters(A)</b>	<b>3672396</b>	<b>0</b>	<b>3672396</b>	<b>24.92</b>	<b>3672396</b>	<b>0</b>	<b>3672396</b>	<b>24.92</b>	<b>0</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b)	Banks-FI	0	0	0	0.00	0	0	0	0.00	0.00
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIIIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i)	Any Other Foreign	0	0	0	0.00	0	0	0	0.00	0.00
j)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corporate</b>									
1)	Indian	7526393	0	7526393	51.07	6856440	0	6856440	46.52	-4.55
2)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b)</b>	<b>Individuals</b>									
1)	Individual shares holders having nominal share capital upto Rs. 1,00,000	250387	113334	363721	2.47	266232	113334	379566	2.58	0.11
2)	Individual shares holders having nominal share capital Excess of Rs. 1,00,000	2630792	202054	2832846	19.22	2604047	113000	2717047	18.43	-0.79
<b>c)</b>	<b>Others</b>									
a)	HUF	342769	0	342769	2.33	1111858	0	1111858	7.54	5.21
b)	Non Resident Indian	0	0	0	0.00	0	0	0	0.00	0.00
c)	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
d)	Clearing Members	400	0	400	0.00	1115	0.00	1115	0.01	0.01
e)	Trust	0	0	0	0.00	0	0	0	0.00	0.00

f)	Foreing Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
g)	NBFC Registered With RBI	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>10750741</b>	<b>315388</b>	<b>11066129</b>	<b>75.08</b>	<b>10839795</b>	<b>226334</b>	<b>11066129</b>	<b>75.08</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)</b>	<b>10750741</b>	<b>315388</b>	<b>11066129</b>	<b>75.08</b>	<b>10839795</b>	<b>226334</b>	<b>11066129</b>	<b>75.08</b>	<b>0.00</b>
C)	Shares Held By Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
D)	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Grand Total</b>	<b>14423137</b>	<b>315388</b>	<b>14738525</b>	<b>100</b>	<b>14512191</b>	<b>226334</b>	<b>14738525</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2020)			Shareholding at the end of the year (31-03-2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	
1.	Vikram Goyal	0	0	0	0	0	0	0
2.	Rajan Goyal	0	0	0	0	0	0	0
3.	M/s Ram Gopal Goyal & Sons LLP	3672396	24.92	0	3672396	24.92	0	0
	<b>Total</b>	<b>3672396</b>	<b>24.92</b>	<b>0</b>	<b>3672396</b>	<b>24.92</b>	<b>0</b>	<b>0</b>

**(iii) *Change in Promoters' Shareholding:***

Sr. no	Name	Shareholding at the beginning of the year (as on 01-04-2020)		Date	Increase- Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-2020 to 31-03-2021)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ram Gopal Goyal & Sons LLP	3672396	24.92	-	-	-	3672396	24.92

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.no.	Name & Type of Transaction	Shareholding as on 31-03-2020		Transactions during the year 2020-21		Cumulative shareholding as on 31-03-2021	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	No of shares held	% of total shares of the company
1	<b>RUDRAVEERYA DEVELOPERS LIMITED</b>	<b>3653060</b>	<b>24.79</b>				
	Sale			08-May-2020	-2000	3651060	24.77
	Sale			22-May-2020	-600	3650460	24.77
	Sale			29-May-2020	-2250	3648210	24.75
	Sale			05-Jun-2020	-15750	3632460	24.65
	Purchase			11-Sep-2020	50	3632510	24.65
	Purchase			18-Sep-2020	75	3632585	24.65
	Purchase			25-Sep-2020	25	3632610	24.65
	<b>Balance</b>					<b>3632610</b>	<b>24.65</b>
3	<b>ORION PROMART PRIVATE LIMITED</b>	<b>1201261</b>	<b>8.15</b>				
	Purchase			05-Jun-2020	227732	1428993	9.70
	Purchase			31-Dec-2020	1428993	1517926	10.30
	<b>Balance</b>					<b>1517926</b>	<b>10.30</b>
3	<b>ORION INFRADEVELOPERS PRIVATE LIMITED</b>	<b>1174757</b>	<b>7.97</b>				
	Purchase			05-Jun-2020	142000	1316757	8.93
	<b>Balance</b>					<b>1316757</b>	<b>8.93</b>
4	<b>ARVIND KUMAR BANSAL HUF</b>	<b>0</b>	<b>0</b>				
	Purchase			31-Jul-2020	765625	765625	5.19
	<b>Balance</b>					<b>765625</b>	<b>5.19</b>
5	<b>NISHA AGARWAL</b>	<b>25000</b>	<b>0.17</b>				
	Purchase			21-Aug-2020	390000	415000	2.82
	<b>Balance</b>					<b>415000</b>	<b>2.82</b>

6	<b>TIA ENTERPRISES PRIVATE LIMITED</b>	<b>158000</b>	<b>1.07</b>				
	Purchase			26-Jun-2020	126233	284233	1.93
	Purchase			03-Jul-2020	4996	289229	1.96
	Purchase			10-Jul-2020	10000	299229	2.03
	<b>Balance</b>					<b>299229</b>	<b>2.03</b>
7	<b>RADHA DEVI PODDAR</b>	<b>275000</b>	<b>1.87</b>				
	<b>Balance</b>					<b>275000</b>	<b>1.87</b>
8	<b>POOJA SINGLA</b>	<b>62304</b>	<b>0.42</b>				
	Purchase			17-Apr-2020	35214	97518	0.66
	Purchase			01-May-2020	42000	139518	0.95
	Purchase			15-May-2020	995	140513	0.95
	Purchase			22-May-2020	600	141113	0.96
	Purchase			29-May-2020	1200	142313	0.97
	<b>Balance</b>					<b>142313</b>	<b>0.97</b>
9	<b>LILA DHAR GOYAL</b>	<b>141000</b>	<b>0.96</b>				
	<b>Balance</b>					<b>141000</b>	<b>0.96</b>
10	<b>MANJU SINGLA</b>	<b>139400</b>	<b>0.95</b>				
	<b>Balance</b>					<b>139400</b>	<b>0.95</b>

v. **Shareholding of Directors and Key Managerial Personnel (KMP):**

Sr. no	Name	Shareholding at the beginning of the year (as on 01-04-2020)		Date	Increase- Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-2020 to 31-03-2021)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
A.	Directors:							
1	Vikram Goyal Whole Time Director (KMP)	0	0	01-04- 2020	0	Nil movement during the year		
		0	0	31-03- 2021			0	0
2	Rajan Goyal (Non- executive Non Independent Director)	0	0	01-04- 2020	0	Nil movement during the year		
		0	0	31-03- 2021			0	0
3	Rati Goswami	0	0	01-04- 2020	0	Nil movement		

	(Independent Director)	0	0	31-03-2021		during the year	0	0
4	Pardeep Kumar (Independent Director)	0	0	01-04-2020	0	Nil movement during the year		
		0	0	31-03-2021			0	0
5	Munish Kumar Garg (Independent Director)	0	0	01-04-2020	0	Nil movement during the year		
		0	0	31-03-2021				0
6	Deepak (Independent Director)	27000	0.18	01-04-2020	0	Nil movement during the year		
		27000	0.18	31-03-2021				0
<b>B. Key Managerial Personnel(KMP's):</b>								
1	Rohit Saraogi (Chief Financial Officer )	0	0	0	0	0	0	0
2	Kush Mishra (Company Secretary)	0	0		0		0	0

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding-accrued but not due for payment – Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and-or Manager – NIL

B. Remuneration to other directors: - NIL

**C. Remuneration to Key Managerial Personnel Other Than MD-Manager-WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary: (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u-s 17(2 )Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	1,65,950	6,00,000	7,65,950
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as% of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	1,65,950	6,00,000	<b>7,65,950</b>



**VII. PENALTIES- PUNISHMENT- COMPOUNDING OF OFFENCES: - NIL**

**For and on Behalf of the Board  
Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director  
DIN: 00381115**

**Rajan Goyal  
Director  
DIN: 02600825**

**Statement of Particulars of Employees pursuant to the Provisions of Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014**

1. **The ratio of the remuneration of each Director to the median remuneration of the employee for the financial year**

The Directors of the Company are not drawing any remuneration from the Company hence the ratio of the remuneration of each Director to the median remuneration of the employee for the financial year is not applicable.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year;**

S. No.	Name	Designation	% Increase
1	Mr. Kush Mishra (13.06.2020 – 16.12.2020)	Company Secretary	0
2	Mr. Rohit Saraogi	Chief Financial Officer	0

3. **The percentage increase in the median remuneration of employees in the financial year;**

The median remuneration of the employees in the financial year increased by 30.00 %. The calculation of % increase in Median Remuneration is done based on overall employee cost.

4. **Number of Permanent Employees on the rolls of Company: Five (5)**

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

During the financial year, there was neither instance of drawing remuneration by managerial personnel nor increase in remuneration of CFO and Company Secretary. The average increase for employees other than the managerial personnel who were in the employment during the financial year 2019-20 and 2020-21 the average percentile increase is 0.00%. The average percentile increase for managerial personnel is 0.00%.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company**

The remuneration paid is in accordance with the remuneration policy of the Company.

7. **Statement of particulars of employees pursuant to Rule 5((2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – N.A.**

8. **Statement of particulars of employees pursuant to Rule 5 (3) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- N.A.**

**For and on Behalf of the Board  
Sonal Mercantile Limited**

Date: August 31, 2021  
Place: New Delhi

**Vikram Goyal**  
Whole Time Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

**FORM NO. AOC -2**

*[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for Disclosure of particulars of contracts-arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**Details of contracts or arrangements or transactions at Arm's length basis.**

(Rs in ‘000’)						
S. No .	Transaction with	Nature of transaction	Transactions during the year		Balance as at	
			31-03-2021	31-03-2020	31-03-2021	31-03-2020
(i)	<u>Associate Company: -</u>					
	Rudraveerya Developers Ltd	Loan Received	199,753.69	5,25,000.00	872,297.35	984,893.66
		Loan repaid	312,350.00	51,200.00	Nil	Nil
		Interest Paid	82,797.48	80,452.99	51,587.67	72,407.69
(ii)	<u>Key Management Personnel: -</u>					
	Rohit Saraogi	Remuneration	600.00	570.00	95.75	20.00
	Kush Mishra	Remuneration	165.95	17.93	Nil	17.93
(iii)	<u>Relatives of Key Management Personnel: -</u> None					
(iv)	<u>Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: -</u> None					

**For and on Behalf of the Board  
Sonal Mercantile Limited**

<b>Date: August 31, 2021</b>	<b>Vikram Goyal</b>	<b>Rajan Goyal</b>
<b>Place: New Delhi</b>	<b>Whole Time Director</b>	<b>Director</b>
	<b>DIN: 00381115</b>	<b>DIN: 02600825</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **1. Industry Structure and Developments**

**Sonal Mercantile Limited** is a **NBFC** and is engaged mainly in the business of providing Loans & Advances and also to make investment in both quoted and unquoted securities. The industry structure relevant to the Company's operations is mainly concerned with the Capital Market.

The NBFCs sector is undergoing a significant transformation at present and has come to be recognized as an important element of the Financial System. The recent issue in financial sector has highlighted the necessity, importance and significant role, the NBFCs play in development of nation's infrastructure.

In the financial system of India, importance of NBFCs has been much discussed. RBI has been setting right its regulatory and supervising policies from time to time to keep pace with the changes in the environment.

NBFCs have been actively fuelling the growth of the economy especially the infrastructure part of the economy and have been supplementing the Banking system effectively and thus enhancing competition and diversification in the financial sector.

The NBFCs have attracted substantial investments during the recent years both from the retail and from the wholesale side. The growth also has been significant during this year. The NBFCs have been catalysts in accelerating the growth in the semi urban and rural areas. The projections made by RBI and other financial forecasts give substantial growth opportunities for the industry in the coming years.

NBFCs continued to grow their share in the financial services industry. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

### **2. Business Overview**

Your Company is engaged in the business of providing Loans & Advances and investment in Securities, both quoted and unquoted. Company can expect future growth and development in its business. The vision of the Company is very clear and the management wants to increase its scale of operations.

### **3. Opportunities and Threats**

The Covid -19 pandemic ensued global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to standstill. Capital markets at present are going through turbulent times. Although the inflation has remained steady during the year but it is still under pressure due to hike in petrol prices, burden of diesel subsidies, high fiscal deficit, etc. The Government and Central Banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc.

The NBFC industry holds immense potential and the Government of India's increased focus towards Financial inclusion has created various opportunities for existing NBFCs to leverage on their established customer base in rural areas. The above opportunities have made the Industry highly competitive with the emergence of new category of systematically important NBFCs. Along with existing local and Multinational players leading to tough competition within the industry.

However, we feel that the opportunities will soon arise in the markets upon the corrective policies by the government and better fiscal management which will strengthen the economy.

### **4. Segment-Wise Performance**

The Company is engaged only into single reportable segment during the year under review.

### **5. Outlook**

A year into the post COVID-19 world, your Company has not entered into new field during the last year. The global recovery, which has been dampened in the near term with the decrease in the number of COVID-19 cases, it is projected to strengthen over the projected period and hope to find some concrete business opportunity to expand the business of the Company.

## **6. Risk and Concern**

Your Company at present is exposed to the normal industry risk factor of volatility in interest rate, economic cycle and credit risk. It has not yet decided its future course of activities. The impact of new activity, as when decided, will be known in the future.

## **7. Adequacy of Internal Control**

The established Internal Control System of your Company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly. More so, these internal control systems are regularly monitored by the audit committee of your Company and are improved upon on regular basis.

## **8. Discussion on Financial Performance with respect to Operational Performance**

The brief on Financial Performance of the Company is already provided in the Boards' Report of the Company.

## **9. Human Resource Development**

The Financial Year 2020-2021 was a particularly testing one for our workforce because of the prevalence of the pandemic. Despite operating from COVID-affected parts of the country, helped the company achieve its operational and business targets reaching out to customers and with their physical presence in the office thus putting the interest of the company in front. Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. The Board of Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in the challenging environment. Your Directors take this opportunity to thank all employees for rendering impeccable services to every constituent of Company, customers and shareholders. The Company has a well-defined appraisal system to assess and reward the employees appropriately and also to gauge the potentials of the individuals.

## **10. Cautionary Statement**

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate intend, will, expect and other similar expressions are intended to identify "Forward Looking Statements". The company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Actual results could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, economic developments within India and other incidental factors.

## **11. APPRECIATION**

Your Directors would like to express their sincere appreciation and thanks for the co-operation and assistance received from the shareholders, bankers, investors, auditors and other government agencies during the year under review. The Board expressed its appreciation and gratitude for the guidance and cooperation extended to the company by RBI, statutory authorities and regulators. The Board records the commitment and dedication of its employees.

**For and on Behalf of the Board  
Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director  
DIN: 00381115**

**Rajan Goyal  
Director  
DIN: 02600825**

## **CORPORATE GOVERNANCE REPORT**

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as “SEBI Listing Regulations”], a Report on Corporate Governance for the Financial Year 2020-21 is presented below:

### **1. Company’s Philosophy on Corporate Governance**

Corporate governance encompasses a set of principles, systems, and practices through which the Board of Directors of the Company ensures integrity, transparency, fairness and accountability in the Company’s relationship with all its stakeholders. The code of corporate governance is based on the principle of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner. A good corporate governance framework incorporates a system of robust checks and balances between key players; namely, the Board, the management, auditors and various stakeholders.

We at **Sonal Mercantile Limited**, have been continuously strengthening the governance practices and have followed a trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of corporate governance practices and quality of disclosures thereunder, in the best interest of all its stakeholders.

**Sonal Mercantile Limited** strives to provide all its stakeholders an access to clear, adequate and factual information relating to the Company. It promotes accountability of its management; and the Board of Directors of the Company acknowledges its responsibility towards all the stakeholders for creation and safeguarding their wealth.

Your Company confirms the compliance of corporate governance, in all material aspects, with the revised SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which are given below:

### **2. Board of Directors**

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders. The Board comprises of eminent persons with considerable professional experience from varied disciplines. The present strength of the Board as on March 31, 2021 is six (06) Directors. Out of these Directors, four are Independent Directors including one Woman Director, one Whole Time Director and one Non-Executive Non Independent Director thus complies with the requirement of the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **a) Composition of the Board, Attendance Record, Membership of Board Committees:**

The Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors and is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The names and categories of the Directors on the Board as on March 31, 2021, their attendance at the Board Meetings held during the financial year 2020-2021 and at the last Annual General Meeting (AGM), and also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2021, are as under:

Name	Category	Meeting and Attendance			No. of Directorships in other Public Limited Companies*	Committees Position	
		Number of Board Meetings	Board Meeting Attended	Last AGM Attended		Chairman-ship	Member-ship
Mr. Vikram Goyal (Whole Time Director) (DIN: 00381115)	Executive	09	09	Yes	Nil	Nil	Nil

Mr. Rajan Goyal (Director) (DIN: 02600825)	Non-Executive Non Independent	09	09	Yes	Nil	Nil	Nil
Rati Goswami (Director) (DIN:08765348)	Non-Executive - Independent	08	08	No	Nil	Nil	Nil
Mr. Deepak (Director) (DIN: 07878217)	Non-Executive - Independent	09	09	Yes	Nil	Nil	Nil
Pardeep Kumar (Director) (DIN: 08862414)	Non-Executive - Independent	06	06	No	Nil	Nil	Nil
Munish Kumar Garg (Director) (DIN: 08866982)	Non-Executive - Independent	06	06	No	Nil	Nil	Nil

\* Only Directorships of public limited companies incorporated in India have been considered.

# Only Audit Committee and Stakeholders' Relationship Committee, in other public limited Companies, have been considered for the Committee positions.

❖ **Relationships between Directors inter-se:**

Mr. Vikram Goyal and Mr. Rajan Goyal are directly related to each other. As they both are Brothers.

❖ **Changes in Directors during the financial year:**

- Mrs. Rati Goswami was appointed as Non-Executive Independent Director on the Board of the Company w.e.f. June 20, 2020.
- Mr. Munish Kumar Garg was appointed as Non-Executive Independent Director on the Board of the Company w.e.f. September 08, 2020.
- Mrs. Rati Goswami was appointed as Non-Executive Independent Director on the Board of the Company w.e.f. September 08, 2020.

**b) Number of Board Meetings**

The Board of Directors met Nine **times** during the Financial Year 2020-2021. The maximum gap between any two meetings had been not more than 120 days. All meetings were well attended.

❖ **Attendance in the Board meetings (F.Y. 2020-2021):**

S. No.	Date of Board Meetings	Total Strength of the Board	No. of Directors Present
1	13-06-2020	3	3
2	20-06-2020	4	4
3	31-07-2020	4	4
4	08-09-2020	6	6
5	15-09-2020	6	6
6	19-09-2020	6	6
7	13-11-2020	6	6
8	16-12-2020	6	6
9	05-03-2021	6	6

❖ **Familiarization Programme**

At the time of appointment, Independent Directors are made aware of their roles, rights and responsibilities through a formal letter of appointment which also stipulates the various terms and conditions of their engagement. At Board and Committee Meetings, the Independent Directors are on



regular basis familiarized with the business model, regulatory environment in which it operates strategy, operations, functions, policies and procedures of the Company. Directors were invited to attend conferences held with objectives to guide corporate directors in carrying governance and compliance responsibilities amidst complex demands placed upon by the Act and SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

The Familiarization Programme formulated by the Company for Independent Directors has been uploaded on the Company's website, the web link for which is <http://www.sonalmercantile.in-investors-information.php>.

❖ **Number of shares and convertible instruments held by Non-Executive Directors during the Financial Year 2020-2021.**

Serial No.	Name of Non-Executive Director	Number of Shares
1.	Mr. Rajan Goyal (Non Independent Director)	0
2.	Mrs. Rati Goswami (Independent Director)	0
3.	Mr. Deepak (Independent Director)	27000
4.	Mr. Munish Kumar Garg (Independent Director)	0
5.	Mr. Pardeep Kumar (Independent Director)	0

❖ **Evaluation of Performance**

Pursuant to the provisions of Section 134(3)(p), Schedule IV of the Act read with Regulations 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal evaluation process of its performance during the year as well as that of its committees, the individual Directors, Chairman and the Independent Directors. The Independent Directors assessed the executive directors on the basis of the contributions made by such Directors in the achievement of business targets, development and successful execution of the business plans, their management of relationship with the Members of the Board of Directors (the "Board") and management personnel as well as creating a performance culture to drive value creation.

The Chairman of the Company was assessed on the basis of his contribution in the growth of the Company by his strategic directions on the expansion, diversification and business plans as well as successful execution of business plans and managing the relationship with the members of the Board and Management.

The Independent Directors were assessed by taking into account their objective independent judgement on the Board deliberations, overall contribution and engagement in the growth of the Company, their active role in monitoring the effectiveness of Company's Corporate Governance practices and adherence to the code of conduct.

Based on the conclusions drawn on the evaluation of the Board and the Directors, it is expected that Board and the Directors will continue to play an even more meaningful role in the enhancement of shareholder value in the ensuing years.

❖ **Exclusive Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on *March 05, 2021* to review the performance of Non-independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

❖ **Minutes of the Board Meeting**

The minutes of the proceedings of every Board and all committee meetings are prepared and approved-initialed by the Chairman within 30 days from the conclusion of the respective meeting.

❖ **Information supplied to the Board**



The Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly, Half yearly and Yearly Results of the Company.
- Minutes of the Audit Committee and other Committee meetings.
- Details of Agreements entered into by the Company.
- Particulars of Non-Compliance of any statutory or listing requirement.

### c) Code of Conduct & Declaration

This is to confirm that the Board of Directors has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have duly complied with the Company's Code of Conduct during the financial year 2020-21, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A declaration to this effect signed by the Whole Time Director is given in as **Annexure-A** to this report.

## 3. Committees of the Board

The Board of Directors has set up committees of Directors to deal with various matters of specific nature which require concentrated and more focused attention and to arrive at quick and timely decisions in these matters.

The Board of Directors has delegated its certain powers to the committees of Directors and these committees shall excise such power and give the report of the output to the Board for approval at subsequent meetings. The Board has constituted four committees viz. **Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.**

The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. All decisions pertaining to the constitution of the committees, appointment of members and fixing of terms of reference for the committee is taken by the Board of Directors.

Details on the role and composition of these committees, including number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

### a) Audit Committee

#### ❖ Composition of Audit Committee

The Audit Committee comprises of five members viz. Mr. Pardeep Kumar (Chairman), Mrs. Rati Goswami (Appointed w.e.f 20-06-2020) (Member), Mr. Munish Kumar Garg (Appointed w.e.f 08-09-2020) (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member). In compliance with Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, four members of the Audit Committee including the Chairman of the committee are Independent Directors. All the members are 'financially literate' as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have accounting or related financial management knowledge.

The Senior Management team, Internal Auditor and the Statutory Auditors are invited for the meetings of the Audit Committee. Mr. Kush Mishra, Company Secretary is the Secretary to this Committee till December 16, 2020.

#### ❖ Terms of Reference:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses - application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document - prospectus - notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### ❖ Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters - letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document-prospectus-notice in terms of Regulation 32(7).

#### ❖ Meetings of the Committee and Attendance of the Members during 2020-21

During the year, total five Audit Committee meetings were held respectively on June 13, 2020, July 31, 2020, September 15, 2020, November 13, 2020 and March 05, 2021. The attendance of the members of the committee mentioned as follows:

Name of Member	No. of Meetings Held	Meetings Attended
Mr. Rajan Goyal	5	5
Mrs. Rati Goswami	5	4
Mr. Deepak	5	5
Mr. Munish Kumar Garg	5	3
Mr. Pardeep Kumar	5	3

#### b) Nomination and Remuneration Committee:

##### ❖ Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of five members viz. Mrs. Rati Goswami (Appointed w.e.f 20-06-2020) (Chairperson), Mr. Pardeep Kumar (Appointed w.e.f 08-09-2020) (Member), Mr. Munish Kumar Garg (Appointed w.e.f 08-09-2020) (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

##### ❖ Terms of Reference

The Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Non-Executive Directors of the Company are not entitled for any remuneration. Committee frames the policy on specific remuneration packages for Whole-time Directors including pension rights and compensation payments. The Committee also approves the Remuneration Policy for employees

other than Whole-time Directors as may be recommended to it. The Company has a regular appraisal Policy for all employees.

#### ❖ Meetings of the Committee and Attendance of the Members during 2020-2021

During the year, total four meetings were held respectively on June 13, 2020, September 08, 2020, December 16, 2020 and March 05, 2021. The attendance of the members of the committee mentioned are as follows:

Name of Member	No. of Meetings Held	Meetings Attended
Mr. Rajan Goyal	4	4
Mrs. Rati Goswami	4	3
Mr. Deepak	4	4
Mr. Munish Kumar Garg	4	3
Mr. Pardeep Kumar	4	3

#### ❖ Role of committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### c) Stakeholders Relationship Committee:

##### ❖ Composition of Stakeholders Relationship Committee:

The Company has a Board level Stakeholders Relationship Committee to examine and redress shareholders complaints. The status on complaints, if any reported to the Board in quarterly meetings.

The Stakeholders Relationship Committee comprises of five members viz. Mr. Munish Kumar Garg (Appointed w.e.f 08-09-2020) (Chairman), Mrs. Rati Goswami (Appointed w.e.f 20-06-2020) (Member), Mr. Pardeep Kumar (Appointed w.e.f 08-09-2020) (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

##### ❖ Terms of reference

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. In addition to the above, the committee shall also:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' - shareholders' - security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.

5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification - amendment or modification as may be applicable.

#### ❖ Meetings of the Committee and Attendance of the Members during 2020-21

During the year, total four meetings were held respectively on June 13, 2020, September 08, 2020, November 10, 2020 and February 08, 2021. The attendance of the members of the committee mentioned as follows:

Name of Member	No. of Meetings Held	Meetings Attended
Mr. Rajan Goyal	4	4
Mrs. Rati Goswami	4	3
Mr. Deepak	4	4
Mr. Munish Kumar Garg	4	3
Mr. Pardeep Kumar	4	3

During the year under review, no complaint was received from any shareholder. There were no pending complaints either at the beginning or at the end of the year.

The Board has delegated the power of share transfer to the Registrar and Share Transfer Agent viz. **Skyline Financial Services Private Limited**, D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, who process the share transfer applications.

#### d) Risk Management Committee:

##### ❖ Composition of Risk Management Committee:

The Company is not required to constitute a risk management committee as per the SEBI LODR Regulations but for the better governance the Board has constituted the Risk Management Committee to eliminate the risk associated with the business of the Company.

As on March 31, 2021 the Risk Management Committee comprises of Mr. Munish Kumar Garg (Appointed w.e.f 08-09-2020) (Chairman), Mr. Vikram Goyal (Member), Mr. Pardeep Kumar (Appointed w.e.f 08-09-2020) (Member), Mr. Munish Kumar Garg (Appointed w.e.f 08-09-2020) (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

#### ❖ Meetings of the Committee and Attendance of the Members during 2020-2021

During the year, total four meetings were held respectively on June 13, 2020, September 08, 2020, November 10, 2020 and February 08, 2021. The attendance of the members of the committee mentioned are as follows:

Name of Member	No. of Meetings Held	Meetings Attended
Mr. Rajan Goyal	4	4
Mr. Vikram Goyal	4	4
Mr. Deepak	4	4
Mr. Munish Kumar Garg	4	3
Mr. Pardeep Kumar	4	3

#### 4. General Body Meetings

##### a) Details of last three Annual General Meeting are given below:

Year	Day, Date and Time	Venue of the Meetings	Whether Special Resolutions Passed
2020	Friday October 16, 2020 at 02:00 P.M.	372, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085	Yes, special resolution has been passed in this Meeting

2019	Friday July 12, 2019 at 02:00 P.M.	372, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085	Yes, special resolution has been passed in this Meeting
2018	Saturday, 29th September, 2018 at 09:00 A.M	372, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085	Yes, special resolution has been passed in this Meeting

**b) During the year under review, no resolutions were passed through Postal Ballot**

## 5. Means of Communication

The Company's website [www.sonalmercantile.in](http://www.sonalmercantile.in) contains a separate section viz. "Investor Info" under which shareholders information is available in a user friendly and downloadable form.

### ❖ Quarterly Results

Quarterly Standalone Results are normally published in "Financially Express- All Editions" and "Jansatta - Hindi Edition, Delhi" newspapers and the same are posted on Company's website i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in)

### ❖ Annual Report

Annual report containing the Audited Standalone & Consolidated Accounts together with Auditors' Reports, Directors Reports, Corporate Governance reports and Management Discussion and Analysis is posted on the Company's website i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in)

Apart from quarterly results and annual reports of the Company, the Company's website also contains corporate governance reports, shareholding patterns for last 5 years and contact information.

## 6. General Shareholder Information

❖ <b>Annual General Meeting Schedule</b>	: Thursday, September 30, 2021 at 11:00 A.M. through Video Conferencing (VC)-Other Audio Visual Means (OAVM)
❖ <b>Financial Calendar (2020-21) (Tentative)</b>	: The Financial Year of the Company will be April 01, 2020 to March 31, 2021.
❖ <b>Book Closure Dates</b>	: September 23, 2021 to September 30, 2021 (Both Dates inclusive)
❖ <b>Dividend Payment Date</b>	: Not Applicable
❖ <b>Listing at Stock Exchanges</b>	: BSE Limited, Dalal Street Fort, Mumbai-400001 and also on Delhi Stock Exchange but now this stock exchange is not operative.
❖ <b>Listing Fees</b>	: The Listing fees for the year 2020-2021 paid to BSE Limited
❖ <b>Scrip Code</b>	: 538943 (BSE) and 5053 (DSE)
❖ <b>ISIN No</b>	: INE321M01017
❖ <b>CIN No.</b>	: L51221DL1985PLC022433
❖ <b>Registrar and Share Transfer Agent (RTA)</b>	: Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 Contact No.011-40450193 E-mail Id: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>
❖ <b>Share Transfer process</b>	: The Company's shares are traded on the Stock Exchanges in compulsory demat mode. The transfer of Physical shares are processed and returned to the shareholders within a period of 15 days
❖ <b>Plant Locations</b>	: Not Applicable

❖ <b>Outstanding Bonds-Convertible Instruments</b>	: Nil
❖ <b>Dematerialization of shares</b>	As on March 31, 2021, 14512191 Equity Shares representing 98.46% of the Company were held in dematerialized form and 226334 Equity Shares representing 1.54% of the issued share capital were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialized form.
❖ <b>Address for correspondence</b>	Registered Office Address: 365, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085 Contact No. 011-49091417 E-mail Id: <a href="mailto:sonalmercantile@yahoo.in">sonalmercantile@yahoo.in</a> Website: <a href="http://www.sonalmercantile.in">www.sonalmercantile.in</a>
❖ <b>Market Price &amp; Data</b>	Stock Market price data for the F.Y. 2020-2021. High- Low of daily closing market price of the Company's shares traded at BSE during each month in the financial year ended March 31, 2021 are as under.

Date	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades
1-Apr-20	16.4	16.4	16.4	16.4	16	1	1
7-Apr-20	15.7	15.7	15.7	15.7	15.5	4	3
8-Apr-20	14.95	14.95	14.95	14.95	14.94	50	1
9-Apr-20	14.25	14.25	14.25	14.25	14.25	5000	1
13-Apr-20	14.25	14.25	13.6	13.6	13.6006	5000	3
15-Apr-20	13	13.25	13	13.25	13.02247	27819	3
27-Apr-20	13.25	13.25	13.25	13.25	13.25	4	1
28-Apr-20	13	13	12.7	12.7	12.70071	42100	4
29-Apr-20	13	13	13	13	13	237	2
30-Apr-20	13	13	13	13	13	10	1
5-May-20	12.5	12.5	12.5	12.5	12.5	1000	1
6-May-20	12.5	12.5	11.9	11.9	11.903	1000	2
18-May-20	11.4	11.4	11.4	11.4	11.4	600	2
22-May-20	10.9	10.9	10.9	10.9	10.9	200	2
27-May-20	10.41	10.45	10.41	10.45	10.44762	1050	7
28-May-20	10	10	10	10	10	2000	3
29-May-20	10.5	10.5	10.5	10.5	10.5	289509	35
1-Jun-20	11.02	11.02	10	10.91	10.90671	15800	9
2-Jun-20	11.45	11.45	11.45	11.45	11.45	87732	3
3-Jun-20	12.02	12.02	12.02	12.02	12.02	12001	3
4-Jun-20	12.62	12.62	12.62	12.62	12.62	50	1
5-Jun-20	13.25	13.25	13.25	13.25	13.24	50	1
8-Jun-20	13.91	13.91	13.91	13.91	13.9	50	1
9-Jun-20	14.6	14.6	13.25	13.26	14.3968	3309	11



10-Jun-20	12.65	13.92	12.65	12.7	12.71411	6611	10
11-Jun-20	13.33	13.33	12.31	12.31	13.23636	110	2
12-Jun-20	12.92	12.92	12.92	12.92	12.92	400	3
15-Jun-20	13.56	13.56	13.56	13.56	13.53333	30	1
16-Jun-20	12.9	14.23	12.9	13.25	13.79355	310	6
17-Jun-20	12.65	12.65	12.65	12.65	12.6	5	1
18-Jun-20	13.25	13.25	13.25	13.25	13.25	150000	26
19-Jun-20	13.91	13.91	13.91	13.91	13.9	30	1
22-Jun-20	14.6	14.6	14.5	14.5	14.50909	55	2
23-Jun-20	15.15	15.15	15.15	15.15	15.148	250	2
24-Jun-20	15.85	15.85	15.85	15.85	15.84988	433	5
25-Jun-20	16.6	16.64	16.6	16.64	16.63965	3072	14
26-Jun-20	17.41	17.41	17.41	17.41	17.4	50	2
29-Jun-20	18.25	18.25	18.25	18.25	18.25	100	3
30-Jun-20	19.15	19.15	17.5	19.15	17.54164	5127	7
1-Jul-20	20	20.1	20	20.1	20.03953	430	13
2-Jul-20	20.9	21.1	20.9	21.1	20.9525	400	9
6-Jul-20	21.1	22.15	20.5	22.1	21.18785	724	9
7-Jul-20	22.1	23.2	21	23.1	22.55639	266	8
8-Jul-20	23.1	24.2	21.95	21.95	21.98209	10220	6
10-Jul-20	21.95	21.95	21.95	21.95	21.5	2	2
15-Jul-20	21.95	22.95	21.95	22.95	21.99307	577	4
16-Jul-20	24	24.05	21.85	21.85	23.82143	728	5
17-Jul-20	21.85	21.85	21.85	21.85	21.84956	452	3
22-Jul-20	21.95	21.95	21.9	21.9	21.81818	11	2
23-Jul-20	21.9	21.9	21.9	21.9	21.9	100	1
29-Jul-20	22.95	22.95	22.95	22.95	22	1	1
30-Jul-20	24	24	23.95	23.95	23.975	200	2
31-Jul-20	25.1	25.1	25.05	25.05	25.04348	23	5
3-Aug-20	26.2	26.2	23.8	25.2	24.41212	330	7
4-Aug-20	26.35	26.35	26.35	26.35	26.34	50	1
5-Aug-20	27.65	27.65	27.65	27.65	27.6	5	1
6-Aug-20	27.65	29	26.3	28.9	27.03968	126	6
7-Aug-20	30.25	30.25	30.25	30.25	30.24	25	1
10-Aug-20	31.7	31.7	31.7	31.7	31.66667	12	2
11-Aug-20	33.25	33.25	32.85	32.85	32.91325	1268	8
12-Aug-20	31.25	34.45	31.25	33.9	33.86885	61	4
13-Aug-20	34.45	34.45	34.45	34.45	34.4	10	1
18-Aug-20	34.45	36.1	32.75	32.75	34.37391	115	4
19-Aug-20	31.15	31.15	31.15	31.15	31.14286	7	2
20-Aug-20	31.15	32.7	31.15	32.6	32.25	36	4
24-Aug-20	32.6	32.6	32.6	32.6	32.6	5	1
31-Aug-20	31	31	31	31	31	11	2



3-Sep-20	29.45	29.45	29.45	29.45	29.44828	87	2
8-Sep-20	28	28	28	28	28	100	1
10-Sep-20	26.6	26.6	26.6	26.6	26.6	25	1
11-Sep-20	25.3	25.3	25.3	25.3	25	2	2
14-Sep-20	26	26	26	26	26	4	2
15-Sep-20	24.7	24.7	24.7	24.7	24.7	50	1
16-Sep-20	25.9	25.9	24.9	24.9	25.88119	101	2
17-Sep-20	23.7	23.7	23.7	23.7	23.7	30	2
18-Sep-20	22.55	22.55	22.55	22.55	22.5	4	2
22-Sep-20	21.45	22.5	21.45	21.45	21.46154	429	6
23-Sep-20	21.45	21.45	20.5	20.5	20.5098	51	3
24-Sep-20	19.5	20.25	19.5	20.25	19.74667	150	3
29-Sep-20	20.25	20.25	20.25	20.25	20	1	1
1-Oct-20	21.25	21.25	21.25	21.25	21.24953	1054	7
5-Oct-20	22.25	22.25	22.25	22.25	22.25	20	2
8-Oct-20	23	23	23	23	23	5	1
12-Oct-20	24.1	24.1	21.85	21.85	23.99048	105	2
15-Oct-20	22.9	22.9	20.8	20.8	21.8	15	3
16-Oct-20	21.75	21.75	21.75	21.75	21.6	5	1
19-Oct-20	21.75	21.75	21.75	21.75	21.7	10	1
20-Oct-20	21.7	21.7	21.7	21.7	21.7	500	1
21-Oct-20	21.7	21.7	21.7	21.7	21.66667	3	1
22-Oct-20	21	22	20.65	21.35	21.37204	24863	11
23-Oct-20	21.35	22.4	20.3	20.3	22.03571	28	4
26-Oct-20	19.3	21	19.3	19.85	20.34	200	10
27-Oct-20	18.9	20.8	18.9	18.9	19.07692	533	9
28-Oct-20	18	18	18	18	18	344	5
29-Oct-20	17.1	18.9	17.1	17.15	17.48	125	4
30-Oct-20	18	18	16.3	16.55	16.82151	465	7
2-Nov-20	15.75	17.35	15.75	16.3	16.04029	273	5
4-Nov-20	15.75	17.1	15.5	15.5	16.03947	76	5
5-Nov-20	15.5	15.5	14.8	14.8	15.01714	175	5
6-Nov-20	15.5	15.5	14.15	14.15	14.42	50	2
9-Nov-20	13.5	13.5	13.45	13.45	13.448	125	4
10-Nov-20	13.5	13.5	12.8	12.8	12.82258	62	4
11-Nov-20	12.8	13.4	12.8	13.4	13.39975	88945	81
13-Nov-20	14.05	14.05	14.05	14.05	14.03571	56	2
17-Nov-20	14.05	14.05	14.05	14.05	14.04225	71	2
19-Nov-20	14.75	14.75	14.75	14.75	14.74	50	1
20-Nov-20	15.45	15.45	15.45	15.45	15.44	25	1
23-Nov-20	16.2	16.2	16.2	16.2	16.2	10	1
24-Nov-20	17	17	17	17	17	30	2
25-Nov-20	17.85	17.85	17.85	17.85	17.85	100	2

26-Nov-20	18.7	18.7	18.7	18.7	18.68	25	1
27-Nov-20	19.6	19.6	17.85	18.75	19.29167	1056	18
1-Dec-20	19.65	19.65	18.05	19.65	19.43571	1400	12
2-Dec-20	19.65	20.6	18.7	18.95	19.95549	1348	29
3-Dec-20	19.85	19.85	18.05	18.05	18.22775	663	11
4-Dec-20	17.15	18.95	17.15	17.2	18.15011	2185	17
7-Dec-20	17.2	17.2	16.35	16.35	16.35065	77	7
8-Dec-20	17.15	17.15	15.6	16.9	15.75995	1508	7
9-Dec-20	16.1	17.7	16.1	16.1	16.71182	1218	12
10-Dec-20	15.35	15.35	15.35	15.35	15.3	10	1
15-Dec-20	15	15	15	15	15	1	1
18-Dec-20	15.15	15.15	15.15	15.15	15.14947	843	3
21-Dec-20	15.9	15.9	15.9	15.9	15.9	100	1
22-Dec-20	16.65	16.65	16.65	16.65	16.65	100	1
23-Dec-20	17.45	17.45	17.45	17.45	17.45	100	1
24-Dec-20	18.3	18.3	16.7	18	18.23486	958	12
28-Dec-20	18.9	18.9	18.9	18.9	18.89888	801	5
29-Dec-20	19	19.8	18.5	19.75	19.3687	377	10
30-Dec-20	20.5	20.5	18.8	18.8	20.2934	409	6
31-Dec-20	17.9	19.55	17.9	19	18.04095	2833	13
1-Jan-21	18.05	19.7	18.05	18.05	18.6	210	5
4-Jan-21	18.2	18.85	17.2	17.2	18.40345	870	10
5-Jan-21	16.4	18	16.4	16.5	17.74286	210	7
6-Jan-21	15.75	16.15	15.75	16.15	16.01493	67	3
7-Jan-21	15.7	15.7	15.4	15.4	15.6	10	2
12-Jan-21	15.4	15.4	15	15.05	15.1	20	3
15-Jan-21	15.1	15.1	15.1	15.1	15	2	1
21-Jan-21	15.15	15.2	15.15	15.2	15.17992	1245	4
25-Jan-21	15.25	15.25	15.25	15.25	15	2	1
28-Jan-21	15.1	15.1	14.5	14.5	14.75	68	6
1-Feb-21	14.5	14.5	13.8	13.92	14.02857	35	3
2-Feb-21	13.5	14	13.4	13.78	13.75417	960	7
5-Feb-21	13.3	13.3	13.26	13.26	13.28571	21	2
9-Feb-21	13.01	14.55	12.1	12.35	13.45124	687	10
12-Feb-21	12.49	12.49	12.45	12.45	12.44948	287	2
24-Feb-21	12.46	12.46	12.46	12.46	12.45333	75	1
4-Mar-21	13.7	13.7	13.7	13.7	13.69903	618	6
5-Mar-21	15	15.07	15	15.07	15.04661	3025	5
8-Mar-21	16.57	16.57	16.57	16.57	16.56667	30	3
9-Mar-21	17.39	17.39	17.39	17.39	17.38	50	2
10-Mar-21	18.25	18.25	18.25	18.25	18.24898	245	5
12-Mar-21	19.16	19.16	17.34	18.25	18.9478	5441	55
15-Mar-21	17.35	19.16	17.35	18	18.15323	248	19

16-Mar-21	18	18.9	17.1	17.48	18.69375	2289	23
17-Mar-21	17.48	18.35	16.62	17.48	16.96929	2996	14
18-Mar-21	18.35	18.35	16.65	18.24	17.50467	107	8
19-Mar-21	17.33	17.33	17.33	17.33	17.33	100	1
22-Mar-21	17	17.97	17	17.2	17.155	400	14
23-Mar-21	16.34	16.8	16.34	16.46	16.39535	86	6
24-Mar-21	15.75	16.02	15.75	16.02	16.00602	332	3
25-Mar-21	15.23	15.23	15.23	15.23	15.23	100	1
26-Mar-21	15.99	15.99	15.99	15.99	15.99	1100	2
30-Mar-21	15.7	16	15.7	16	15.96861	1115	3

❖ **Distribution of Shareholding as on March 31, 2021**

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	429	74.22	298250.00	0.20
5001 To 10,000	22	3.81	199100.00	0.14
10001 To 20,000	9	1.56	151600.00	0.10
20001 To 30,000	12	2.08	310070.00	0.21
30001 To 40,000	2	0.35	72000.00	0.05
40001 To 50,000	28	4.84	1370500.00	0.93
50001 To 1,00,000	28	4.84	1953810.00	1.33
1,00,000 and Above	48	8.30	143029920.00	97.04
<b>Total</b>	<b>578</b>	<b>100</b>	<b>147385250</b>	<b>100</b>

❖ **Shareholding Pattern as on March 31, 2021**

Category	Number of Equity Shares held	% of Shareholding
Promoters and Promoters Group	3672396	24.92
Public	11066129	75.08
<b>Total</b>	<b>14738525</b>	<b>100</b>

## 7. Other Disclosures

- ❖ The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the Notes to accounts.
- ❖ The financial statements have been prepared in accordance with the applicable accounting standards and policies generally accepted in India and are unqualified.
- ❖ There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other statutory authority, during the last three years.
- ❖ The Company has a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to the Audit Committee.

- ❖ The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and para C, D and Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ❖ The Policy on Related Party Transactions are available at <http://www.sonalmercantile.in-investors-information.php>
- ❖ **CFO Certification:** The CFO and the Whole Time Director have certified to the Board, the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with, with regard to the financial statements forms part of this Report as **Annexure - B**.
- ❖ **Compliance Certificate:** Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Nitin Gupta, Practicing Company Secretary, certifying the compliance by the Company with the provisions of the Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report as **Annexure - C**.
- ❖ **Certificate:** Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Nitin Gupta, Practicing Company Secretary with regard to Non-disqualification of directors, forms part of this Report as **Annexure - D**.

**For and on Behalf of the Board  
Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director  
DIN: 00381115**

**Rajan Goyal  
Director  
DIN: 02600825**

*(Annexure-A to Corporate Governance Report)*

**CERTIFICATE FOR ADHERENCE TO THE CODE OF CONDUCT**  
*[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**Declaration by the Director**

**To**

**The Members  
Sonal Mercantile Limited**

Pursuant to Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreement with the stock exchange, I hereby confirm that, all the Directors and Senior Management Personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31, 2021.

**For Sonal Mercantile Limited**

**Date: August 31, 2021  
Place: New Delhi**

**Vikram Goyal  
Whole Time Director  
(DIN: 00381115)**

(Annexure-B to Corporate Governance Report)

**COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**CEO AND CFO CERTIFICATION TO THE BOARD**

We, Vikram Goyal, Whole Time Director and Rohit Saraogi, Chief Financial Officer of *Sonal Mercantile Limited* be and is hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the quarter and year ended **March 31, 2021** and that to the best of their knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the quarter and year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For Sonal Mercantile Limited**

**Date: August 31, 2021**  
**Place: New Delhi**

**Rohit Saraogi**  
**Chief Financial Officer**

**Vikram Goyal**  
**Whole Time Director**

(Annexure-C to Corporate Governance Report)

**PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE  
GOVERNANCE**

*[Pursuant to Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015]*

**To**

**The Members**

**Sonal Mercantile Limited**

365, Vardhman Plaza, III Floor,

Sector-3, Rohini,

New Delhi-110085

- 1) I have reviewed the implementation of the Corporate Governance procedures by Sonal Mercantile Limited ('the Company') during the year ended March 31<sup>st</sup> 2021, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period from April 01, 2020 to March 31, 2021, with the relevant records and documents maintained by the Company and furnished to me for my review, explanations given to me and report on Corporate Governance, as approved by the Board of Directors.
- 2) The Compliance of conditions of Corporate Governance is responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
- 3) I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 4) On the basis of my review and according to the best of my information and according to the explanations given to me, the Company has been complying with the conditions of Corporate Governance, as stipulated above mentioned Listing Regulations, as applicable.
- 5) The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and it should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

**Place: New Delhi**

**Date: Sep 01, 2021**

**UDIN: A035299C000870133**

**NITIN GUPTA**

**Membership No.: A35299**

**C P No.: 14087**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,**  
**The Members of**  
**Sonal Mercantile Limited**  
 365, Vardhman Plaza, III Floor,  
 Sector-3, Rohini, New Delhi-110085

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Sonal Mercantile Limited having CIN: L51221DL1985PLC022433 and having registered office at 365, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT IN COMPANY
1	Mr. Vikram Goyal	00381115	Whole time Director	23-11-2018
2	Mr. Rajan Goyal	02600825	Director	23-11-2018
3	Mr. Deepak	07878217	Director	26-03-2019
4	Mrs. Rati Goswami	08765348	Director	20-06-2020
5	Mr. Pardeep Kumar	08862414	Director	08-09-2020
6	Mr. Munish Kumar Garg	08866982	Director	08-09-2020

**Disclaimer:**

*Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.*

**Place: New Delhi**  
**Date: 01-09-2021**  
**UDIN: A035299C000870870**

**NITIN GUPTA**  
**Company Secretary in whole time practice**  
**Membership No.: A35299**  
**C. P. No.: 14087**



**AUDITED STANDALONE  
FINANCIAL STATEMENT  
FOR  
THE FINANCIAL YEAR  
2020 – 2021  
OF  
SONAL METRCANTILE LIMITED**

# V.N. PUROHIT & CO.

## Chartered Accountants

### Independent Auditor's Report

To  
The members of  
**SONAL MERCANTILE LIMITED**

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **SONAL MERCANTILE LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and the **net profit** (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

S. No.	Key audit matters	Auditor's response
1.	<u>Compliance of RBI directions and circulars:</u>	Our audit procedure inter- alia includes the following: -

## V.N. PUROHIT & CO.

Chartered Accountants

	<p>The recent RBI regulations increased the responsibility of auditors of NBFCs.</p> <p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p>We have reviewed the conditions for prudential norms prescribed by the RBI including: -</p> <ul style="list-style-type: none"><li>a) Provision on standard assets.</li><li>b) Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act.</li><li>c) Holding of at least 50% of the financial assets and 50% of the financial income respectively.</li><li>d) Maintaining minimum Net Owned Fund of Rs. 200 Lakhs.</li></ul>
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### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and the auditor's report thereon.

Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for

# **V.N. PUROHIT & CO.**

## **Chartered Accountants**

insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# V.N. PUROHIT & CO.

## Chartered Accountants

- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. The Company is a Non-Banking Financial Company not accepting public deposits and holding certificate of Registration No. B-14.02393 dated 19/02/2002 from Reserve Bank of India has been issued to the Company.
  - a) The Board of Directors has passed resolution for the non-acceptance of any public deposits.
  - b) The Company has not accepted any public deposits during the relevant year.
  - c) The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and previously for bad and doubtful debts as applicable to it.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

# **V.N. PUROHIT & CO.**

**Chartered Accountants**

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its standalone financial statements (Refer to note no. 25 of the standalone financial statements).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

**O.P. Pareek**

Partner

Membership No. 014238

**UDIN: - 21014238AAAAJR7296**

New Delhi, the 30<sup>th</sup> day of June, 2021

# V.N. PUROHIT & CO.

Chartered Accountants

## ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **SONAL MERCANTILE LIMITED** for the year ended on 31<sup>st</sup> March 2021.

- (i) (a) As per information and explanation given to us, the company is maintaining proper records showing full disclosures of fixed assets.  
  
(b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification.  
  
(c) According to information and explanation given to us, title deeds of immovable properties are held in the name of the company;
- (ii) As per information and explanation given to us, the Company did not hold inventory at any time during the period under audit and therefore the provisions of this sub-clause are not applicable to the Company;
- (iii) According to information and explanation given to us, the Company has not granted unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013;
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, advances, guarantees and securities so given;
- (v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
- (vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;  
  
(b) According to information and explanation given to us, there are no outstanding statutory dues on the part of the Company which is not deposited on account of dispute.
- (viii) According to information and explanations given to us, the company has not defaulted in repayment of loans and borrowings from any financial institution, bank, government or dues to debenture holders;
- (ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution;

## **V.N. PUROHIT & CO.**

**Chartered Accountants**

- (x) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;
- (xi) According to information and explanations given to us, the Company has not paid any managerial remuneration during the year under audit, hence the provisions of sub-clause 3 of the order, are not applicable;
- (xii) As per information, the Company is not a Nidhi Company, hence provisions of sub-clause (xii) of the Paragraph 3 of the Order are not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- (xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;
- (xvi) According to information and explanations given to us, the Company is a Non- Banking Financial Company and registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Signed for the purpose of identification

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

**O.P. Pareek**

Partner

Membership No. 014238

**UDIN: - 21014238AAAAJR7296**

New Delhi, the 30<sup>th</sup> day of June, 2021



# **V.N. PUROHIT & CO.**

Chartered Accountants

## **ANNEXURE- B TO THE AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **SONAL MERCANTILE LIMITED** as on 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for the Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

## **V.N. PUROHIT & CO.**

**Chartered Accountants**

accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

**O.P. Pareek**

Partner

Membership No. 014238

**UDIN: - 21014238AAAAJR7296**

New Delhi, the 30<sup>th</sup> day of June, 2021

**SONAL MERCANTILE LIMITED**  
**CIN: L51221DL1985PLC022433**  
**Standalone Balance Sheet as at 31st March 2021**

Particulars	Notes	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	102.07	1,316.92
Loans	4	1,835,718.03	1,602,650.30
Investments	5	78,178.70	38,659.70
Other financial assets	6	25.00	25.00
		<u>1,914,023.80</u>	<u>1,642,651.92</u>
<b>Non-financial assets</b>			
Current tax assets (net)		5,137.17	9,035.91
Deferred tax assets (net)	7	164.67	194.43
Property, plant & equipment	8	4.33	5.84
Other non financial assets	9	16,105.00	18,081.38
		<u>21,411.17</u>	<u>27,317.56</u>
<b>Total Assets</b>		<b><u>1,935,434.97</u></b>	<b><u>1,669,969.48</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
(a) Borrowings (other than debt)	10	1,375,284.12	1,341,750.24
(b) Other financial liabilities	11	229,023.94	68,086.51
		<u>1,604,308.06</u>	<u>1,409,836.75</u>
<b>Non-financial liabilities</b>			
(a) Provisions	12	4,589.29	4,006.63
(b) Other non financial liabilities	13	34,936.99	9,102.05
		<u>39,526.28</u>	<u>13,108.68</u>
<b>EQUITY</b>			
Equity share capital	14	147,385.25	147,385.25
Other equity	15	144,215.38	99,638.80
		<u>291,600.63</u>	<u>247,024.05</u>
<b>Total Liabilities and Equity</b>		<b><u>1,935,434.97</u></b>	<b><u>1,669,969.48</u></b>

Notes to the Standalone financial 1-33

The accompanying notes form an integral part of the standalone financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

**For and on behalf of the Board of Directors of**  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN: 21014238AAAAJR7296

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCPS4684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2021**

Particulars	Notes	For the year ended on 31st March 2021 (Rs. In '000')	For the year ended on 31st March 2020 (Rs. In '000')
<b>REVENUE</b>			
Revenue from operations	16	185,050.52	130,844.44
Other income	17	11.27	230.72
<b>Total Revenue (I)</b>		<b>185,061.79</b>	<b>131,075.16</b>
<b>EXPENSES</b>			
Finance costs	18	114,617.69	93,448.01
Employee benefit expenses	19	6,690.33	8,776.69
Depreciation	8	1.51	30.43
Other expenses	20	1,189.00	2,276.60
<b>Total Expenses (II)</b>		<b>122,498.53</b>	<b>104,531.73</b>
<b>Profit before tax (I-II)</b>		<b>62,563.26</b>	<b>26,543.43</b>
Tax Expense			
Current tax		(17,374.25)	(6,667.74)
Deferred tax		(29.75)	(12.87)
<b>Profit/ (loss) after tax (III)</b>		<b>45,159.26</b>	<b>19,862.82</b>
<b>Total Other Comprehensive Income (IV)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income (III+IV)</b>		<b>45,159.26</b>	<b>19,862.82</b>
<b>Earning per equity share (EPS) [nominal value of share Rs. 10]</b>			
Basic (Amount in Rs.)		3.06	1.35
Diluted (Amount in Rs.)		3.06	1.35

Notes to the Standalone financial statements 1-33

The accompanying notes form an integral part of the standalone financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
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Company Secretary  
PAN : DPGPK8456A

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

Standalone Cash Flow Statement for the year ended on 31st March 2021

Particulars	For the year ended on 31st March 2021 (Rs. In '000')	For the year ended on 31st March 2020 (Rs. In '000')
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit/ (loss) before tax and after extra- ordinary i	62,563.25	26,543.43
<u>Adjustments for items: -</u>		
Depreciation	1.51	30.42
Interest on fixed deposits	-	(157.53)
Finance Cost	-	93,448.01
Loss on sale of Property, plant & equipment	-	49.17
Operating Profit before working capital changes	62,564.76	119,913.50
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in loans	(233,067.73)	(767,292.01)
(Increase)/ decrease in other financial assets	-	(1.00)
(Increase)/ decrease in other non financial assets	1,976.38	(10,489.46)
Increase/ (decrease) in other financial liabilities	160,937.43	67,538.24
Increase/ (decrease) in other non-financial liabilities	25,834.94	7,557.40
Cash generated from operations	18,245.78	(582,773.33)
Direct Taxes Paid	(13,475.52)	(12,171.57)
<b>Net cash flow from operating activities (A)</b>	<b>4,770.26</b>	<b>(594,944.90)</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of property, plant & equipment	-	(5.29)
Sale of property, plant & equipment	-	225.00
Sale/ (Purchase) of investments	(39,519.00)	(38,409.70)
Interest received	-	157.53
<b>Net cash flow from investing activities (B)</b>	<b>(39,519.00)</b>	<b>(38,032.46)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Net proceeds from borrowings	33,533.88	670,820.08
Finance cost	-	(93,448.01)
<b>Net cash flow from financing activities (C)</b>	<b>33,533.88</b>	<b>577,372.07</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(1,214.85)</b>	<b>(55,605.27)</b>
Add: Opening cash and cash equivalents	1,316.92	56,922.19
<b>Closing cash and cash equivalents</b>	<b>102.07</b>	<b>1,316.92</b>
<b><u>Components of cash and cash equivalents</u></b>		
Cash on hand	4.31	130.33
Balance with banks in current account	97.76	1,186.59
<b>Total cash and cash equivalents (Note 3)</b>	<b>102.07</b>	<b>1,316.92</b>

The accompanying notes form an integral part of the standalone financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN: 21014238AAAAJR7296

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCPS4684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

**Standalone Statement of Changes in Equity for the year ended on 31st March 2021**

**A. Equity share capital: -**

(Rs. In '000')

Balance as at 1st April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
147,385.25	-	147,385.25
Balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
147,385.25	-	147,385.25

**B. Other equity: -**

(Rs. In '000')

Particulars	Reserve & Surplus			Total
	Special Reserve (u/s 45IC of the RBI Act, 1934)	Retained Earnings	Share premium	
Balance as at 1st April 2019	2,277.68	6,886.78	72,529.75	81,694.21
Profit for the year	-	19,862.83	-	19,862.83
Contingent provision for standard assets	-	(1,918.23)	-	(1,918.23)
Appropriation to statutory reserves	3,832.05	(3,832.05)	-	-
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>3,832.05</b>	<b>14,112.55</b>	<b>-</b>	<b>17,944.60</b>
Balance as at 31st March 2020	6,109.72	20,999.33	72,529.75	99,638.80
Balance as at 1st April 2020	6,109.72	20,999.33	72,529.75	99,638.80
Profit for the year	-	45,159.25	-	45,159.25
Contingent provision for standard assets	-	(582.67)	-	(582.67)
Appropriation to statutory reserves	9,031.85	(9,031.85)	-	-
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>9,031.85</b>	<b>35,544.73</b>	<b>-</b>	<b>44,577</b>
Balance as at 31st March 2021	15,141.57	56,544.06	72,529.75	144,215.38

Notes to the standalone financial statements

1-33

As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN: 21014238AAAAJR7296

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCP54684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021****1. Corporate Information:**

Sonal Mercantile Limited is a public company domiciled in India and registered under the provisions of Section 45-IA of The Reserve Bank of India Act, 1934. The company's primary business is to provide short term/ long term finance.

**2. Significant Accounting Policies:****(a) Statement of Compliance:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

**(b) Basis for preparation of standalone financial statements:**

The standalone financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services.

**(c) Use of Estimates:**

The preparation of standalone financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of standalone financial statements, disclosure of contingent liabilities as at the date of the standalone financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

**(d) Critical accounting estimates:****(i) Income Taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**(ii) Impairment of Investments:**

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

**(iii) Provisions:**

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

**(e) Property, plant and equipment:**

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage. The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciable amount of an asset is the cost of an asset less its estimated residual value. Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Furniture & fixtures	10
Vehicles	8
Office equipment	5
Computers	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss. At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

**(f) Revenue recognition:**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

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**(i) Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

**(ii) Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.

**(iii) Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**(g) Financial Instruments:**

**(i) Financial Assets: -**

**Recognition and initial measurement: -**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost. Processing fees earned on disbursement of loan assets have been recognized in revenue over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

**Subsequent measurement: -**

**Equity instrument and Mutual Fund:** - All equity Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

**Debt instrument:** - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets are held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**De-recognition of Financial Assets: -**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

**(ii) Financial Liabilities: -**

**Recognition and initial measurement: -**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost. Processing fees paid on borrowed loans have been amortised over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

**Subsequent measurement: -**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

**De-recognition of Financial liabilities: -**

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.



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**(iii) Offsetting of Financial Instrument: -**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

**(iv) Impairment of Financial Assets: -**

**Equity instruments, Debt Instruments and Mutual Fund:** - In accordance with Ind-AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

**Other Financial Assets:** - The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**(v) Expected Credit Loss (ECL): -**

Financial assets where no significant increase in credit risk has been observed are considered to be in 'Stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'Stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'Stage 3'. Lifetime ECL is recognised for the financial assets categorised under 'Stage 2' and 'Stage 3'.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months. In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('Lifetime ECL'). Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

**(h) Cash & Cash equivalents:**

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

**(i) Taxation:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts. Deferred income tax is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled. Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

**(j) Earnings Per Share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

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**(k) Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Assets and Contingent Liabilities are not recognized in the standalone financial statements.

Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the installments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the Reserve Bank of India (RBI). The provisioning policy of Company covers the minimum provisioning required as per the RBI guidelines.

Provisions are established on a collective basis against loan assets to absorb credit losses on the aggregate exposures in each of the loan portfolios. A higher non-performing asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgment. This estimate includes consideration of economic and business conditions. The amount of the allowance for credit losses is the amount that is required to establish a balance in the Provision for Non-Performing Assets Account that management consider adequate, after consideration of the prescribed minimum requirement under the RBI Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

3. Cash and cash equivalents	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Cash on hand (as certified)	4.31	130.33
Balances with banks	97.76	1,186.59
	<b>102.07</b>	<b>1,316.92</b>
4. Loans	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<u>In India</u>		
Loans repayable on demand (unsecured)	701.10	631.05
Term loans (at amortised cost) (unsecured)	1,835,016.93	1,602,019.25
	<b>1,835,718.03</b>	<b>1,602,650.30</b>
5. Investments	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<u>Equity Instruments- In India</u>		
Associate (at Cost)	250.00	250.00
<u>Investment Property (at Cost)</u>		
In Agricultural land: -		
Opening Balance	38,409.70	-
Add: Additions during the year	39,519.00	38,409.70
Closing Balance	<b>77,928.70</b>	<b>38,409.70</b>
	<b>78,178.70</b>	<b>38,659.70</b>
6. Other financial assets	As at 31st March 2021 (Rupees)	As at 31st March 2020 (Rupees)
Security deposits	25.00	25.00
	<b>25.00</b>	<b>25.00</b>
7. Deferred tax assets (net)	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
At start of the year	194.42	207.30
Credit/ (charge) to statement of profit and loss	(29.75)	(12.87)
At end of the year	<b>164.67</b>	<b>194.43</b>

7.1 The tax effect of significant timing differences that has resulted in deferred tax assets are given below: -

Particulars	For the year ended on 31st March 2021 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and	Recognised in OCI	Closing balance
Property, plant & equipment	194.42	(29.75)	-	164.67
<b>Total</b>	<b>194.42</b>	<b>(29.75)</b>	<b>-</b>	<b>164.67</b>

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	For the year ended on 31st March 2020 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and	Recognised in OCI	Closing balance
Property, plant & equipments	207.30	(12.87)	-	194.42
<b>Total</b>	<b>207.30</b>	<b>(12.87)</b>	<b>-</b>	<b>194.43</b>

**8. Property, plant & equipment**

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<u>Carrying amount:-</u>		
Office equipment	1.85	3.36
Furniture & fixtures	0.70	0.70
Motor Car	-	-
Computers	1.78	1.78
	<b>4.33</b>	<b>5.84</b>
		(Rs. In '000')

	Office equipment	Furniture & fixtures	Motor Car	Computers	Total
<u>Cost or Deemed Cost:-</u>					
Balance as at 1st April, 2019	-	14.00	3,157.94	35.60	3,207.54
Additions during the year	5.29	-	-	-	5.29
Asset disposed/ written off during the year	-	-	(3,157.94)	-	(3,157.94)
Balance as at 31st March, 2020	5.29	14.00	-	35.60	54.89
Additions during the year	-	-	-	-	-
Asset disposed/ written off during the year	-	-	-	-	-
Balance as at 31st March, 2021	5.29	14.00	-	35.60	54.89

<u>Accumulated depreciation:-</u>					
Balance as at 1st April, 2019	-	13.30	2,855.27	33.82	2,902.39
Charge for the year	1.93	-	28.50	-	30.43
Adjusted on assets disposed/ written off	-	-	(2,883.77)	-	(2,883.77)
Balance as at 31st March, 2020	1.93	13.30	-	33.82	49.05
Charge for the year	1.51	-	-	-	1.51
Adjusted on assets disposed/ written off	-	-	-	-	-
Balance as at 31st March, 2021	3.44	13.30	-	33.82	50.56

<u>Carrying amount:-</u>					
Balance as at 31st March, 2020	3.36	0.70	-	1.78	5.84
Balance as at 31st March, 2021	1.85	0.70	-	1.78	4.33

8.1 All the above property, plant & equipment are owned by the company unless specified otherwise.

**9. Other non-financial assets**

	As at 31st March 2021 (Rs. In'000')	As at 31st March 2020 (Rs. In'000')
Advances for purchase of properties	15,790.00	18,075.00
Balance held by authorities (Note 9.1)	315.00	-
Prepaid expenses	-	6.38
	<b>16,105.00</b>	<b>18,081.38</b>

9.1 A sum of Rs. 315.00 thousands held as Cash which is related to the Company had been seized by the Income tax Department on 14.02.2021 pursuant to search conducted at Director's residence.

**10. Borrowings (other than debt securities)**

	As at 31st March 2021 (Rs. In'000')	As at 31st March 2020 (Rs. In'000')
<u>Borrowings in India (unsecured)</u>		
Loans from related parties	1,008,681.86	1,099,526.35
Loan from others	366,602.26	242,223.89
	<b>1,375,284.12</b>	<b>1,341,750.24</b>

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11. Other financial liabilities	As at 31st March 2021 (Rs. In'000')	As at 31st March 2020 (Rs. In'000')
Payable against expenses	2,523.94	626.51
Advance against joint development agreement	196,500.00	-
Advance against sale of investments	30,000.00	67,460.00
	<b>229,023.94</b>	<b>68,086.51</b>

12. Provisions	As at 31st March 2021 (Rs. In'000')	As at 31st March 2020 (Rs. In'000')
<u>Contingent provision against standard assets:</u>		
Opening balance	4,006.63	2,088.40
Add/(less): Addition/(written off) during the year	582.66	1,918.23
Closing balance	<b>4,589.29</b>	<b>4,006.63</b>

12.1 A contingent provision against standard assets has been created at 0.25% (0.25% till 31st March, 2020) of the outstanding standard assets in terms of the RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014.

13. Other non financial liabilities	As at 31st March 2021 (Rs. In'000')	As at 31st March 2020 (Rs. In'000')
Payable to government authorities	34,936.99	9,102.05
	<b>34,936.99</b>	<b>9,102.05</b>

14. Equity share capital	As at 31st March 2021 Nos. (Rs. In'000')	As at 31st March 2020 Nos. (Rs. In'000')
<b>Authorized shares</b>		
Equity shares of Rs. 10 each with	15,000,000 150,000.00	15,000,000 150,000.00
	15,000,000 150,000.00	15,000,000 150,000.00
<b>Issued, subscribed and fully paid- up shares</b>		
Equity shares of Rs. 10 each with	14,738,525 147,385.25	14,738,525 147,385.25
voting rights fully paid	14,738,525 147,385.25	14,738,525 147,385.25

**14.1 Reconciliation of number of equity shares and amount outstanding**

	As at 31st March 2021 Nos. (Rs. In'000')	As at 31st March 2020 Nos. (Rs. In'000')
<u>Equity Shares</u>		
- At the beginning of the period	14,738,525 147,385.25	14,738,525 147,385.25
- Issued during the year	- -	- -
<b>Total outstanding at the end of the period</b>	<b>14,738,525 147,385.25</b>	<b>14,738,525 147,385.25</b>

**14.2 Terms and rights attached to equity shares**

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

**14.3 Details of shareholders holding more than 5% shares in the company: -**

	As at 31st March 2021 Nos. % holding	As at 31st March 2020 Nos. % holding
Rudraveerya Developers Limited	3,632,610 24.65%	3,653,060 24.79%
Ram Gopal Goyal & Sons LLP	36,72,396 24.92%	36,72,396 24.92%
Orion infradevelopers Private Limited	1,316,757 8.93%	1,174,757 7.97%
Orion Propmart Private Limited	1,517,926 10.30%	1,201,261 8.15%
Arvind Kumar Bansal HUF	765,625 5.19%	- 0.00%
Nabkri Developers Private Limited	- 0.00%	765,625 5.19%
As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.		

15. Other equity	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<u>Special Reserve (u/s 45IC of RBI Act, 1934)</u>		
Balance as per last financial statements	6,109.72	2,277.68
Add: Transfer from surplus	9,031.85	3,832.05
Closing balance	<b>15,141.57</b>	<b>6,109.72</b>

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<u>Retained Earnings</u>		
Balance as per last financial statements	20,999.33	6,886.78
Add/(Less): Profit/ (loss) for the year	45,159.25	19,862.83
Less: Transfer to Special Reserve u/s 45-IC of RBI Act	(9,031.85)	(3,832.05)
Add/(Less): Contingent provision for Standard Assets	(582.67)	(1,918.23)
Net surplus in statement of profit and loss	56,544.06	20,999.33
<u>Share premium</u>		
Opening balance	72,529.75	72,529.75
Addition/ (deletion) during the year	-	-
Closing balance	72,529.75	72,529.75
	<b>144,215.38</b>	<b>99,638.80</b>
<b>16. Revenue from operations</b>	<b>For the year ended 30th March 2021 (Rs. In '000')</b>	<b>For the year ended 31st March 2020 (Rs. In '000')</b>
Interest income	185,050.52	130,844.44
	<b>185,050.52</b>	<b>130,844.44</b>
<b>17. Other income</b>	<b>For the year ended 30th March 2021 (Rs. In '000')</b>	<b>For the year ended 31st March 2020 (Rs. In '000')</b>
Interest on bank deposits	-	157.53
Interest on income tax refund	11.27	73.19
	<b>11.27</b>	<b>230.72</b>
<b>18. Finance cost</b>	<b>For the year ended 30th March 2021 (Rs. In '000')</b>	<b>For the year ended 31st March 2020 (Rs. In '000')</b>
<u>On financial liabilities measured at amortised cost:</u>		
- Interest on borrowings	114,617.69	93,448.01
	<b>114,617.69</b>	<b>93,448.01</b>
<b>19. Employee benefit expenses</b>	<b>For the year ended 30th March 2021 (Rs. In '000')</b>	<b>For the year ended 31st March 2020 (Rs. In '000')</b>
Salaries and allowances	6,669.95	8,754.97
Staff welfare expenses	20.38	21.72
	<b>6,690.33</b>	<b>8,776.69</b>
<b>20. Other expenses</b>	<b>For the year ended 30th March 2021 (Rs. In '000')</b>	<b>For the year ended 31st March 2020 (Rs. In '000')</b>
Advertisement & publication expenses	84.01	63.69
Annual custodial fee	110.17	106.20
Payment to statutory auditors ( Note 22 )	68.70	79.06
Bad debts written off	-	1,076.59
Bank charges	2.98	2.38
Books & periodicals	12.83	13.08
Business promotion	14.78	13.21
BSE listing fees	354.00	413.00
Car insurance	-	37.95
Commission Charges	-	6.00
Conveyance expenses	14.47	13.53
Electricity charges	23.48	4.65
Office maintenance	-	12.60
Interest not recovered	-	45.19
Late filing fees	0.19	2.36
Loss on sale of property, plant & equipment	-	49.17
Rent	156.25	118.71
Postage & courier	4.96	5.53
Printing and stationery	18.82	17.49
Professional charges	210.95	82.36
Membership fees	5.90	29.50

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Miscellaneous expenses	23.13	4.08
RTA expenses	64.18	40.20
Telephone & mobile expenses	8.77	8.97
Website Expenses	10.43	7.21
Vehicle running & maintenance	-	23.89
	<b>1,189.00</b>	<b>2,276.60</b>

**21 Related parties: -**

As per Ind AS 24, the disclosures of transactions with the related parties are given below: -

(a) List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Associate Company	Rudraveerya Developers Limited
(ii)	Key Management Personnel	Vikram Goyal (Director) Rajan Goyal (Director) Rohit Saraogi (CFO) Kush Mishra (Past Company Secretary) Prabhjeet Kaur (Company Secretary)
(iii)	Relatives of Key Management Personnel	None
(iv)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	None

(b) Following transactions are made with the related parties covered under Ind AS- 24 on "Related Parties Disclosure": -

(Rs. In '000')

S. No.	Transaction with	Nature of transaction	Transactions during the year		Balance as at	
			31/Mar/21	31/Mar/20	31/Mar/21	31/Mar/20
(i)	Associate Company: -					
	Rudraveerya Developers Ltd	Loan Received	199,753.69	5,25,000.00	872,297.35	984,893.66
		Loan repaid	312,350.00	51,200.00	Nil	Nil
		Interest Paid	82,797.48	80,452.99	51,587.67	72,407.69
(ii)	Key Management Personnel: -					
	Rohit Saraogi	Remuneration	600.00	570.00	95.75	20.00
	Kush Mishra (Past Company Secretary)	Remuneration	165.95	17.93	Nil	17.93
(iii)	Relatives of Key Management Personnel: - None					

**22 Breakup of payments made to statutory auditors (including taxes) is disclosed as under: -**

(Rs. In '000')

Particulars	For the year ended 30th March 2021	For the year ended 31st March 2020
In respect of statutory audit (including tax audit)	47.20	60.18
In respect of certification	21.50	18.88
<b>Total</b>	<b>68.70</b>	<b>79.06</b>

**23 Balance shown under head trade receivables, trade payables, loans and advances are subject to confirmation.**

(Rs. In '000')

Particulars	For the year ended 30th March 2021	For the year ended 31st March 2020
Foreign currency earnings, expenditures and outgo	Nil	Nil

**25**

(Rs. In '000')

Particulars	For the year ended 30th March 2021	For the year ended 31st March 2020
Contingent liabilities not provided for	Nil	Nil
Pending litigations by/ against the Company	None	None

**26 Categories of Financial Instruments and its fair value measurement**

(Rs. in '000)

Financial assets	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
(i) Trade receivables	-	-

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(ii) Cash and Bank balance	102.07	1,316.92
(iii) Loans	1,835,718.03	1,602,650.30
(iv) other financial assets	25.00	25.00
<b>Measured at Cost</b>		
(i) Investment in Associate	250.00	250.00
(ii) Investment in Property	77,928.70	38,409.70
<b>Total</b>	<b>1,914,023.80</b>	<b>1,642,651.92</b>

<b>Financial liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Measured at amortised cost</b>		
(i) Borrowings	1,375,284.12	1,341,750.24
(ii) Other financial liabilities	229,023.94	68,086.51
<b>Total</b>	<b>1,604,308.06</b>	<b>1,409,836.75</b>

**27 Adjustment made in accounting estimates relating to prior period**

Certain tax Adjustment were made during the year which is related to previous year, impact of same has resulted in increase in profit by Rs. 702.58(in thousand) and Increase in EPS by Rs. 0.05

Consequently Profit and EPS has been increased by the same amount.

<b>Particulars</b>	<b>31/Mar/20 (Rs. In '000')</b>
<u>Changes in accounting estimates</u>	
Current tax-increase/(decrease)	(702.58)
Impact on past profits -increase/(decrease)	702.58
Impact on EPS-increase/(decrease)	0.05

28 The standalone financial statements were approved for issue by the Board of Directors on 30th day of June, 2021.

29 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

30 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

31 India is currently witnessing the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The Company has not experienced any significant impact on its liquidity position due to the sufficiency of working capital. The Company continues to be well geared to meet its funding needs.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. The Company shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

32 Previous year's figures have been re- arranged or re- grouped wherever considered necessary.

33 Figures have been rounded off to the nearest thousands of rupees.

34 Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm reg. No.: 304040E

**For and on behalf of Board of Directors of  
SONAL MERCANTILE LIMITED**

**O.P. Pareek**  
Partner  
Membership No.: 014238

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

UDIN: 21014238AAAAJR7296

New Delhi, the 30th day of June, 2021

**Rohit Saraogi**  
CFO  
PAN: BVCPS4684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENT  
FOR  
THE FINANCIAL YEAR  
2020 – 2021  
OF  
SONAL METRCANTILE LIMITED**



# V.N. PUROHIT & CO.

## Chartered Accountants

### Independent Auditor's Report

To  
The members of  
SONAL MERCANTILE LIMITED

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **SONAL MERCANTILE LIMITED** ("hereinafter referred to as the "Company") and its associate, which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2021, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2021, and the consolidated **net profit** (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associate in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

S.No.	Key audit matters	Auditor's response
1.	<b><u>Compliance of RBI directions and circulars:</u></b>  The recent RBI regulations increased the responsibility of auditors of NBFCs.	Our audit procedure inter- alia includes the following: -  We have reviewed the conditions for prudential norms prescribed by the RBI including: -

# V.N. PUROHIT & CO.

Chartered Accountants

	<p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p>a) Provision on standard assets.</p> <p>b) Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act.</p> <p>c) Holding of at least 50% of the financial assets and 50% of the financial income respectively.</p> <p>d) Maintaining minimum Net Owned Fund of Rs. 200 Lakhs.</p>
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## Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and the auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associates respectively, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the company and its associate are responsible for assessing the ability of the Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or its associate or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company and its associate are responsible for overseeing the financial reporting process of the Company and its associate respectively.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its associate to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated

# **V.N. PUROHIT & CO.**

## **Chartered Accountants**

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the annual financial statements of one associate included in the consolidated financial results, whose financial information reflects total net assets of Rs. 18,732.71 Lakhs as at 31st March 2021, total net profit after tax of Rs. 961.16 Lakhs, total comprehensive income of Rs. 2,768.21 Lakhs, and net cash flows of Rs. Nil for the year ended on that date, as considered in the statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate solely on such unaudited financial statements. Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

# **V.N. PUROHIT & CO.**

**Chartered Accountants**

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under Section 133 of the Act;
- e. On the basis of the written representations received from the directors of the Company and its associate as on 31st March, 2021 taken on record by the Board of Directors of the Company and its associate, respectively, none of the directors of the Company and its associate is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements have disclosed the impact, if any of pending litigations on the consolidated financial position of the Company and its associate in its consolidated financial statements (Refer to note no. 25 of the consolidated financial statements).
  - ii. The Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate.

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

**O.P. Pareek**

Partner

Membership No. 014238

**UDIN: - 21014238AAAAJQ1889**

New Delhi, the 30<sup>th</sup> day of June, 2021

# **V.N. PUROHIT & CO.**

Chartered Accountants

## **ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

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

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended on 31<sup>st</sup> March 2021, we have audited the internal financial controls over financial reporting of **SONAL MERCANTILE LIMITED** (hereinafter referred to as "the Company") and its associate as of and for the year ended on that date.

#### **Management's Responsibility for the Internal Financial Controls**

The respective Board of Directors of the Company and its associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

# **V.N. PUROHIT & CO.**

**Chartered Accountants**

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of information and according to explanation given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Company and its associate have maintained in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

## **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is incorporated in India, is based on the written representations received from the management of the said associate Company.

**FOR V.N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

**O.P. Pareek**

Partner

Membership No. 014238

**UDIN: - 21014238AAAAJQ1889**

New Delhi, the 30<sup>th</sup> day of June, 2021

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

Consolidated Balance Sheet as at 31st March 2021

Particulars	Notes	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	102.07	1,316.92
Loans	4	1,835,718.03	1,602,650.31
Investments	5	1,951,449.34	1,635,109.13
Other financial assets	6	25.00	25.00
		<u>3,787,294.44</u>	<u>3,239,101.36</u>
<b>Non-financial assets</b>			
Current tax assets (net)		5,137.19	9,035.91
Deferred tax assets (net)	7	164.67	194.43
Property, plant & equipment	8	4.33	5.84
Other non financial assets	9	16,105.00	18,081.38
		<u>21,411.19</u>	<u>27,317.56</u>
<b>Total Assets</b>		<u><b>3,808,705.63</b></u>	<u><b>3,266,418.92</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
(a) Borrowings (other than debt secu	10	1,375,284.12	1,341,750.24
(b) Other financial liabilities	11	32,523.94	68,086.51
		<u>1,407,808.06</u>	<u>1,409,836.75</u>
<b>Non-financial liabilities</b>			
(a) Provisions	12	4,589.30	4,006.63
(b) Other non financial liabilities	13	231,436.99	9,102.05
		<u>236,026.29</u>	<u>13,108.68</u>
<b>EQUITY</b>			
Equity share capital	14	147,385.25	147,385.25
Other equity	15	2,017,486.03	1,696,088.24
		<u>2,164,871.28</u>	<u>1,843,473.49</u>
<b>Total Liabilities and Equity</b>		<u><b>3,808,705.63</b></u>	<u><b>3,266,418.92</b></u>

Notes to the Consolidated financial 1-36

The accompanying notes form an integral part of the Consolidated financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
SONAL MERCANTILE LIMITED

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN:21014238AAAAJQ1889

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCP54684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A



**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

**Consolidated STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2021**

Particulars	Notes	For the year ended on 31st March 2021 (Rs. In '000')	For the year ended on 31st March 2020 (Rs. In '000')
<b>REVENUE</b>			
Revenue from operations	16	185,050.52	130,844.44
Other income	17	11.27	230.72
<b>Total Revenue (I)</b>		<b>185,061.79</b>	<b>131,075.16</b>
<b>EXPENSES</b>			
Finance costs	18	114,617.69	93,448.01
Employee benefit expenses	19	6,690.33	8,776.69
Depreciation	8	1.51	30.42
Other expenses	20	1,189.00	2,276.60
<b>Total Expenses (II)</b>		<b>122,498.53</b>	<b>104,531.72</b>
<b>Profit before tax (I-II)</b>		<b>62,563.26</b>	<b>26,543.44</b>
Tax Expense			
Current tax		(17,374.25)	(6,667.74)
Deferred tax		(29.75)	(12.87)
<b>Profit/ (loss) after tax (III)</b>		<b>45,159.26</b>	<b>19,862.83</b>
<b>Share of profit in associate (net) (IV)</b>		<b>96,116.34</b>	<b>45,151.53</b>
<b>Other Comprehensive Income</b>			
Share of Other Comprehensive Income in Associates to the extent not reclassified to profit & loss		180,704.87	20,454.29
<b>Total Other Comprehensive Income (IV)</b>		<b>180,704.87</b>	<b>20,454.29</b>
<b>Total Comprehensive Income (III+IV)</b>		<b>321,980.47</b>	<b>85,468.65</b>
<b>Earning per equity share (EPS) [nominal value of share Rs. 10]</b>			
Basic (Amount in Rs.)		9.59	4.41
Diluted (Amount in Rs.)		9.59	4.41

Notes to the Consolidated financial statements 1-36

The accompanying notes form an integral part of the Consolidated financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN:21014238AAAAJQ1889

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCP54684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433

Consolidated Cash Flow Statement for the year ended on 31st March 2021

Particulars	For the year ended on 31st March 2021 (Rs. In '000')	For the year ended on 31st March 2020 (Rs. In '000')
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax and after extra- ordinary items	62,563.25	26,543.43
<u>Adjustments for items: -</u>		
Depreciation	1.51	30.42
Interest on fixed deposits	-	(157.53)
Finance Cost	-	93,448.01
Loss on sale of Property, plant & equipment	-	49.17
Operating Profit before working capital changes	62,564.76	119,913.50
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in loans	(233,067.73)	(767,292.01)
(Increase)/ decrease in other financial assets	-	(1.00)
(Increase)/ decrease in other non financial assets	1,976.38	(10,489.46)
Increase/ (decrease) in other financial liabilities	(35,562.57)	67,538.24
Increase/ (decrease) in other non-financial liabilities	222,334.94	7,557.40
Cash generated from operations	18,245.78	(582,773.33)
Direct Taxes Paid	(13,475.52)	(12,171.57)
<b>Net cash flow from operating activities (A)</b>	<b>4,770.26</b>	<b>(594,944.90)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	-	(5.29)
Sale of property, plant & equipment	-	225.00
Sale/ (Purchase) of investments	(39,519.00)	(38,409.70)
Interest received	-	157.53
<b>Net cash flow from investing activities (B)</b>	<b>(39,519.00)</b>	<b>(38,032.46)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from borrowings	33,533.88	670,820.08
Finance cost	-	(93,448.01)
<b>Net cash flow from financing activities (C)</b>	<b>33,533.88</b>	<b>577,372.07</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(1,214.85)</b>	<b>(55,605.27)</b>
Add: Opening cash and cash equivalents	1,316.92	56,922.19
<b>Closing cash and cash equivalents</b>	<b>102.07</b>	<b>1,316.92</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	4.31	130.33
Balance with banks in current account	97.76	1,186.59
<b>Total cash and cash equivalents (Note 3)</b>	<b>102.07</b>	<b>1,316.92</b>

The accompanying notes form an integral part of the Consolidated financial statements.  
As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN:21014238AAAAJQ1889

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCP54684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

# SONAL MERCANTILE LIMITED

CIN: L51221DL1985PLC022433

## Consolidated Statement of Changes in Equity for the year ended on 31st March 2021

**A. Equity share capital: -**

(Rs. In '000')

Balance as at 1st April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
147,385.25	-	147,385.25
Balance as at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
147,385.25	-	147,385.25

**B. Other equity: -**

(Rs. In '000')

Particulars	Reserve & Surplus			Total
	Special Reserve (u/s 45IC of the RBI Act, 1934)	Retained Earnings	Share premium	
Balance as at 1st April 2019	2,277.68	6,886.78	72,529.75	81,694.21
Profit for the year	-	19,862.83	-	19,862.83
Contingent provision for standard assets	-	(1,918.23)	-	(1,918.23)
Appropriation to statutory reserves	3,832.05	(3,832.05)	-	-
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	3,832.05	14,112.55	-	17,944.60
Balance as at 31st March 2020	6,109.72	20,999.33	72,529.75	99,638.80
Balance as at 1st April 2020	6,109.72	20,999.33	72,529.75	99,638.80
Profit for the year	-	45,159.25	-	45,159.25
Contingent provision for standard assets	-	(582.67)	-	(582.67)
Appropriation to statutory reserves	9,031.85	(9,031.85)	-	-
Total other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	9,031.85	35,544.73	-	44,577
Balance as at 31st March 2021	15,141.57	56,544.06	72,529.75	144,215.38

Notes to the Consolidated financial statements

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As per our report of even date

**FOR V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of  
**SONAL MERCANTILE LIMITED**

**O. P. Pareek**  
Partner  
Membership No. 014238  
UDIN:21014238AAAAJQ1889

**Vikram Goyal**  
Director  
DIN: 00381115

**Rajan Goyal**  
Director  
DIN: 02600825

New Delhi, 30th day of June 2021

**Rohit Saraogi**  
CFO  
PAN: BVCPS4684L

**Prabhjeet Kaur**  
Company Secretary  
PAN : DPGPK8456A

**1. Corporate Information:**

Sonal Mercantile Limited is a public company domiciled in India and registered under the provisions of Section 45-IA of The Reserve Bank of India Act, 1934. The company's primary business is to provide short term/ long term finance.

**2 Significant Accounting Policies:**

**(a) Statement of Compliance:**

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

**(b) Basis for preparation of consolidated financial statements:**

The consolidated financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services. However certain financial assets and liabilities are measured at fair value in compliances with IND-AS.

**(c) Principles of consolidation :**

The consolidated financial statements comprise of the holding company India Finsec Limited and all its subsidiaries and associates in accordance with the requirements of Ind AS 110- Consolidated Financial Statements and Ind AS 28 - Investment in Associates and Joint Ventures (to the extent applicable). The consolidated financial statements have been prepared on the following bases: -

- (i) The financial statements of the holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, afterfully eliminating intra-group balances and intra-group transactions.
- (ii) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (iii) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (iv) The financial statements of the associate/ subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2021.
- (v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (vi) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated statement of profit & loss being the profit or loss on disposal of investment in subsidiary.
- (viii) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (ix) The Group accounts for its share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures.
- (x) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- (xi) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

Changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. The carrying amount of the non-controlling interest is adjusted to reflect the change in the non- controlling interest's ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the parent's equity holders.

**(d) Use of Estimates:**

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

**(e) Critical accounting estimates:**

**(i) Income Taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**(ii) Impairment of Investments:**

The carrying value of investments is reviewed at cost annually, or more frequently whenever, there is indication for impairment. If the recoverable amount is less than the carrying amount, the impairment loss is accounted for.

**(iii) Provisions:**

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

**(f) Property, plant and equipment:**

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage. The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciable amount of an asset is the cost of an asset less its estimated residual value. Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Furniture & fixtures	10
Vehicles	8
Office equipment	5
Computers	3

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss. At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

**(g) Revenue recognition:**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

**(i) Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

**(ii) Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.

**(iii) Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**(h) Financial Instruments:**

**(i) Financial Assets: -**

**Recognition and initial measurement: -**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost. Processing fees earned on disbursement of loan assets have been recognized in revenue over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

**Subsequent measurement: -**

**Equity instrument and Mutual Fund:** - All equity Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).

**Debt instrument:** - A 'debt instrument' is measured at the amortised cost if both the following conditions are met. The assets are held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**De-recognition of Financial Assets: -**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

**(ii) Financial Liabilities: -**

**Recognition and initial measurement: -**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost. Processing fees paid on borrowed loans have been amortised over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

**Subsequent measurement: -**

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

**De-recognition of Financial liabilities:-**

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(iii) Offsetting of Financial Instrument:-**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

**(iv) Impairment of Financial Assets:-**

**Equity instruments, Debt Instruments and Mutual Fund:-** In accordance with Ind-AS 109, the Company applies Expected Credit Loss model for measurement and recognition of impairment loss for financial assets. Expected Credit Loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

**Other Financial Assets:-** The Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**(v) Expected Credit Loss (ECL):-**

Financial assets where no significant increase in credit risk has been observed are considered to be in 'Stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'Stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'Stage 3'. Lifetime ECL is recognised for the financial assets categorised under 'Stage 2' and 'Stage 3'.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months. In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('Lifetime ECL'). Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

**(i) Cash & Cash equivalents:**

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

**(j) Taxation:**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts. Deferred income tax is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled. Deferred tax assets include Minimum Alternative Tax (MAT) paid which is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

**(j) Earnings Per Share:**

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**(k) Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Assets and Contingent Liabilities are not recognized in the financial statements.

Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the installments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the Reserve Bank of India (RBI). The provisioning policy of Company covers the minimum provisioning required as per the RBI guidelines.

Provisions are established on a collective basis against loan assets to absorb credit losses on the aggregate exposures in each of the loan portfolios. A higher non-performing asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgment. This estimate includes consideration of economic and business conditions. The amount of the allowance for credit losses is the amount that is required to establish a balance in the Provision for Non-Performing Assets Account that management consider adequate, after consideration of the prescribed minimum requirement under the RBI Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

<b>3. Cash and cash equivalents</b>	<b>As at 31st March 2021</b> <b>(Rs. In '000')</b>	<b>As at 31st March 2020</b> <b>(Rs. In '000')</b>
Cash on hand (as certified)	4.31	130.33
Balances with banks	97.76	1,186.59
	<b>102.07</b>	<b>1,316.92</b>
<b>4. Loans</b>	<b>As at 31st March 2021</b> <b>(Rs. In '000')</b>	<b>As at 31st March 2020</b> <b>(Rs. In '000')</b>
<u>In India</u>		
Loans repayable on demand (unsecured)	701.10	631.05
Term loans (at amortised cost) (unsecured)	1,835,016.93	1,602,019.25
	<b>1,835,718.03</b>	<b>1,602,650.30</b>
<b>5. Investments</b>	<b>As at 31st March 2021</b> <b>(Rs. In '000')</b>	<b>As at 31st March 2020</b> <b>(Rs. In '000')</b>
<u>Equity Instruments- In India</u>		
Associate (at Cost)	1,873,520.64	1,596,699.43
<u>Investment Property (at Cost)</u>		
In Agricultural land: -		
Opening Balance	38,409.70	-
Add: Additions during the year	39,519.00	38,409.70
Closing Balance	77,928.70	38,409.70
	<b>1,951,449.34</b>	<b>1,635,109.13</b>
<b>5 Carrying amount of investment in associate in accordance with Ind AS 28 in consolidated financial statements" is arrived as follows:</b>		
	<b>As at 31st March 2021</b> <b>(Rs. In '000')</b>	<b>As at 31st March 2020</b> <b>(Rs. In '000')</b>
Initial cost of investments	229.40	229.40
Add: - Goodwill on consolidation	20.60	20.60
Add: - Share in post acquisition profits	1,873,270.64	1,596,449.43
	<b>1,873,520.64</b>	<b>1,596,699.43</b>
<b>6. Other financial assets</b>	<b>As at 31st March 2021</b> <b>(Rupees)</b>	<b>As at 31st March 2020</b> <b>(Rupees)</b>
Security deposits	25.00	25.00
	<b>25.00</b>	<b>25.00</b>
<b>7. Deferred tax assets (net)</b>	<b>As at 31st March 2021</b> <b>(Rs. In '000')</b>	<b>As at 31st March 2020</b> <b>(Rs. In '000')</b>
At start of the year	194.42	207.30
Credit/ (charge) to statement of profit and loss	(29.75)	(12.87)
Credit/ (charge) to other comprehensive income	-	-
At end of the year	<b>164.67</b>	<b>194.43</b>

7 The tax effect of significant timing differences that has resulted in deferred tax assets are given below: -

Particulars	For the year ended on 31st March 2021 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipment	194.42	(29.75)	-	164.67
<b>Total</b>	<b>194.42</b>	<b>(29.75)</b>	<b>-</b>	<b>164.67</b>

Particulars	For the year ended on 31st March 2020 (Rs. In '000')			
	Opening balance	Recognised in statement of profit and loss	Recognised in OCI	Closing balance
Property, plant & equipments	207.30	(12.87)	-	194.42
<b>Total</b>	<b>207.30</b>	<b>(12.87)</b>	<b>-</b>	<b>194.43</b>

## 8. Property, plant & equipment

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Carrying amount: -		
Office equipment	1.85	3.36
Furniture & fixtures	0.70	0.70
Motor Car	-	-
Computers	1.78	1.78
	<u>4.33</u>	<u>5.84</u>

	Office equipment (Rs. In '000')	Furniture & fixtures (Rs. In '000')	Motor Car (Rs. In '000')	Computers (Rs. In '000')	Total (Rs. In '000')
Cost or Deemed Cost: -					
Balance as at 1st April, 2019	-	14.00	3,157.94	35.60	3,207.54
Additions during the year	5.29	-	-	-	5.29
Asset disposed/ written off during the year	-	-	(3,157.94)	-	(3,157.94)
Balance as at 31st March, 2020	5.29	14.00	-	35.60	54.89
Additions during the year	-	-	-	-	-
Asset disposed/ written off during the year	-	-	-	-	-
Balance as at 31st March, 2021	5.29	14.00	-	35.60	54.89

Accumulated depreciation: -					
Balance as at 1st April, 2019	-	13.30	2,855.27	33.82	2,902.39
Charge for the year	1.93	-	28.49	-	30.42
Adjusted on assets disposed/ written off	-	-	(2,883.76)	-	(2,883.76)
Balance as at 31st March, 2020	1.93	13.30	-	33.82	49.05
Charge for the year	1.51	-	-	-	1.51
Adjusted on assets disposed/ written off	-	-	-	-	-
Balance as at 31st March, 2021	3.44	13.30	-	33.82	50.56

Carrying amount: -					
Balance as at 31st March, 2020	3.36	0.70	-	1.78	5.84
Balance as at 31st March, 2021	1.85	0.70	-	1.78	4.33

8.1 All the above property, plant & equipment are owned by the company unless specified otherwise.

## 9. Other non-financial assets

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Advances for purchase of land	15,790.00	18,075.00
Balance held with authorities	315.00	-
Prepaid expenses	-	6.38
	<u>16,105.00</u>	<u>18,081.38</u>

9 A sum of Rs. 315.00 thousands held as Cash which is related to the Company had been seized by the Income tax Department on 14.02.2021 pursuant to search conducted at Director's residence.

## 10. Borrowings (other than debt securities)

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Borrowings in India (unsecured)		
Loans from related parties	1,008,681.86	1,099,526.35
Loan from others	366,602.26	242,223.89
	<u>1,375,284.12</u>	<u>1,341,750.24</u>

## 11. Other financial liabilities

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Payable against expenses	2,523.94	626.51
Advance against sale of investments	30,000.00	67,460.00
	<u>32,523.94</u>	<u>68,086.51</u>

## 12. Provisions

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Contingent provision against standard assets:		
Opening balance	4,006.63	2,088.40
Add/(less): Addition/(written off) during the year	582.67	1,918.23
Closing balance	<u>4,589.30</u>	<u>4,006.63</u>

12.1 A contingent provision against standard assets has been created at 0.25% (0.25% till 31st March, 2020) of the outstanding standard assets in terms of the RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014.

## 13. Other non financial liabilities

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Advance for joint development	196,500.00	-
Payable to government authorities	34,936.99	9,102.05
	<u>231,436.99</u>	<u>9,102.05</u>

## 14. Equity share capital

	As at 31st March 2021 Nos.	(Rs. In '000')	As at 31st March 2020 Nos.	(Rs. In '000')
Authorized shares				
Equity shares of Rs. 10 each with voting rights	15,000,000	150,000.00	15,000,000	150,000.00
	<u>15,000,000</u>	<u>150,000.00</u>	<u>15,000,000</u>	<u>150,000.00</u>
Issued, subscribed and fully paid- up shares				
Equity shares of Rs. 10 each fully paid with	14,738,525	147,385.25	14,738,525	147,385.25
	<u>14,738,525</u>	<u>147,385.25</u>	<u>14,738,525</u>	<u>147,385.25</u>



#### 14.1 Reconciliation of number of equity shares and amount outstanding

	As at 31st March 2021		As at 31st March 2020	
	Nos.	(Rs. In '000')	Nos.	(Rs. In '000')
Equity Shares				
- At the beginning of the period	14,738,525	147,385.25	14,738,525	147,385.25
- Issued during the year	-	-	-	-
<b>Total outstanding at the end of the period</b>	<b>14,738,525</b>	<b>147,385.25</b>	<b>14,738,525</b>	<b>147,385.25</b>

#### 14.2 Terms and rights attached to equity shares

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

#### 14.3 Details of shareholders holding more than 5% shares in the company: -

	As at 31st March 2021		As at 31st March 2020	
	Nos.	% holding	Nos.	% holding
Rudraveerya Developers Limited	3,632,610	24.65%	3,653,060	24.79%
Ram Gopal Goyal & Sons LLP	3,672,396	24.92%	36,72,396	24.92%
Orion infradevelopers Private Limited	1,316,757	8.93%	1,174,757	7.97%
Orion Propmart Private Limited	1,517,926	10.30%	1,201,261	8.15%
Arvind Kumar Bansal HUF	765,625	5.19%	-	0.00%
Nabkri Developers Private Limited	-	0.00%	765,625	5.19%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### 15. Other equity

	As at 31st March 2021 (Rs. In '000')	As at 31st March 2020 (Rs. In '000')
Special Reserve (u/s 45IC of RBI Act, 1934)		
Balance as per last financial statements	6,109.72	2,277.68
Add: Transfer from surplus	9,031.85	3,832.05
Closing balance	15,141.57	6,109.72
Retained Earnings		
Balance as per last financial statements	1,585,597.67	1,526,333.59
Add/(Less): Profit/ (loss) for the year	45,159.25	19,862.83
Add/(Less): Share of profit in associate	96,116.34	45,151.53
Less: Transfer to Special Reserve u/s 45-IC of RBI Act	(9,031.85)	(3,832.05)
Add/(Less): Contingent provision for Standard Assets	(582.67)	(1,918.23)
Net surplus in statement of profit and loss	1,717,258.74	1,585,597.67
Share premium		
Opening balance	72,529.75	72,529.75
Addition/ (deletion) during the year	-	-
Closing balance	72,529.75	72,529.75
<u>Equity instruments through other comprehensive income</u>		
Opening balance	31,851.10	11,396.81
Transfer from Statement of Profit & Loss	180,704.87	20,454.29
Closing balance	212,555.97	31,851.10
	<b>2,017,486.03</b>	<b>1,696,088.24</b>

#### 16. Revenue from operations

	For the year ended 30th March 2021 (Rs. In '000')	For the year ended 31st March 2020 (Rs. In '000')
Interest income	185,050.52	130,844.44
	<b>185,050.52</b>	<b>130,844.44</b>

#### 17. Other income

	For the year ended 30th March 2021 (Rs. In '000')	For the year ended 31st March 2020 (Rs. In '000')
Interest on bank deposits	-	157.53
Interest on income tax refund	11.27	73.19
	<b>11.27</b>	<b>230.72</b>

#### 18. Finance cost

	For the year ended 30th March 2021 (Rs. In '000')	For the year ended 31st March 2020 (Rs. In '000')
<u>On financial liabilities measured at amortised cost:</u>		
- Interest on borrowings	114,617.69	93,448.01
	<b>114,617.69</b>	<b>93,448.01</b>

#### 19. Employee benefit expenses

	For the year ended 30th March 2021 (Rs. In '000')	For the year ended 31st March 2020 (Rs. In '000')
Salaries and allowances	6,669.95	8,754.97
Staff welfare expenses	20.38	21.72
	<b>6,690.33</b>	<b>8,776.69</b>

**20. Other expenses**

	For the year ended 30th March 2021 (Rs. In '000')	For the year ended 31st March 2020 (Rs. In '000')
Advertisement & publication expenses	84.01	63.69
Annual custodial fee	110.17	106.20
Payment to statutory auditors ( Note 22 )	47.20	79.06
Bad debts written off	-	1,076.59
Bank charges	2.98	2.38
Books & periodicals	12.83	13.08
Business promotion	14.78	13.21
BSE listing fees	354.00	413.00
Car insurance	-	37.95
Commission Charges	-	6.00
Conveyance expenses	14.47	13.53
Electricity charges	23.48	4.65
Office maintenance	-	12.60
Interest not recovered	-	45.19
Late filing fees	0.19	2.36
Loss on sale of property, plant & equipment	-	49.17
Rent	156.25	118.71
Postage & courier	4.96	5.53
Printing and stationery	18.82	17.49
Professional charges	232.45	82.36
Membership fees	5.90	29.50
Miscellaneous expenses	23.13	4.08
RTA expenses	64.18	40.20
Telephone & mobile expenses	8.77	8.97
Website Expenses	10.43	7.21
Tours & travelling expenses	-	-
Vehicle running & maintenance	-	23.89
	<b>1,189.00</b>	<b>2,276.60</b>

**21 Related parties: -**

As per Ind AS 24, the disclosures of transactions with the related parties are given below: -

(a) List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Key Management Personnel	Vikram Goyal (Director)
		Rajan Goyal (Director)
		Rohit Saraogi (CFO)
		Kush Mishra (Past Company Secretary)
		Prabhjeet Kaur (Company Secretary)
(ii)	Relatives of Key Management Personnel	None
(iii)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	None

(b) Following transactions are made with the related parties covered under Ind AS- 24 on "Related Parties Disclosure": -

(Rs. In '000')

S. No.	Transaction with	Nature of transaction	Transactions during the year		Balance as at	
			31/Mar/21	31/Mar/20	31/Mar/21	31/Mar/20
(i)	<u>Key Management Personnel: -</u>					
	Rohit Saraogi	Remuneration	600.00	570.00	95.75	20.00
	Kush Mishra (Past Company Secretary)	Remuneration	165.95	17.93	Nil	17.93
(ii)	<u>Relatives of Key Management Personnel: - None</u>					
(iii)	<u>Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: - None</u>					

**22 Breakup of payments made to statutory auditors (including taxes) is disclosed as under: -**

(Rs. In '000')

Particulars	For the year ended on 31st March 2021	For the year ended on 31st March 2020
In respect of statutory audit (including tax audit)	47.20	60.18
In respect of certification	21.50	18.88
<b>Total</b>	<b>68.70</b>	<b>79.06</b>

**23 Balance shown under head trade receivables, trade payables, loans and advances are subject to confirmation.**

(Rs. In '000')

Particulars	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Foreign currency earnings, expenditures and outgo	Nil	Nil

**25 Particulars**

(Rs. In '000')

	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Contingent liabilities not provided for	Nil	Nil
Pending litigations by/ against the Company	None	None

**26 The following Associate company is considered in the Consolidated Financial Statements:-**

S.No.	Name of Associate Company	Country of incorporation	% of Equity holding either directly or through subsidiaries	
			As at 31st March 2021	As at 31st March 2020
(i)	M/s Rudraveerya Developers Limited	India	50.00%	50.00%

27 Additional information pursuant to the requirements of Schedule-III of the Companies Act, 2013 in Consolidated Financial Statements is as under:-

Name of the entity in the group	Net Assets		Share in Profit and Loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount (Rs. In "000")	As a % of consolidated profit and loss	Amount (Rs. In "000")	As a % of consolidated other comprehensive Income	Amount (Rs. In "000")	As a % of consolidated Total comprehensive Income	Amount (Rs. In "000")
<b>Company</b>								
Sonal Mercantile Limited	13.45	291,185.97	31.97	45,159.26	0.00	-	14.03	45,159.26
<b>Associate</b>								
Rudraveerya Developers Limited	86.55	1,873,520.64	68.03	96,116.34	100.00	180,704.87	85.97	276,821.21
<b>Total</b>	<b>100.00</b>	<b>2,164,706.61</b>	<b>100.00</b>	<b>141,275.60</b>	<b>100.00</b>	<b>180,704.87</b>	<b>100.00</b>	<b>321,980.47</b>

28 Categories of Financial Instruments and its fair value measurement (Rs. in '000)

(a) Financial assets	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
(i) Trade receivables	-	-
(ii) Cash and Bank balance	102.07	1,316.92
(iii) Loans	1,835,718.03	1,602,650.31
(iv) other financial assets	25.00	25.00
<b>Measured at Cost</b>		
(ii) Investment in Property	77,928.70	38,409.70
<b>Total</b>	<b>1,913,773.80</b>	<b>1,642,401.93</b>
(b) Financial liabilities	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
(i) Borrowings	1,375,284.12	1,341,750.24
(ii) Other financial liabilities	32,523.94	68,086.51
<b>Total</b>	<b>1,407,808.06</b>	<b>1,409,836.75</b>

29 Adjustment made in accounting estimates relating to prior period

Certain tax Adjustment were made during the year which is related to previous year, impact of same has resulted in increase in profit by Rs. 702.58(in thousand) and Increase in EPS by Rs. 0.05  
Consequently Profit and EPS has been increased by the same amount.

Particulars	31/Mar/20 (Rs. In '000')
<u>Changes in accounting estimates</u>	
Current tax-increase/(decrease)	(702.59)
Impact on past profits -increase/(decrease)	702.59
Impact on EPS-increase/(decrease)	0.05

30 The Consolidated financial statements were approved for issue by the Board of Directors on 30th day of June, 2021.

31 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

32 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

33 India is currently witnessing the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The Company has not experienced any significant impact on its liquidity position due to the sufficiency of working capital. The Company continues to be well geared to meet its funding needs.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. The Company shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business.

34 Previous year's figures have been re- arranged or re- grouped wherever considered necessary.

35 Figures have been rounded off to the nearest thousands of rupees.

36 Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

FOR V.N. PUROHIT & CO.  
Chartered Accountants  
Firm reg. No.: 304040E

For and on behalf of Board of Directors of  
SONAL MERCANTILE LIMITED

O.P. Pareek  
Partner  
Membership No.: 014238

Vikram Goyal  
Director  
DIN: 00381115

Rajan Goyal  
Director  
DIN: 02600825

UDIN:21014238AAAAJQ1889

New Delhi, the 30th day of June, 2021

Rohit Saraogi  
CFO  
PAN: BVCP54684L

Prabhjeet Kaur  
Company Secretary  
PAN : DPGPK8456A