

# **SONAL MERCANTILE LIMITED**

**30<sup>TH</sup> ANNUAL REPORT  
FOR THE FINANCIAL YEAR 2014-2015**

**CIN NO: L51221DL1985PLC022433**

**REGD. OFFICE: - 105/33, VARDHMAN GOLDEN PLAZA, ROAD NO. 44, PITAMPURA, DELHI-110034  
(WEBSITE: [www.sonalmercantile.com](http://www.sonalmercantile.com), Email id: [sonalmercantile.yahoo.in](mailto:sonalmercantile.yahoo.in))**



# SONAL MERCANTILE LIMITED

REGD. OFFICE: 105/33, VARDHIMAN GOLDEN PLAZA, ROAD NO. 44, PITAMPURA, DELHI-110034

CIN: L51221 DL1985PLC022433, web: www.sonalmercantile.com

## FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Sonal Mercantile Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. 304040E

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 30<sup>th</sup> day of May 2015



For and on behalf of Board of Directors of

Sonal Mercantile Limited

Anjali Aggarwal

(CFO)

Vikram Sharma

(Chairman of Audit Committee)

Sunil Kumar

(Whole Time Director)

# CONTENTS

S.No.	Particulars	Page No.
1.	Company Information.....	2
2.	Notice of Annual General Meeting.....	5
3.	Directors' Report.....	13
4.	Annexures to Directors' Report.....	22
5.	Management Discussion And Analysis.....	45
6.	Compliance of Conditions of Corporate Governance from Practicing Company Secretary	49
7.	Report on Corporate Governance.....	50
8.	CFO Certification under Clause 49 of the Listing Agreement.....	64
9.	Declaration for Compliance With Code of Conduct.....	65
10.	Attendance Slip.....	66
11.	Proxy Form.....	67
12.	Independent Auditor's Report.....	69
13.	Financial Statements.....	73
14.	Notes to Accounts.....	76

## Schedule of Annual General Meeting

<b>30th Annual General Meeting</b>	
<b>Date</b>	<b>September 29th, 2015</b>
<b>Day</b>	<b>Tuesday</b>
<b>Time</b>	<b>10:00 A.M.</b>
<b>Place</b>	<b>105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034</b>
<b>Book Closure Date</b>	<b>22nd September 2015 to 29th September 2015 (both days inclusive)</b>

# **COMPANY INFORMATION**

## **BOARD OF DIRECTORS**

**Mr. Vikram Sharma**  
Chairman & Independent Director  
(DIN: 00243482)

**Mr. Gopal Bansal**  
Non Executive Director  
(DIN: 01246420)

**Ms. Rukhsana**  
Independent Director  
(DIN: 05151168)

**Mr. Sunil Kumar**  
Whole Time Director  
(DIN: 00243057)

**Mr. Deep Chand Singhal**  
Non Executive Director  
(DIN: 00815681)

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**Ms. Anjali Aggarwal**  
Chief Financial Officer

**Ms. Deepika Rathore**  
Company Secretary & Compliance Officer

## **STATUTORY AUDITORS**

**M/s V.N. Purohit & Co.**  
Chartered Accountants  
FRN: 304040E  
214, New Delhi House  
2<sup>nd</sup> Floor, 27, Barakhamba Road  
New Delhi-110001  
Email: [vnpdelhi@vnpaudit.com](mailto:vnpdelhi@vnpaudit.com)  
Web: [www.vnpaudit.com](http://www.vnpaudit.com)

## **SECRETARIAL AUDITOR**

**Ms. Rachna Bhasin**  
Practicing Company Secretary  
M-3/21, First Floor,  
Model Town , Phase – III  
New Delhi - 110009  
Email: [csrachna@gmail.com](mailto:csrachna@gmail.com)

## **REGISTERED OFFICE**

105/33, Vardhman Golden Plaza  
Road No. 44, Pitampura  
Delhi – 110034  
Tel no.:+91-11-65656577  
Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)  
Email Id: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.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  
Fax: +91-11-30857562  
Email Id: [admin@skylinerta.com](mailto:admin@skylinerta.com)

## **BANKERS OF THE COMPANY**

Punjab National Bank  
Pitampura, Delhi

## **LISTED AT**

BSE Limited, Mumbai (Scrip Code: 538943)  
Delhi Stock Exchange, Delhi (Scrip Code: 5053)

## **CIN**

**L51221DL1985PLC022433**

## **COMMITTEES OF BOARD OF DIRECTORS**

### **AUDIT COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Gopal Bansal Non Executive Director	Member
Ms. Deepika Rathore Company Secretary	Secretary & Advisor

### **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Gopal Bansal Non Executive Director	Member

### **SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Gopal Bansal Non Executive Director	Member

### **RISK MANAGEMENT COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Mr. Sunl Kumar Executive Director	Member
Mr. Deep Chand Singhal Non Executive Director	Member
Mr. Gopal Bansal Non Executive Director	Member

### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far as requested to register their e-mail addresses, with the Registrar & Share Transfer Agent of the Company.

**Date: 01st September, 2015**

Dear Members,

You are cordially invited to attend the 30th Annual General Meeting of the members of Sonal Mercantile Limited ('the Company') to be held on Tuesday, 29th September, 2015 at 10:00 a.m. at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034.

The notice of the meeting, containing the business to be transacted, is enclosed herewith. As per section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed.

Thanking You

**Sd/-**

**Deepika Rathore**

Company Secretary and  
Compliance Officer

M.No. A34331

Regd. Office: 105/33,  
Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi - 110034

# NOTICE

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, 29<sup>th</sup> September, 2015 at 10:00 a.m. at the Registered Office of the Company at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034 to transact the following business:

## Ordinary Business:

### 1. Adoption of Financial Statements

To receive, consider and adopt the financial statement consisting of Balance Sheet for the year ended 31<sup>st</sup> March, 2015 and the statement of Profit and Loss, Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2015 along with the reports of the Board of Directors and the Auditors thereon.

### 2. Re-Appointment of Auditor

To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, M/s V.N. Purohit & Co., Chartered Accountants (Firm's Registration No. 304040E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 33<sup>rd</sup> (Thirty Third) AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), at such remuneration as shall be fixed by the Board of Directors of the Company.”

### 3. Appointment of Director retire by rotation

To appoint a Director in place of Mr. Deep Chand Singhal (DIN: 00815681) who retires by rotation & being eligible offers himself for reappointment as a Director of the Company.

## Special Business:

### 4. Alteration of Memorandum of Association as per Companies Act, 2013

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made there-under and subject to necessary statutory approvals and modifications, if any, consent of the members be and is hereby accorded to alter the regulations contained in the existing Memorandum of Association of the Company in line with the applicable provisions of Companies Act, 2013, and the rules made there-under and accordingly to adopt the new Memorandum of Association.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

## 5. Adoption of New Set of Articles of Association as per Companies Act, 2013

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made there-under and subject to necessary statutory approvals and modifications, if any, consent of the members be and is hereby accorded to alter the regulations contained in the existing Articles of Association by incorporating the new regulations in line with the applicable provisions of Companies Act, 2013, and the rules made there-under and accordingly to adopt the new regulations in the Articles of Association.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

*By order of the Board of Director  
For Sonal Mercantile Limited*

Date: 01<sup>st</sup> September, 2015  
Place: Delhi

Sd/-  
Deepika Rathore  
Company Secretary and  
Compliance Officer  
M.No. A34331  
Regd. Office: 105/33,  
Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi - 110034



## **NOTES:**

- A. APPOINTMENT OF PROXY: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING. PROXY FORM IS ENCLOSED WITH THE ANNUAL REPORT.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 days of notice in writing is to be given to the Company.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

- B.** In terms of Section 152 of the Companies Act, 2013, Mr. Deep Chand Singhal (DIN: 00815681), Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company commend his respective re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
- C.** An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Business stated under item no. 4 and 5 is annexed hereto.
- D. Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- E. Queries at the AGM:** In case you have any query relating to the enclosed annual accounts and queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office on email Id [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- F.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd., ("Skyline")D-153A, Okhla Industrial Area, Phase-I, New Delhi- 110 020.
- G. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22<sup>nd</sup> September, 2015 to Tuesday, 29<sup>th</sup> September, 2015 (both days inclusive).

## H. CUT OFF DATE:

- a. This Notice is being sent to all the members whose name appears as on 28th August, 2015 in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent of the Company.
  - b. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on 22<sup>nd</sup> September, 2015 (the "Cut- Off Date") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.
- I. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Skyline.
- J. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Skyline, for consolidation into a single folio.
- K. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Nomination forms can be obtained from Skyline by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- L. **Inspection of Documents:** Documents referred to in the Annual General Meeting Notice are open for inspection at the registered office of the Company at all working days except Saturdays and Sundays between 11 A.M. and 1 P.M. up to the date of Annual General Meeting.

## M. Communication to Members

- a. **Dispatch of Annual Report:** The Annual Report 2014-2015 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-2015 are being sent by the permitted mode.
- b. Members may also note that the Notice of the 30<sup>th</sup> AGM and the Annual Report 2014-2015 will be available on the company's website, [www.sonalmmercantile.com](http://www.sonalmmercantile.com). The Physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days, Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [sonalmmercantile@yahoo.in](mailto:sonalmmercantile@yahoo.in)
- c. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section-170 of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays and Sunday, between 11:00 a.m. to 1:00 p.m. and will also be available for inspection by the members at the Annual General Meeting.
- d. The register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Companies Act, 2013, are open for inspection at the registered office of the Company on all working days except Saturdays and Sundays, between 11:00 a.m. to 1:00 p.m. and will also be available for inspection by the members at the Annual General Meeting.

- e. For convenience of the members and proper conduct of the meeting entry to the meeting venue will be regulated by attendance slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip along with a valid identity proof such as the PAN Card, Passport, Aadhar Card, Driving License etc and hand it over at the registration counter at the venue.
- f. Only bonafide members of the Company whose name appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members for attending the meeting.
- g. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

**N. Important Communication to Members:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.

## **O. VOTING BY MEMBERS**

The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

- a. Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("Remote E-voting") in the manner provided below during the e-voting period as mentioned below in Para O(1)(C)
- b. At the venue of AGM, voting shall be done through ballot papers ("Ballot Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
- c. A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

### **1. Voting through electronic means**

In compliance with Section 108 of the Companies Act 2013 read with Rule 20 of Companies (Management and Administration) Rules 2014 as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19th March 2015 and Clause 35 B of the Listing Agreement the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through e-voting. Remote E-voting is optional and not mandatory. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

**(A) Instruction for e-voting by Members whose email ID's are registered with the Company/Depository Participant(s)**

- (i) Members whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing the "USER-ID" and "PASSWORD".
- (ii) Open email and open PDF file viz.: "Sonal Mercantile Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (iii) Launch Internet browser by typing the following URL: **https://www.evoting.nsdl.com.**
- (iv) Click on Shareholder – Login.
- (v) Enter the user ID and password as initial password noted in step (i) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (viii) Select "EVEN" (E Voting Event Number) of Sonal Mercantile Limited.
- (ix) Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) Institutional Members (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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [csrachna@gmail.com](mailto:csrachna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**(B) Instruction for e-voting by Members whose email ID's are not registered with the Company/Depository Participant(s)**

- (i) For Members whose email IDs are not registered with the Company/Depository Participant(s), will be receiving notice of AGM by post.
- (ii) Initial password is provided on the attendance slip for the AGM.
- (iii) Please follow all steps from Sr. No. iii. to Sr. No. xiii of (1A) above, to cast vote.

**Notes:**

- (i) 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 Password' option available on the site to reset the password.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).

**(C) E-voting Period**

The Remote E-voting period commences on Saturday, September 26<sup>th</sup>, 2015 (10:00 am) and ends on Monday, September 28<sup>th</sup>, 2015 (5:00 pm). During the aforesaid period, Members of the company may opt to cast their votes through Remote E-voting. After September 28<sup>th</sup>, 2015 (5:00 p.m.) the Remote E-voting facility will be blocked. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently or cast the vote again.

**(D) User ID and Password for the members who became Members after dispatch of AGM notice:**

Persons who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of September 22<sup>nd</sup>, 2015, may obtain their user ID and password for e-voting from the Company's Registrar and Share Transfer Agent or NSDL.

**(E) Queries in relation to E-voting:**

In case of any queries, you may refer the "Frequently Asked Questions (FAQs) for members and e-voting user manual for members" available at the 'downloads' section of [www.evoting.nsd.com](http://www.evoting.nsd.com). For any further grievance related to the Remote E-voting, members may contact NSDL at the following contact information:

Phone No. +91 22 24994600/24994738,

Toll free no.1800222990

Email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## **2. VOTING THROUGH BALLOT PAPER**

Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM. Voting at the venue of AGM shall be done through Ballot Papers and Members attending the AGM shall be able to exercise their voting rights at the meeting through Ballot Papers. After the agenda item has been discussed, the Chairman will instruct the Scrutinizer to initiate the process of voting on all the resolutions through Ballot Papers. The Ballot Papers will be issued to the Shareholders / Proxy holders/ Authorized Representatives present at the AGM. The Shareholders may exercise their right of vote by tick marking as (√) against "FOR" or "AGAINST" as his/her choice may be, on the agenda item in the Ballot Paper and drop the same in the Ballot Box(es) kept at the meeting hall for this purpose.

## **3. SCRUTINIZER**

- (i) Ms. Rachna Bhasin, Company Secretary in practice (Membership No. 23539) having consented to act as a scrutinizer has been appointed as scrutinizer ("Scrutinizer") for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
- (ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding two days from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

## **4. DECLARATION OF RESULTS**

The Result of voting (Remote E-voting and the voting at the AGM) on resolutions shall be declared within 2 days from the date of AGM by the Chairman or any person authorized by him for this purpose. The results declared along with the report of the Scrutiniser shall be placed on the website of the company i.e. [www.sonalmmercantile.com](http://www.sonalmmercantile.com) in the investor's Info section and on the website of NSDL i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com), immediately after the result is declared and simultaneously communicated to the Bombay Stock Exchange.

## **P. DEMATERIALIZATION**

Pursuant to the directions of the SEBI, trading in the shares of your Company is in compulsory de-materialized form. Members who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account to the Company's RTA.

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013**

#### **ITEM NO. 4**

As the members are aware, Alteration of Memorandum of Association is necessary to bring in line with newly notified Companies Act, 2013 our existing Memorandum of Association.

According to the new act, the companies now have only Main business and Ancillary and Incidental Businesses to the attainment of Main Business, therefore it is mandatory to alter and adopt the new Memorandum of Association as per the Companies Act, 2013.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item no. 4 for the approval of members.

#### **ITEM NO. 5**

As the members are aware, the existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contained references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles.

The new AOA to be substituted in place of existing AOA are based on Table-F of the Companies Act, 2013 which sets out the models Articles of Association for a Company limited by shares.

A copy of the proposed set of new articles of Associations of the Company would be available for inspection at the registered office of the Company during the business hours on any working day up to the date of the Annual General meeting.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in item no. 5 for the approval of members.

*By order of the Board of Director*  
**For Sonal Mercantile Limited**

**Date:** 01<sup>st</sup> September, 2015  
**Place:** Delhi

**Sd/-**  
**Deepika Rathore**  
**Company Secretary and**  
**Compliance Officer**  
**M.No. A34331**  
**Regd. Office: 105/33,**  
**Vardhman Golden Plaza,**  
**Road No. 44, Pitampura,**  
**Delhi - 110034**

# **DIRECTORS' REPORT**

**Dear Members**

Your Directors present the 30<sup>th</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2015.

❖ **Financial Highlights**

Particulars	Financial Year ended (in rupees)	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
Total Income	23,274,126.20	44,511,712.78
Total Expenditure	22,850,149.13	44,225,365.31
Profit/ (Loss) before tax	423,977.07	286,347.47
Profit/ (Loss) after tax	175,078.07	176,135.47
Paid-up Share Capital	147,385,250.00	147,385,250.00
Reserves and Surplus	73,545,044.75	73,369,966.68

❖ **Operating Highlights**

During the year under review total Income of the Company is Rs. 23,274,126.20 as against Rs. 44,511,712.78 in the previous year. The Company incurred a profit of Rs. 175,078.07 after taxes. Your Directors are putting in their best efforts to improve the performance of the Company.

❖ **Company's Affairs**

Sonal Mercantile Limited (registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company), engaged mainly, in the business of providing Secured and Unsecured Loans & Advances and investing in securities, both quoted and unquoted. The Company offers specialized solutions for meeting specific liquidity requirements with technical insights into capital markets.

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

Save as mentioned else where in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company- 31<sup>st</sup> March, 2015 till the date of this report.

❖ **Change In The Nature Of Business**

There were no changes in the nature of the Business during the Financial Year ended 31st March, 2015.

❖ **Dividend**

In view of marginal profits made by the Company, your Directors regret their inability to recommend any dividend for the financial year 2014-15.

#### ❖ **Share Capital**

There is no change in the Equity Share Capital of the Company during the financial year under review.

#### ❖ **Fixed Deposits**

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

#### ❖ **Successful Listing on BSE Limited**

As you know the shares of the Company are listed on Delhi Stock Exchange and in the meantime the Company's shares have also been listed on BSE Limited Board of in February, 2015 under Direct Listing Route. The Company has already paid listing fees for the financial year 2015-16 to the BSE Limited and no annual fees is required to pay Delhi Stock Exchange as the DSE is being a operational stock exchanges and no demand has been made by DSE for annual fees for the financial year 2015-16.

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

Particulars of Loans and Guarantees are provided in the financial statements (please refer the Note 12 to the financial Statements).

#### ❖ **Internal Control Systems and Their Adequacy**

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 authorised, 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.

#### ❖ **Transfer to Reserves**

As the company has not declared any dividend, therefore, the Company has not proposes to carry any sum to the General Reserves of the Company for the period under consideration.

The Company has transferred an amount of Rs. 35,016 to the General Reserve put of current year's profits and the same is in compliance with the applicable provisions prescribed under the Special reserves u/s 45-IC of the RBI Act,1934.

#### ❖ **Industrial relations:**

During the year under review, your Company enjoyed cordial relationship with employees at all levels.



## ❖ DIRECTORS

### • **Number of Meetings of the Board**

During the year Twenty Two 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 current policy is to have a appropriate mix of Executive and Independent directors to maintain the independence of the board, separate its function of Governance and Management. As on March 31, 2015, the Board consists of 6 members, two of whom are executive or whole time directors, and other three are independent Directors. The Board periodically evaluates the need for change in its composition and its size.

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 appended as "**Annexure A**" to the Board's Report. We affirm that remuneration paid to the directors is as per the terms laid out in the remuneration policy of the company.

### • **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 clause 49 of the Listing Agreement.

### • **Board Evaluation**

Clause 49 of the listing agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the board on its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the board as a whole was conducted based on the criteria and frame work adopted by the Board. The evaluation process has been explained in this Annual report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

None of the independent directors are due for re-appointment.

### • **Familiarization Programme For Independent Directors**

Every new independent directors of the board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors/ senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, software delivery, organization structure, finance, human resources, technology, quality, facilities and risk management.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The format of the letter of appointment is available on our website.

- **Inductions**

During the year under review, Pursuant to the provisions of the Companies Act, 2013 and rules made there under and in compliance of Listing Agreement, Ms. Rukhsana was appointed as the Independent Director of the Company.

- **Retirement/Re-appointment**

To appoint Director in place of Mr. Deep Chand Singhal (DIN: 00815681) who retires by rotation & being eligible offers himself for reappointment.

None of Independent Directors will retire at the ensuing Annual General Meeting.

- **Resignation**

During the year under review, Mr. Anil Kumar Goyal resigned from the Directorship of the Company.

The Board hereby places on record his valuable contribution towards the growth and development of the company during his tenure as director of the Company.

- **Disclosure Of Relationships Between Directors Inter-Se**

Mr. Deep Chand Singhal and Mr. Sunil Kumar are directly related to each other. As they both are Brothers.

- **Details of Key Managerial Personnel**

The following 3 persons were formally appointed/ designated as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013.

1. Mr. Sunil Kumar – Whole-Time Director
2. Ms. Deepika Rathore- Company Secretary
3. Ms. Anjali Aggarwal- Chief Financial Officer

- **Committees Of The Board**

Currently, the Board has Four Committees; the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.

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

- **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.

#### ❖ **Subsidiary Companies**

The Company does not have any subsidiary.

#### ❖ **Code Of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to members of the Board and all employees in the course of day to day business operations of the company. The Code has been placed on the Company's website [www.sonalmercantile.com](http://www.sonalmercantile.com). The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and the designated 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.

#### ❖ **Details of Establishment of Vigil Mechanism/ Whistle Blower Policy For Directors And Employees**

In order to ensure that the activities of the company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior of the company has adopted a vigil mechanism policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of audit Committee, in appropriate and exceptional cases.

Accordingly, 'whistle Blower policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Counselor or the Chairman of the audit Committee of the Company.

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. This policy is also posted on the website of the company. The whistleblower policy is appended as "**Annexure B**" to the Board's report.

## ❖ **Business Risk Management And Policy**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 ("Annexed as **Annexure C**") 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.

## ❖ **Prevention of Insider Trading**

The Company has 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. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

## ❖ **AUDITORS**

### • **Statutory Auditors**

As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

M/s V.N. Purohit, Chartered Accountants have been the Auditors of the Company since Annual General Meeting held for the Financial Year 2012-13 and will complete their consecutive term of 5 years in the Thirty Third AGM to be held in year 2018.

M/s V.N. Purohit, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 30th May, 2015, proposed the appointment of M/s V.N. Purohit, Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Thirty Third AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM). In this regard, the company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### • **Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

- **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 company has appointed Ms. Rachna Bhasin, Practicing Company Secretary in practice to undertake the Secretarial Audit of the Company for FY 2014-15. The Secretarial Audit Report is annexed herewith as “Annexure D”.

- **Internal Auditor**

The Board of Directors of your company have appointed Mr. Mukesh Kumar Gupta, Practicing Chartered Accountant as an internal auditors of the company and his report is reviewed by the Audit Committee from time to time.

- ❖ **Extract of Annual Return**

In accordance with Section 134(3)(a) 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 E”.

- ❖ **Corporate Social Responsibility**

The provision of Companies Act, 2013 regarding Corporate Social Responsibility shall not be applicable to companies having net worth not exceeding Rs. 500 Cr or turnover not exceeding Rs. 1,000 Cr or net profit not exceeding Rs. 5 Cr or more during any financial year, as on the last date of previous financial year. In this connection, we wish to inform you that in respect of our company as on the last audited balance sheet as at March 31, 2015 neither the net worth exceeds Rs. 500 Cr nor turnover exceeds Rs. 1,000 Cr nor net profit exceeding Rs. 5 Cr. Hence, the provisions of Companies Act, 2013 regarding Corporate Social Responsibility would not be applicable.

- ❖ **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.

- ❖ **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

- Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- Export Activities:** There was no export activity in the Company during the year under review. The Company has no immediate plans for export in the near future as well.
- Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

#### ❖ **Particulars of Employees**

The information required pursuant to Section 197 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 F**". In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, including the information on employees' particulars which is available for inspection by the members at the Registered office of the company at all working days except Saturdays between 11 A.M. and 01:00 P.M. up to the date of Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

#### ❖ **Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and also in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of Related Party Transactions are disclosed in Note No. 27 attached to and forming part of the Annual Financial Statements and also stated in Form AOC-2 annexed as "**Annexure-G**".

#### ❖ **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 2014-2015, no complaints were received by the Company related to sexual harassment.

#### ❖ **Business Responsibility Report**

Clause 55 of the listing Agreement is not applicable to our Company. Since no initiative with respect to environmental, social etc has been taken.

#### ❖ **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. The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, as also certificate from CFO are attached to the Report on corporate governance.

#### ❖ **Management's Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

❖ **Significant and Material Orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and company's operations in future.

❖ **Cautionary Note**

The statements forming part of the Board's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

❖ **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*  
**For Sonal Mercantile Limited**

**Date:** 30<sup>th</sup> May, 2015  
**Place:** Delhi

**Sd/-**  
**Gopal Bansal**  
**Director**  
**(DIN: 01246420)**

**Sd/-**  
**Deep Chand Singhal**  
**Director**  
**(DIN: 00815681)**

# **ANNEXURES FORMAING PART OF DIRECTORS' REPORT**

## **Annexure A**

### **Nomination and Remuneration Policy**

#### **Introduction**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the Provisions of Companies Act, 2013 and the listing agreement to pay equitable remuneration to directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

#### **Objective**

The Key Objectives of the Committee and the policy:

- a) To guide the Board in relation to appointment and removal of Directors, Key managerial Personnel and Senior Management.
- b) To recommend to the Board on remuneration payable to the directors, key managerial Personnel and Senior Management.

#### **Constitution of the Nomination and Remuneration Committee**

The Board has constituted the nomination and remuneration committee of the Board. This is in line with the requirements under the Companies Act, 2013 ('the Act').

The Board has authority to reconstitute this committee from time to time.

#### **Role of Committee**

The role of the committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a director.
- b) to recommend to the board the appointment and removal of senior management.
- c) to carry out evaluation of Director's performance and recommend to the Board appointment/ removal based on his /her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for directors, Key Managerial personnel and senior management and (ii) Executive Directors remuneration and incentive.



e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract.

f) to ensure that level and composition of remunerations reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

### **Remuneration Policy**

Managing Director(s), Whole time Director, non executive and Independent Directors.

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the company for the Executive and Non executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to managing Director(s), whole time Director. Remuneration is paid within the ceiling approved by the Board and shareholders. Prior approval of Shareholders will be obtained wherever applicable.

The remuneration paid to executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive directors receive sitting fees for attending the meeting of the Board and Board Committee.

### **Policy on Board diversity**

The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like production, Management, Quality assurance, finance, Sales and Marketing, supply Chain, research and development, human resources, etc. or as may be considered appropriate.

The Board shall have atleast one Board Member who has accounting or related financial management expertise and atleast three members who are financially literate.

**Date: 30<sup>th</sup> May, 2015**  
**Place: Delhi**

**Sd/-**  
**Sunil Kumar**  
**Whole-Time Director**  
**DIN: 00243057**

## **ANNEXURE-B**

### **Vigil Mechanism/ Whistle Blower Policy**

As a part of our corporate Governance practices, the Company has adopted the whistle Blower policy that covers our directors and employees. The policy is provided herewith pursuant to Article 7(iii) of Annexure XII to the Listing Agreement. The policy is also available on our website.

#### **The purpose of this policy**

Sonal Mercantile Limited are committed to complying with all applicable laws that apply to them, satisfy the Company code of ethics, and particularly to assuring the business is conducted with integrity and that the Company's financial Information is accurate. If potential violation of company policies or applicable laws are not recognized and addressed promptly, both the company and those working for or with the Company could face Governmental investigation, prosecution, fines and other penalties. That can be costly. Consequentially, and to promote the highest ethical standards, the company will maintain a workplace that facilitates the reporting of potential violations easily and free of any fear of retaliation. That is purpose of the Policy (the 'Policy' or the 'whistleblower Policy').

#### **Your duty to report**

Everyone is required to report to the company any suspected violation of any law that applies to the company and any suspected violation of Company's code of conduct and ethics. It is important that you report all suspected violations, this includes possible accounting or financial reporting violations, insider trading, bribery, or violations of the anti-relations aspects of this policy. Consult the Company's Code of Conduct and ethics for more detailed description of potential violations and other areas of particular concern. Relation includes adverse actions, harassment, or discrimination in your employment relating to your reporting of a suspected violation.

It is the policy of the Company that you must, when you reasonably suspect that violation of an applicable law or the Company's code of conduct and ethics has occurred or is occurring, report that potential violation. Reporting is crucial for early detection, proper investigation and violations of Company policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violation because is strictly prohibited by Company Policy. Failure to report any reasonable belief that a violation has occurred is itself a violation of this policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

#### **How to Report**

You must report all suspected violations to your immediate supervisor or the Chief Compliance officer or anonymously, by sending an email to: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

If you have any reason to believe that your Chief Compliance Officer is involved in the suspected violation, your report may be made to audit Committee of Sonal Mercantile Limited or to the board of Directors.

Because you have several means of reporting, you need never report to someone you believe that may be involved in the suspected violation or from whom you would fear retaliation.

Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of suspected violation; and the time frame during which the suspected violation occurred. Where you have not reported anonymously, you may be contacted for further information.

### **Investigation after your report**

All reports under this policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for or with the Company has a duty to cooperate in the investigation of report of violations. Failure to cooperate in the investigation or deliberately providing false information during an investigation, can be basis of disciplinary actions, including termination of employment. If, at the conclusion of its investigation, the company will take effective remedial action commensurate with the nature of the offence. This action may include disciplinary action against the accused party, upto and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company Policy.

### **Retaliation is not tolerated**

Document retention No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of reasonably suspected violation of any law, this policy or the Company's Code of Conduct and Ethics. The Company takes reports of such relation against any employee reporting a violation and participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against any responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties.

All documents related to reporting, investigation and enforcement pursuant to this policy shall be kept in accordance with Company's record for retention policy and applicable law.

### **Modification**

The Audit Committee or the Board of Sonal Mercantile Limited can modify the policy unilaterally at any time without notice Modification may be necessary, among other reasons, to maintain compliance with federal, state or local regulations and/ or accommodate organizational changes with the company.

**Date: 30<sup>th</sup> May, 2015**  
**Place: Delhi**

**Sd/-**  
**Sunil Kumar**  
**Whole-Time Director**  
**DIN: 00243057**

## **ANNEXURE – C**

### **RISK MANAGEMENT POLICY**

At Sonal Mercantile Limited, we believe that an effective Risk Management process is kept to sustained operations thereby protecting Shareholder Value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the lifecycle of the business activities. The Company shall ensure implementation of effective Enterprise Risk Management by:

1. Putting in place Risk Management frameworks and processes.
2. Identifying risks and promoting a pro-active approach of treating such risks.
3. Allocating adequate resources to mitigate and manage risks and minimize their adverse impact on outcomes.
4. Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable Risk Appetite of the Company.
5. Striving towards strengthening the Risk Management System through continuous learning and improvement.
6. Providing clear and strong basis for informed decision making at all levels of the organization on an ongoing basis, having duly evaluated like risks and their mitigation plan being controllable and within risk appetite.
7. Delineating Business Continuity Processes and Disaster management Plans, for unforeseen exigencies and keeping the organization constituents, prepared to appropriately and adequately deal with such circumstances, under eventuality of such happenings.
8. Complying with all relevant laws and regulations across its area of operations.
9. Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

**Date: 30<sup>th</sup> May, 2015**  
**Place: Delhi**

**Sd/-**  
**Sunil Kumar**  
**Whole-Time Director**  
**DIN: 00243057**

## ANNEXURE – D

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015**

*[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**  
105/33, Vardhman Golden Plaza  
Road No. 44, Pitampura,  
Delhi – 110034

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, 2015 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, 2015 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;
- (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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) RBI 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.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Delhi Stock Exchange.

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

**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 no instances of :

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2015**

**Sd/-**  
**Rachna Bhasin**  
**Practicing Company Secretary**  
**Membership No: 23539**

*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**

To,

The Members,  
**Sonal Mercantile Limited**  
105/33, Vardhman Golden Plaza  
Road No. 44, Pitampura,  
Delhi – 110034

**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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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: 30<sup>th</sup> May, 2015**

**Sd/-**  
**Rachna Bhasin**  
**Practicing Company Secretary**  
**Membership No: 23539**

## **ANNEXURE – E**

FORM NO. MGT 9

### **EXTRACT OF ANNUAL RETURN**

#### **AS ON FINANCIAL YEAR ENDED ON 31.03.2015**

*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.	CIN	L51221DL1985PLC022433
ii.	Registration Date	04/11/1985
iii.	Name of the Company	Sonal Mercantile Limited
iv.	Category/Sub-Category of the Company	Public Company Limited By Shares
v.	Address of the Registered office and contact details	105/33/, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi – 110034 Tel. No. +91-11-65656577 Email: <a href="mailto:sonalmercantile@yahoo.in">sonalmercantile@yahoo.in</a> Website: <a href="http://www.sonalmercantile.com">www.sonalmercantile.com</a>
vi.	Whether listed company	Yes (Listed on BSE Limited and DSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent	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 Fax No.: +91-11-26812683 Email id.: <a href="mailto:viren@skylinerta.com">viren@skylinerta.com</a> Website : <a href="http://www.skylinerta.com">www.skylinerta.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: -

Company is engaged in to the activity of in the business of providing Loans & Advances and investing in shares, both quoted and unquoted and registered as a Non Banking Financial Company with the Reserve Bank of India.

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sale of Shares & Securities	-	37
2	Interest income	-	63



### 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
Not Applicable					

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2014)				No. of Shares held at the end of the year (as on 31/03/2015)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<i>1) Indian</i>									
a) Individual/ HUF	753280	0	753280	5.11	753280	0	753280	5.11	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1):-</b>	<b>753280</b>	<b>0</b>	<b>753280</b>	<b>5.11</b>	<b>753280</b>	<b>0</b>	<b>753280</b>	<b>5.11</b>	<b>0</b>
<i>2) Foreign</i>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>753280</b>	<b>0</b>	<b>753280</b>	<b>5.11</b>	<b>753280</b>	<b>0</b>	<b>753280</b>	<b>5.11</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<i>1. Institutions</i>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Sub-total(B) (1)</b>									
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	954235	8308380	9262615	62.85	3443195	5018020	8461215	57.41	-5.44
(ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	80940	234615	315555	2.14	433290	299115	732405	4.97	2.83
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2325735	1546940	3872675	26.28	2947785	1506940	4454725	30.23	3.95
c) Others									
(i) Hindu Undivided Family	510050	24350	534400	3.63	306050	30850	336900	2.29	-1.34
<b>Sub-total(B) (2)</b>	<b>3870960</b>	<b>10114285</b>	<b>13985245</b>	<b>94.89</b>	<b>7130320</b>	<b>6854925</b>	<b>13985245</b>	<b>94.89</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>3870960</b>	<b>10114285</b>	<b>13985245</b>	<b>94.89</b>	<b>7130320</b>	<b>6854925</b>	<b>13985245</b>	<b>94.89</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>4624240</b>	<b>10114285</b>	<b>14738525</b>	<b>100</b>	<b>7883600</b>	<b>6854925</b>	<b>14738525</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 01/04/2014)			Shareholding at the end of the year (as on 31/03/2015)			% 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.	Vishnu Mittal (Promoter)	50000	0.34	0	50000	0.34	0	0
2.	Deep Chand Singhal (Promoter)	37500	0.25	0	37500	0.25	0	0
3.	Sunita Bansal (Promoter's Group)	37500	0.25	0	37500	0.25	0	0
4.	Sunil Kumar (Promoter)	180360	1.22	0	180360	1.22	0	0
5.	Chetna Singhal (Promoter's Group)	33335	0.23	0	33335	0.23	0	0
6.	Ganga Devi Bansal ((Promoter's Group)	33335	0.23	0	33335	0.23	0	0
7.	Savitiri Mittal (Promoter's Group)	343750	2.33	0	343750	2.33	0	0
8.	Gopal Bansal (Promoter)	37500	0.25	0	37500	0.25	0	0
	<b>Total</b>	<b>753280</b>	<b>5.11</b>	<b>0</b>	<b>753280</b>	<b>5.11</b>	<b>0</b>	<b>0</b>

iii. *Change in Promoters' Shareholding (please specify, if there is no change)*

Sr. no	Name	Shareholding at the beginning of the year (as on 01/04/2014)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sunil Kumar Promoter	180360	1.22	01-04-14	0	Nil		
		180360	1.22	31-03-15			180360	1.22
2	Gopal Bansal Promoter	37500	0.25	01-04-14	0	Nil		
		37500	0.25	31-03-15			37500	0.25
3	Deep Chand Singhal Promoter	37500	0.25	01-04-14	0	Nil		
		37500	0.25	31-03-15			37500	0.25
4	Vishnu Mittal Promoter	50000	0.34	01-04-14	0	Nil		
		50000	0.34	31-03-15			50000	0.34
5	Chetna Singhal Promoters' Group	33335	0.23	01-04-14	0	Nil		
		33335	0.23	31-03-15			33335	0.23
6	Sunita Bansal Promoters' Group	37500	0.25	01-04-14	0	Nil		
		37500	0.25	31-03-15			37500	0.25
7	Savitiri Mittal Promoters' Group	343750	2.33	01-04-14	0	Nil		
		343750	2.33	31-03-15			343750	2.33
8	Ganga Devi Bansal Promoters' Group	33335	0.23	01-04-14	0	Nil		
		33335	0.23	31-03-15			33335	0.23

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

Sr. no	Name of Shareholder	Shareholding at the beginning of the year (as on 01/04/2014)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Chiranjiv Distributors Pvt. Ltd.	2327000	15.79	01-04-14				
				02-04-14	-41000	Transfer	2286000	15.51
				10-04-14	-17000	Transfer	2269000	15.40
				10-05-14	-50000	Transfer	2219000	15.06
				29-05-14	-900000	Transfer	1319000	8.95
		1319000	8.95	31-03-15			1319000	8.95
2	Bulbul Buildcon Pvt. Ltd.	201000	1.36	01-04-14				
				10-05-14	142000	Transfer	343000	2.33
				29-05-14	900000	Transfer	1243000	8.43
		1243000	8.43	31-03-15			1243000	8.43
3	Lily Infratech Pvt. Ltd.	937145	6.36	01-04-14	0	Nil		
		937145	6.36	31-03-15			937145	6.36
4	Orion Infradevelopers Pvt. Ltd.	771875	5.24	01-04-14	0	Nil		
		771875	5.24	31-03-15			771875	5.24
5	Nabkri Developers Pvt. Ltd.	765625	5.19	01-04-14	0	Nil		
		765625	5.19	31-03-15			765625	5.19
6	Orion Propmart Pvt. Ltd.	456250	3.10	01-04-14	0	Nil		
		456250	3.10	31-03-15			456250	3.10

Sr. no	Name of Shareholder	Shareholding at the beginning of the year (as on 01/04/2014)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Ashu Gupta	60000	0.41	01-04-14				
				14-07-14	330000	Transfer	390000	2.65
		390000	2.65	31-03-15			390000	2.65
8	Shri Ganesh Buildpro Pvt. Ltd.	350000	2.37	01-04-14	0	Nil		
		350000	2.37	31-03-15			350000	2.37
9	Hi-Fashion Apparels Pvt. Ltd.	302860	2.05	01-04-14				
				05-05-14	-1900	Transfer	300960	2.04
		300960	2.04	31-03-15			300960	2.04
10	Balaji Stock Consultants Pvt. Ltd.	0	0.00	01-04-14				
				06-01-15	285000	Transfer	285000	1.93
		285000	1.93	31-03-15			285000	1.93

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. no	Name	Shareholding at the beginning of the year (as on 01/04/2014)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>A.</b>	<b>Directors</b>							
1	Sunil Kumar Whole Time Director (KMP)	180360	1.22	01-04-14	0	Nil		
		180360	1.22	31-03-15			180360	1.22
2	Gopal Bansal Non Excecutive Director	37500	0.25	01-04-14	0	Nil		
		37500	0.25	31-03-15			37500	0.25
3	Deep Chand Singhal Non Excecutive Director	37500	0.25	01-04-14	0	Nil		
		37500	0.25	31-03-15			37500	0.25
4	Vishnu Mittal Non Excecutive Director (Ceased to be a Director on 07/04/2015)	50000	0.34	01-04-14	0	Nil		
		50000	0.34	31-03-15			50000	0.34

Sr. no	Name	Shareholding at the beginning of the year (as on 01/04/2014)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>A.</b>	<b>Directors</b>							
5	Vikram Sharma Non Executive Director (Independent Director)	0	0.00	01-04-14	0	Nil		
		0	0.00	31-03-15			0	0.00
6	Anil Kumar Goyal Non Executive Director (Independent Director) (Ceased to be a Director on 26/05/2014)	0	0.00	01-04-14	0	Nil		
		0	0.00	31-03-15			0	0.00
7	Rukhsana Non Executive Director (Independent Director) (Appointed as an Additional Director on 20/05/2015 and Regularised as Director on 08/08/2014)	0	0.00	01-04-14	0	Nil		
		0	0.00	31-03-15			0	0.00
<b>B.</b>	<b>Key Managerial Personnel(KMP's)</b>							
1	Deepika Rathore Company Secretary and Compliance Officer	0	0.00	01-04-14	0	Nil		
		0	0.00	31-03-15			0	0.00
2	Anjali Aggarwal Chief Financial Officer (Appointed as on 04/05/2015)	0	0.00	01-04-14	0	Nil		
				02-04-14	1000	Transfer	1000	0.01
		1000	0.01	31-03-15			1000	0.01

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2014)				
i) Principal Amount	11,80,054.92	-	-	11,80,054.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	11,80,054.92	-	-	11,80,054.92
Change in Indebtedness during the financial year				
- Addition	95,119.10	-	-	95,119.10
- Reduction	(7,77,420.00)	-	-	(7,77,420.00)
Net Change	(6,82,300.90)	-	-	(6,82,300.90)
Indebtedness at the end of the financial year				
i) Principal Amount	4,97,754.02	-	-	4,97,754.02
ii) Interest due but notpaid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<b>4,97,754.02</b>	-	-	<b>4,97,754.02</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
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 undersection17(3)Income- taxAct,1961		
2.	Stock Option	<b>NIL</b>	
3.	Sweat Equity		
4.	Commission - as% of profit - others, specify...		
5.	Others, please specify		
6.	Total(A)		
	Ceiling as per the Act		

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u>					
	· Fee for attending board / committee meetings					
	· Commission					
	· Others, please specify					
	Total(1)	<b>NIL</b>				
	<u>Other Non-Executive Directors</u>					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total(2)					
	Total(B) = (1 + 2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**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 section 17(1) of the Income-tax Act, 1961	-	2,85,000	3,75,000	6,60,000
	(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	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	<b>Total</b>	-	<b>2,85,000</b>	<b>3,75,000</b>	<b>6,60,000</b>



## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

**NIL**

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

**Date: 30th May, 2015  
Place: Delhi**

**Sd/-  
Gopal Bansal  
Director  
(DIN: 01246420)**

**Sd/-  
Deep Chand Singhal  
Director  
(DIN: 00815681)**

## ANNEXURE – F

### Statement of Particulars of Employees pursuant to the Provisions of Rule 5 (2) 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 a salary from the Company hence the ratio of the remuneration of each Director to the median remuneration of the employee for the financial year will be Nil.

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

S.No.	Name	Designation	% Increase
1	Deepika Rathore	Company Secretary	18.75%
2	Anjali Aggarwal	Chief Financial Officer	25.00%

**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 32.14%. The calculation of increase in Median Remuneration is done based on overall employee cost. %

**4. The number of permanent employees on the rolls of the Company;**

There were 9 employees as on March 31, 2015.

**5. The explanation on the relationship between average increase in remuneration and Company performance**

The Company's overall revenue decreased by 47.71% during the year while the average increase in remuneration was 32.14% only. Although the decrease in net profit of the Company i.e. 0.06% is a very low as compare to the decrease in revenue of the Company. A very low decrease in net profits of the Company is ultimately due to the cooperation and support of the employees of the Company and the Management of the Company appreciate the same. We, The Company's management understands that the increase percentage in remuneration was very low due to the factor of decrease in net profits of the Company, but it believes that the Company will achieve its growth momentum in future very soon.

**6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

In the view of job responsibilities, the remuneration of Key Managerial Personnel (KMP's) is much lower, having regard to remuneration payable to other KMP's of a comparable Company. In past few years, KMP's of the Company are playing a vital role in the growth and positive performance of the Company.

**7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**

The net worth of the Company increased from Rs. 2207.55 Lacs to Rs. 2209.30 Lacs registering an increase of Rs. 1.75 Lacs. The net worth thereby depicted an increase of 0.079%.

**8. 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;**

The increase in the managerial remuneration as well as that relating to the CFO and CS are at percentages that are lesser than the increase effected in the salaries of employees other than Managerial personnel.

**9. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company;**

Particulars	Financial Year 2014-15 (in Rs.)	Financial Year 2013-14 (in Rs.)
Total Operating Revenues	23,274,126.20	44,511,712.78
Profit Before Tax and Exceptional Items	423,977.07	286,347.47
Profit after tax	175,078.07	176,135.47

The total revenues of the Company decreased by 47.71%. The net profit of the Company decreased from Rs. 1,76,136 to Rs. 1,75,078 translating to a decrease of 0.6%. The remuneration paid to the Key Managerial Personnel is much lesser having regard to remuneration payable to other KMP's of a comparable Company. As you know that, In the past years the Company was only listed on DSE which was non functional stock exchange and our Key managerial personals have put their best efforts to get your company listed on nationwide stock exchange i.e. BSE Limited. Now the management of the Company are putting in their best efforts to improve the performance of the Company in coming years. The table below depicts the details of the employee remuneration as against the performance of the Company -

S.No.	Name	Designation	% of Increase/(Decrease) in Remuneration Paid	% of Increase/(Decrease) in Net Profit of the Company
1	Sunil Kumar	Whole-Time Director	Not Applicable	Not Applicable
2	Deepika Rathore	Company Secretary	18.75%	(0.6%)
3	Anjali Aggarwal	Chief Financial Officer	25%	(0.6%)

**10. The key parameters for any variable component of remuneration availed by the Directors**

The Directors of the Company are not drawing a salary from the Company hence this clause is not applicable to the Company.

**11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year.**

The Directors of the Company are not drawing a salary from the Company hence this clause is not applicable to the Company.

**12. 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.

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

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; - Not Applicable

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; - Not Applicable

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. - Not Applicable

**Statement of particulars of employees pursuant to Rule 5 (3) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Not Applicable**

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

**Date:** 30th May, 2015  
**Place:** Delhi

**Sd/-  
Gopal Bansal  
Director  
(DIN: 01246420)**

**Sd/-  
Deep Chand Singhal  
Director  
(DIN: 00815681)**

## **ANNEXURE – G**

### **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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

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

SL. No.	Particulars	Details
i)	Name (s) of the related party & nature of relationship	A. Gopal Bansal HUF (Huf of Director) B. Sunita Bansal (Wife of Director) C. Deep chand Singhal (Director)
j)	Nature of contracts/arrangements/transaction	A. Sale of Shares B. Sale of Shares C. Leasing Agreement
k)	Duration of the contracts/arrangements/transaction	A. 18.08.2014 B. 18.08.2014 C. 01.04.2014 to 31.03.2015
l)	Salient terms of the contracts or arrangements or transaction including the value, if any	A. Sale at Market rate.( Sale Vale Rs. 6,07,500) B. Sale at Market rate.( Sale Vale Rs. 7,29,000) C. Rent Paid Rs. 1,20,000
m)	Date of approval by the Board	02.04.2014 and 18.08.2014
n)	Amount paid as advances, if any	Nil

Form shall be signed by the people who have signed the Board's Report.

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

**Date:** 30th May, 2015  
**Place:** Delhi

**Sd/-**  
**Gopal Bansal**  
**Director**  
**(DIN: 01246420)**

**Sd/-**  
**Deep Chand Singhal**  
**Director**  
**(DIN: 00815681)**

# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **❖ INDUSTRY STRUCTURE AND DEVELOPMENTS**

Sonal Mercantile Limited is a NBFC and is engaged mainly in the business of providing Loans & Advances and investing in shares, both quoted and unquoted. 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.

## **❖ ECONOMY OVERVIEW**

Indian economy is adversely affected by persistent inflation over the last few years. The rising incomes dropped the purchasing power of the population, driving consumption demand in sectors, where supply lagged particularly, in food grain and non-food-grain commodities, Sharp increase in international prices of fuels also contributed to inflationary pressure. The Government has been going very slow on various reforms, expected by large investors and market. Market participants were particularly concerned about subsidies—fertilizer, food and fuel; falling rupee against dollar; unreported corruptions; widening current account and fiscal deficits. Net Buys by the Foreign Institutional investors have been declining during the year as compared to these of the earlier years. Economic situations in Euro Zone countries and other priced the Capital Market towards losses.

The NBFCs sector has undergone a significant transformation in the past few years and has come to be recognized as a systemically important element of the financial system. The recent global financial crisis has also highlighted the regulatory imperatives concerning the non-banking financial sector and the risks arising from regulatory gaps, arbitrage and systemic inter-connectedness.

In the multi-tier financial system of India, importance of NBFCs in the Indian financial system is much discussed by various committees appointed by RBI in the past and RBI has been modifying its regulatory and supervising policies from time to time to keep pace with the changes in the system. NBFCs have turned out to be engines of growth and are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of banking system at competitive prices.

## ❖ **OPPORTUNITIES AND THREATS**

Capital markets at present are going through turbulent times due to slow-down in domestic economy, slow-down in reforms, uncertain global economic environment, economic crisis faced by a few countries in Europe, fluctuations in currency rates, etc. 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. 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.

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 recent steps by the Government of India to create Infrastructure for NBFC and to provide banking license for NBFCs is a positive signal. 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.

## ❖ **SEGMENT-WISE PERFORMANCE**

The Company is into single reportable segment only.

## ❖ **OUTLOOK**

Outlook for the Company is linked to Capital Market. The Board of Directors of the Company believes that Company's Investments in the equity shares of various companies would reasonably perform in the ensuing years.

The role of NBFCs has become increasingly important from both the macroeconomic perspective and the structure of the Indian financial system. Over a period of time, one has to accept; that it is only those which are big enough and serious about being in the finance business will and must grow. To survive and constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They have to constantly search for new products and services in order to remain competitive. The coming years will be testing ground for the NBFCs and only those who will face the challenge and prove themselves will survive in the long run.

For several years, NBFCs have rapidly emerged as an important segment of the Indian Financial System. The sector is now being recognized as complementary to the banking sector due to the implementation of innovative marketing strategies, introduction of tailor made products, customer-oriented services, attractive rates of return on deposits and simplified procedures.

## ❖ **RISKS AND CONCERNS**

As an NBFC, the Company is subjected to both external risk and internal risk. External risk due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes deployment of funds in specific projects, diversification into other business operations, retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. Your Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks.



Company's performance is closely linked to the Indian Capital Market as the company has investments in both quoted as well as unquoted shares. These investments represent a substantial portion of the company's business and are vulnerable to fluctuations in the stock market. Any decline in the price of quoted investments may affect its financial position and results of operations. The value of the company's investments may be affected by factors affecting capital markets such as price and volume volatility, interest rates, currency exchange rates, foreign investment, government policy changes, political and economic developments, crude oil prices and economic performance abroad, etc.

The Company's success largely depends upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the company's strategy. The resignation or loss of key management personnel may have an adverse impact on the Company's business, its future financial performance and the result of its operations.

As a non-deposit taking NBFC, the Company is subjected to regulations by Indian governmental Authorities, including the Reserve Bank of India. Their Laws and regulations impose numerous requirements on the Company including prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the Laws and regulations that may adversely affect the Company's performance.

Moreover, any slowdown in the economic growth in India could cause the business of the Company to suffer. Recently, the growth of industrial production has been variable. Any slowdown in Indian economy could adversely affect the Company's business.

#### ❖ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal controls system commensurate with its size and the nature of its business. All the transactions entered into by the Company are duly authorized and recorded correctly. All operating parameters are monitored and controlled. The top management and the Audit Committee of the Board of Directors review the adequacy and effectiveness of internal control systems from time to time

#### ❖ **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.

#### ❖ **HUMAN RESOURCE DEVELOPMENT**

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Our people are the company's greatest assets. Your company focuses on increasing the overall productivity per employee in the challenging market conditions. Men are the only active agent and acts as a catalyst in effective utilization of all other M's (Material, Machine and Money). 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.

❖ **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.

❖ **APPRECIATION**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the shareholders, bankers and other government agencies during the year under review.

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

**Date: 30th May, 2015  
Place: Delhi**

**Sd/-  
Gopal Bansal  
Director  
(DIN: 01246420)**

**Sd/-  
Deep Chand Singhal  
Director  
(DIN: 00815681)**

**CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT**  
**(CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE)**

**To**

**The Members of Sonal Mercantile Limited**

We have examined the compliance of conditions of Corporate Governance by Sonal Mercantile Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the 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 opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no grievance is pending for a period exceeding one month with the Company.

We 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.

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2015**

**Sd/-**  
**Rachna Bhasin**  
**Practicing Company Secretary**  
**Membership No: 23539**

# **CORPORATE GOVERNANCE REPORT**

## **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Board of Directors are focused on the meeting their prime objective of maximization of shareholders wealth. The Listing Agreement entered into by the Company with the Stock Exchanges contemplates compliance with the Code of Corporate Governance. The Company conducts its affairs with a blend of the following aspects in their required proportions:

- Prudence
- Transparency
- Accountability
- Impartial treatment for all shareholders
- Operating under the purview of the statute.
- Ethical Practices
- Shareholder's wealth maximization

As a part of the compliances of the revised Clause 49 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

## **2. BOARD OF DIRECTORS**

The Board of Directors comprises Six members consisting of Two Independent-Non executive directors.

### **❖ Composition and Category of Directors:**

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of other Director-ships</b>	<b>Attendance at Board Meetings</b>	<b>Attendance at previous AGM</b>
Sunil Kumar	Whole-Time Director	Executive	Nil	Yes	Yes
Vikram Sharma	Independent Director	Non-Executive	2	Yes	Yes
Vishnu Mittal	Director	Non-Executive	1	Yes	Yes
Deep Chand Singhal	Director	Non-Executive	Nil	Yes	Yes
Gopal Bansal	Director	Non-Executive	2	Yes	Yes
Rukhsana	Independent Director	Non-Executive	1	Yes	Yes

❖ **Meetings of the Board of Directors held during the year**

The Board of Directors met Twenty Two times during the Financial Year 2014-15

❖ **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 and Half 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

❖ **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.

❖ **Code of Ethics**

The Company has prescribed a code of ethics for its Directors and senior management personnel. A declaration by the Executive Director to the effect that all the Directors and the senior management personnel have complied with the Code of Ethics laid down for this purpose for the year 2014-15 is given below:

❖ **Declaration – Code of Conduct**

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 2014-15, as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

*By order of the Board of Director  
For **Sonal Mercantile Limited***

**Date:** 30<sup>th</sup> May, 2015  
**Place:** Delhi

**Sd/-  
Deepika Rathore  
Company Secretary and  
Compliance Officer  
M.No. A34331  
Regd. Office: 105/33,  
Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi - 110034**

### **3. BOARD COMMITTEES**

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 exercise 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, Investor Grievance Committee and Risk Management Committee.

#### **3(a) AUDIT COMMITTEE**

##### **❖ Composition of Audit committee:**

The Audit Committee of the Company was constituted as follows:

As on March 31, 2015, the Audit Committee comprises of three Directors. viz Mr. Vikram Sharma - (Chairman), Mr. Gopal Bansal and Ms. Rukhsana. Committee consists of two Independent Directors and one Non-executive Director and they possess accounting and financial management knowledge.

The Senior Management team, Internal Auditor and the Statutory Auditors are invited for the meetings of the Audit Committee. Ms. Deepika Rathore, Company Secretary is the Secretary to this Committee.

During the year, Four Audit Committee meetings were held respectively on 30<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 12<sup>th</sup> February, 2015.

<b>Meetings of the Committee and Attendance of the Members during 2014-15</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. Vikram Sharma	4	4
Mr. Gopal Bansal	4	4
Ms. Rukhsana	4	4

##### **❖ Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

❖ **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. Qualifications 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 utilisation 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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) 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.

### **3(b) NOMINATION AND REMUNERATION COMMITTEE:**

#### ❖ **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 other than fee payable for attending Board & Committee Meetings. The 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



#### ❖ **Composition**

The Remuneration Committee of the Company is constituted with three directors, viz.

Mr. Vikram Sharma
Mr. Gopal Bansal
Ms. Rukhsana

#### ❖ **Meetings of the Committee and Attendance**

During the year, the meeting of Nomination and Remuneration Committee meeting was held on 21/04/2014 and 24<sup>th</sup> October, 2014.

<b>Meetings of the Committee and Attendance of the Members during 2014-15</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. Vikram Sharma	2	2
Mr. Gopal Bansal	2	2
Ms. Rukhsana	2	2

#### ❖ **Remuneration Policy:**

The remuneration of the Executive Director is fixed by the Remuneration Committee as constituted above. The Non-Executive Directors are not paid any remuneration. The remuneration of Employees other than Whole-time Directors is approved by the Remuneration Committee based on recommendations made to it .

Non-Executive Directors are only entitled to sitting fees, if any for attending Board and Committee Meetings

### **3(c) SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE**

#### ❖ **Composition as on date**

The Investor's Grievance Committee of the Company has been constituted with Three Directors viz.

Mr. Vikram Sharma
Mr. Gopal Bansal
Ms. Rukhsana

❖ **Meetings of the Committee and Attendance**

<b>Meetings of the Committee and Attendance of the Members during 2014-15</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. Vikram Sharma	4	3
Mr. Gopal Bansal	4	4
Ms. Rukhsana	4	4

No investor complaints are pending as on the date of Director's Report. The Company does not have any pending share transfers as on the date of Director's Report.

**3(d) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the Company has been constituted with Four Directors viz.

Mr. Vikram Sharma
Mr. Gopal Bansal
Mr. Deep Chand Singhal
Mr. Sunil Kumar

❖ **Meetings of the Committee and Attendance**

<b>Meetings of the Committee and Attendance of the Members during 2014-15</b>	<b>Meetings held</b>	<b>Meetings Attended</b>
Mr. Vikram Sharma	5	5
Mr. Gopal Bansal	5	3
Mr. Deep Chand Singhal	5	4
Mr. Sunil Kumar	5	5

**4. GENERAL BODY MEETINGS**

❖ **Details of last three Annual General Meeting is given below:**

<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
Saturday	29.09.2012	11:30 AM	105/33, Vardhman Golden Plaza, road No. 44, Pitampura, Delhi – 110034, India
Friday	16.08.2013	11:00 AM	105/33, Vardhman Golden Plaza, road No. 44, Pitampura, Delhi – 110034, India
Friday	08.08.2014	02:00 PM	105/33, Vardhman Golden Plaza, road No. 44, Pitampura, Delhi – 110034, India

- ❖ **Not any special resolutions passed in the previous 3 AGMs**
- ❖ **No resolution was placed for voting by Postal ballot in the previous Annual General Meeting.**

#### **5. DISCLOSURES**

- ❖ No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- ❖ There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- ❖ The Company is in compliance with all the mandatory requirements of Corporate Governance and has fulfilled the non- mandatory requirements as prescribed in Annexure III of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
- ❖ The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of Financial Statements.
- ❖ The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- ❖ The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

“All the Directors and Senior Management of the Company have affirmed compliance with the Company’s Code of Conduct for the financial year ended 31st March, 2015”

*By order of the Board of Director*  
**For Sonal Mercantile Limited**

**Date:** 30<sup>th</sup> May, 2015  
**Place:** Delhi

**Sd/-**  
**Deepika Rathore**  
**Company Secretary and**  
**Compliance Officer**  
**M.No. A34331**  
**Regd. Office: 105/33,**  
**Vardhman Golden Plaza,**  
**Road No. 44, Pitampura,**  
**Delhi - 110034**

- ❖ **CFO Certification:** The Executive Director has given a certificate as contemplated in Clause 49 of the Listing Agreement.
- ❖ The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.

## **6. MEANS OF COMMUNICATION**

The Company has published financial results within time specified i.e. 48 hours as required by the Listing agreement. No targeted presentations were made during the year under review. The Management Discussion & Analysis Report forms part of the Annual Report of the Company as required under the Listing Agreement.

## **7. GENERAL SHAREHOLDER INFORMATION**

- ❖ Annual General Meeting Schedule : Tuesday the 22nd September, 2015 at 10.00 a.m. at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi – 110034.
- ❖ Financial Calendar (2015-16) (Tentative) : The Financial year of the Company is 1st April to 31st March.

Financial Year reporting for	Proposed date
Un-audited Financial Results for quarter ended 30.06.2015	Last week of July, 2015
Un-audited Financial Results for quarter ended 30.09.2015	Last week of October, 2015
Un-audited Financial Results for quarter ended 31.12.2015	Last week of January, 2016
Un-audited Financial Results for quarter ended 31.03.2016	Last week of April, 2016
Annual General Meeting	August, 2016

- ❖ Dates of Book Closure : 22.09.2015 to 29.09.2015 (both days inclusive)
- ❖ Dividend Payment Date : Not Applicable
- ❖ Listing at Stock Exchanges : BSE Limited and Delhi Stock Exchange (DSE)
- ❖ Listing Fees : The Listing fees for the year 2014-15 paid to BSE Limited
- ❖ Scrip Code : 538943 (BSE) and 5053 (DSE)
- ❖ ISIN No. : INE321M01017
- ❖ CIN No. : L51221DL1985PLC022433

❖ Market Price & Data

Company : [Sonal Mercantile Ltd](#) 538943

Period: 01-Apr-2014 to 31-Mar-2015

All Prices in ₹

Date	Open	High	Low	Close	WAP	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
											H-L	C-O
9/02/15	5.75	5.75	5.75	5.75	5.74	50	2	287	50	100.00	0.00	0.00

\* Spread

H-L : High-Low

C-O : Close-Open

❖ Registrar & Share Transfer Agents : Skyline Financial Services Pvt Ltd  
D-153 A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Tel No. 011-26812682

❖ Share Transfer process : Nothing is pending in physical transfer as on the date and all the dematerialisation requests have been processed no request is pending for more than 21 days from the date of receipt.

❖ Distribution of shareholding as on March 31, 2015

Shares Holding	Share Holders Numbers	% to Total Number	Physical	NSDL	CDSL	Total Shares	% Age
UP TO 500	334	53.78	56000	8690	18050	82740	0.56
501 1000	57	9.18	47000	5000	5000	57000	0.39
1001 2000	18	2.9	18500	5500	7500	31500	0.21
2001 3000	12	1.93	0	7500	23000	30500	0.21
3001 4000	1	0.16	4000	0	0	4000	0.03
4001 5000	34	5.48	35000	50000	83700	168700	1.14
5001 10000	50	8.05	169465	196400	103500	469365	3.18
10001 & ABOVE	115	18.52	6524960	4559790	2809970	13894720	94.27
	<b>621</b>	<b>100</b>	<b>6854925</b>	<b>4832880</b>	<b>3050720</b>	<b>14738525</b>	<b>100</b>

- ❖ Shareholding pattern as on: 31st March, 2015.

<b>Category</b>	<b>Number of Equity Shares held</b>	<b>% of Shareholding</b>
Promoters	<b>753280</b>	<b>5.11</b>
Corporate Bodies	<b>8461215</b>	<b>57.41</b>
Overseas Corporate Bodies	-----	-----
Public	<b>5524030</b>	<b>37.48</b>
<b>Total</b>	<b>14738525</b>	<b>100.00</b>

- ❖ Dematerialization of shares : The Company has entered into an Agreement with M/s Skyline Financial Services Pvt. Limited as Registrar and Share Transfer Agents. As on the date of this report, all the shares held in dematerialization form.
- ❖ Outstanding Bonds/ Convertible Instruments : NIL
- ❖ Address for Communication and Registered Office : 105/33, Vardhman Golden Plaza Road No. 44  
Pitampura, Delhi – 110034  
Tel: 011- 65656577  
Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)  
E-Mail: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

## 8. THE BRIEF RESUME OF DIRECTORS AS UNDER:

### ❖ Mr. Sunil Kumar

<b>Background Details</b>	Mr. Sunil Kumar, aged 39 years, is the Promoter of the Company and holds the post of Whole-Time Director of the Company. He has been associated with Company Since 10th December, 2009. he is under Graduate and indulges in Company affairs more than five years.
<b>Remuneration</b>	Nil
<b>No. of Shares Held</b>	180360
<b>Other Directorship</b>	Nil
<b>Job Profile and his suitability</b>	Mr. Sunil Kumar is responsible for day to day management and administration of the Company's Operation and also the member of the Risk Management Committee of the Company.
<b>Comparative remuneration profile with respect to industry, size of the Company, or relationship with managerial personnel,</b>	Mr. Sunil Kumar is a Brother of Mr. Deep Chand Singhal, Non Executive Director of the Company.

### ❖ Mr. Deep Chand Singhal

<b>Background Details</b>	Mr. Deep Chand Singhal, aged 39 years is a Promoter Director of the company Since 03 <sup>rd</sup> December, 2009. He is a Commerce Graduate from Rajasthan University and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has a professional experience of 10 years in the field of Finance, Project Financing, Share Market Research, Bonds Market, Taxation, Audits and also deals in matters relating to RBI. He brings with him a vast knowledge of accounts, audit, taxation.
<b>Remuneration</b>	Nil
<b>No. of Shares Held</b>	37500
<b>Other Directorship</b>	Nil
<b>Job Profile and his suitability</b>	Mr. Deep Chand Singhal is responsible for policy making decision and administrative decision of the Company's Operation and also the member of the Risk Management Committee of the Company.
<b>Comparative remuneration profile with respect to industry, size of the Company, or relationship with managerial personnel,</b>	Mr. Deep Chand Singhal is a Brother of, Mr. Sunil Kumar Executive Director of the Company.

❖ **Mr. Gopal Bansal**

<b>Background Details</b>	Mr. Gopal Bansal, aged 39 years is a Promoter Director of the company Since 03 <sup>rd</sup> December, 2009. He is a Commerce Graduate from Rajasthan University and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has a professional experience of 10 years in the field of Finance, Project Financing, Share Market Research, Bonds Market, Taxation, Audits and also deals in matters relating to RBI. He brings with him a vast knowledge of accounts, audit, taxation.
<b>Remuneration</b>	Nil
<b>No. of Shares Held</b>	37500
<b>Other Directorship</b>	1. Fidelo Foods Private Limited 2. India Finsec Limited
<b>Job Profile and his suitability</b>	Mr. Gopal Bansal is responsible for administrative decision of the Company's Operation and also the member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders/ Investor Grievance Committee of the Company and Risk Management Committee of the Company.
<b>Comparative remuneration profile with respect to industry, size of the Company, or relationship with managerial personnel,</b>	Not Applicable

❖ **Mr. Vikram Sharma**

<b>Background Details</b>	Mr. Vikram Sharma, aged 45 years is a Independent Director of the company Since 10 <sup>th</sup> December, 2009. He is a Graduate from Haryana University. He is having good experience in field of Finance and NBFCs activities.
<b>Remuneration</b>	Nil
<b>No. of Shares Held</b>	Nil
<b>Other Directorship</b>	1. Technofab Constructions Private Limited 2. Stellar Capital Services Limited
<b>Job Profile and his suitability</b>	Mr. Vikram Sharma is responsible for administrative decision of the Company's Operation and also the member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders/ Investor Grievance Committee of the Company and Risk Management Committee of the Company.
<b>Comparative remuneration profile with respect to industry, size of the Company, or relationship with managerial personnel,</b>	Not Applicable



❖ **Ms. Rukhsana**

<b>Background Details</b>	Ms. Rukhsana, aged 43 years is a Independent Director of the company Since 20 <sup>th</sup> May, 2014. She is a Graduate.
<b>Remuneration</b>	Nil
<b>No. of Shares Held</b>	Nil
<b>Other Directorship</b>	1. A1 Executors Private Limited
<b>Job Profile and his suitability</b>	Ms. Rukhsana is responsible for Clients dealing and Human Resources Management of the Company and also the member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders/ Investor Grievance Committee of the Company.
<b>Comparative remuneration profile with respect to industry, size of the Company, or relationship with managerial personnel,</b>	Not Applicable

*By order of the Board of Director  
For **Sonal Mercantile Limited***

**Date:** 30<sup>th</sup> May, 2015  
**Place:** Delhi

**Sd/-  
Deepika Rathore  
Company Secretary and  
Compliance Officer  
M.No. A34331  
Regd. Office: 105/33,  
Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi - 110034**

**CFO CERTIFICATION TO THE BOARD**  
**(Under Clause 49 of Listing Agreement)**

To,

**The Board of Directors,  
Sonal Mercantile Limited  
105/33, Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi – 110034**

I Certify that --

a. I have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the company'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 company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware of 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 -

- Significant changes in internal control over the financial reporting during the year 2014-15;
- Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

**Sd/-**

**(Anjali Aggarwal)**  
**Chief Financial Officer**  
**(PAN: BAWPA1437J)**  
**Date: 30<sup>th</sup> May, 2015**  
**Place: Delhi**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

**To**

**The Member of Sonal Mercantile Limited**

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management as approved by the Board for the financial year ended March 31<sup>st</sup>, 2015.

*For Sonal Mercantile Limited*

**Date: 30th May, 2015**  
**Place: Delhi**

**Sd/-**  
**Sunil Kumar**  
**Whole Time Director**  
**(DIN- 00243057)**

**SONAL MERCANTILE LIMITED**  
**CIN: L51221DL1985PLC022433**

**Regd. Off.: 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034**

**E mail- [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)**

**ATTENDANCE SLIP**

**(To be presented at the entrance)**

**Annual General Meeting of the Company held on Tuesday, the 29th September, 2015 at 10:00 a.m.**

**At 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi – 110034.**

Folio No. .... DPID No..... Client ID No.....  
Name of the Member..... Signature.....  
Name of the Proxy Holder..... Signature.....  
Number of shares held.....

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report to reference at the meeting.

.....TEAR HERE.....

**ELECTRONIC VOTING PARTICULARS**

<b>E VOTING EVENT NUMBER (EVEN)</b>	<b>USER ID</b>	<b>PASSWORD</b>

**SONAL MERCANTILE LIMITED**  
**CIN: L51221DL1985PLC022433**

**Regd. Off.: 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034**  
**E mail- [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)**

**Form No. MGT-11**  
**Proxy Form**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s): .....  
Registered Address: .....  
E-mail id: .....  
Folio No./ Client ID NO: ..... DP ID NO:.....

I/We, being the member(s) holding.....Shares of Sonal Mercantile Limited, hereby appoint

1. Name: ..... E mail ID:.....  
Address: .....  
.....Signature: .....  
or failing him

2. Name: ..... E mail ID:.....  
Address: .....  
.....Signature: .....  
or failing him

3. Name: ..... E mail ID:.....  
Address: .....  
.....Signature: .....  
or failing him

as my/our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 29<sup>th</sup> September, 2015 at 10:00 a.m. at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034

<b>Resolution No.</b>	<b>Resolution</b>
<b>ORDINARY BUSINESS</b>	
1	Adoption of Financial Statement for Financial Year 2014-15
2	Re-Appointment of Statutory Auditor.
3	Appointment of Director liable to retire by rotation.
<b>SPECIAL BUSINESS</b>	
4	Alteration of Memorandum of Association of the Company.
5	Adoption of New set of Articles of Associations of the Company.

Signed this.....day of.....2015

Affix  
Revenue  
Stamp

Signature of Shareholder.....Signature of Proxy Holder.....

**NOTES:**

1.This Form in order to be effective should be duly completed and deposited at the Registered office of the Company at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi – 110034 not less than 48 hours before the Commencement of the Meeting.

2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Shareholders of**  
**SONAL MERCANTILE LIMITED**

### **Report on Financial Statements**

We have audited the accompanying financial statements of **SONAL MERCANTILE LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 were operating effectively for ensuring the 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place the adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2015 and its profit and its cash flows for the year ended on that date.

## 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.
- 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, 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 does not have any pending litigations in its financial statements;
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However, company does not enter into any long-term contracts including derivative during the specified period;
  - (iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.
- g) The Company is a Non- Banking Financial Company not accepting public deposit and the Certificate of Registration No. B-14-02393 dated 19<sup>th</sup> July 2002 from Reserve Bank of India has been issued to the Company: -
  - (i) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
  - (ii) The company has not accepted any public deposits during the relevant year.
  - (iii) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.
- h) As required by the Companies (Auditors' Report) Order 2015 (the Order) issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **V.N. PUROHIT & CO.**  
Chartered Accountants  
FRN : 304040E

Place: **New Delhi**  
Date: 30<sup>th</sup> May, 2015

Sd/-  
**O. P. Pareek**  
Partner  
M. No. : 014238



**To  
The Shareholders of  
SONAL MERCANTILE LIMITED**

**The Annexure referred to in paragraph 1 of the Our Report of even date on the accounts of the company for the year ended 31<sup>st</sup> March, 2015**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that: -

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- ii) (a) As explained to us, the inventories consisting of shares and other securities have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.  
  
(b) In our opinion and according to the information and explanations given to us, the physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of the business.  
  
(c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
- iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) and iii(b) of the order are not applicable to the Company;
- iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and for the sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v) In our opinion, and according to the information and explanation given to us, the company has not accepted any deposits; hence, clause (v) is not applicable to the company. Accordingly, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- vi) The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act.
- vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations

given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any disputes.

(c) Company does not have any amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules made there under.

- viii) The Company does not have any accumulated loss at the end of the financial year and has not incurred cash losses in the financial year covered by this report and in immediately preceding such financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- x) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institutions.
- xi) Based on the information and explanations given to us by the management, we are of the opinion that the term loans taken were applied for the purpose they are obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For **V.N. PUROHIT & CO.**  
Chartered Accountants  
FRN : 304040E

**Place: New Delhi**  
Date: 30<sup>th</sup> May, 2015

**Sd/-**  
**O. P. Pareek**  
Partner  
M. No. : 014238

**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

BALANCE SHEET AS ON 31ST MARCH, 2015

Particulars	Notes	31st March 2015 (Rupees)	31st March 2014 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
Share Capital	3	147,385,250.00	147,385,250.00
Reserves and Surplus	4	73,545,044.75	73,369,966.68
<b>Non-current liabilities</b>			
Long-term Borrowings	5	-	497,754.02
Long-Term Provisions	6	527,971.00	393,526.00
<b>Current liabilities</b>			
Other Current Liabilities	7	770,690.02	971,573.90
Short-Term Provisions	8	273,527.00	187,901.00
<b>Total</b>		<b>222,502,482.77</b>	<b>222,805,971.60</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
(i) Tangible Assets	9	1,453,593.00	2,161,429.00
Deferred Tax Assets (net)	10	204,943.00	103,968.00
Capital & amortised expenses not w/off	11	260,680.00	413,231.80
<b>Current Assets</b>			
Short- term loan and advances	12	211,188,288.00	213,914,804.00
Inventories	13	2,066,820.00	3,960,600.00
Other Current Assets	14	3,158,631.00	1,987,651.00
Cash and Cash Equivalents	15	4,169,527.77	264,287.80
<b>Total</b>		<b>222,502,482.77</b>	<b>222,805,971.60</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR V.N. PUROHIT & CO.****Firm Regn. No. 304040E****Chartered Accountants****For and on behalf of the Board of Directors of  
Sonal Mercantile Limited**

Sd/-

O.P. Pareek  
Partner

Membership No. 014238

New Delhi, the 30th day of May 2015

Sd/-

Gopal Bansal  
Director

DIN: 01246420

Sd/-

D.C. Singhal  
Director

DIN: 00815681

Sd/-

Anjali Aggarwal  
CFO

Sd/-

Deepika Rathore  
Secretary

M.No. 34331

## **SONAL MERCANTILE LIMITED**

**CIN : L51221DL1985PLC022433**

**STATEMENT OF TRADING & PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2015**

<b>Particulars</b>	<b>Notes</b>	<b>From 1st April 2014 to 31st March 2015 (Rupees)</b>	<b>From 1st April 2013 to 31st March 2014 (Rupees)</b>
<b>Income</b>			
Revenue from operations	<b>16</b>	23,274,126.20	44,511,712.78
<b>Total Revenue (I)</b>		<b>23,274,126.20</b>	<b>44,511,712.78</b>
<b>Expenses</b>			
Purchases of stock in trade	<b>17</b>	13,427,018.40	42,853,483.42
Changes in inventories	<b>18</b>	1,893,780.00	(3,960,600.00)
Employee benefit expenses	<b>19</b>	4,059,831.00	3,072,346.00
Finance costs	<b>20</b>	99,328.20	192,673.22
Depreciation & amortization expenses	<b>21</b>	707,836.00	758,952.00
Other administrative expenses	<b>22</b>	2,662,355.53	1,308,510.67
<b>Total (II)</b>		<b>22,850,149.13</b>	<b>44,225,365.31</b>
<b>Profit/ (loss) before tax ( I - II)</b>		<b>423,977.07</b>	<b>286,347.47</b>
<b>Tax expenses</b>			
Current Tax		349,874.00	201,041.00
Deferred tax		(100,975.00)	(90,829.00)
<b>Total Tax Expenses</b>		<b>248,899.00</b>	<b>110,212.00</b>
<b>Profit/ (loss) for the year after tax (PAT)</b>		<b>175,078.07</b>	<b>176,135.47</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.0119	0.0135
Diluted		0.0119	0.0135
Summary of significant accounting polices	<b>2</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

**For and on behalf of the Board of Directors of**  
**Sonal Mercantile Limited**

**Sd/-**  
**O.P. Pareek**  
**Partner**  
**Membership No. 014238**  
**New Delhi, the 30th day of May 2015**

**Sd/-** **Sd/-** **Sd/-** **Sd/-**  
**Gopal Bansal** **D.C. Singhal** **Anjali Aggarwal** **Deepika Rathore**  
**Director** **Director** **CFO** **Secretary**  
**DIN: 01246420** **DIN: 00815681** **M.No. 34331**

**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2015

	For the year ended 31st March 2015 (Rupees)	For the year ended 31st March 2014 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	423,977.07	286,347.47
Adjustments for Depreciation	707,836.00	758,952.00
Adjustments for Contingent provision against standard assets	134,445.00	22,399.00
Adjustments for Capital & amortised expenses	152,551.80	155,971.80
Operating Profit before working capital changes	1,418,809.87	1,223,670.27
<b>Working capital adjustments: -</b>		
(Increase)/ decrease in current loans and advances	2,726,516.00	(5,767,196.00)
(Increase)/ decrease in Trade receivables	-	12,992,780.79
(Increase)/ decrease in inventories	1,893,780.00	(3,960,600.00)
(Increase)/ decrease in other Current Assets	(1,170,980.00)	(4,269,235.00)
Increase/ (decrease) in Trade Payables	-	(1,000,000.00)
Increase/ (decrease) in current liabilities	(200,883.88)	783,348.90
Cash generated from operations	4,667,241.99	2,768.96
Direct Taxes Paid	(264,248.00)	(94,273.00)
<b>Net cash flow from operating activities (A)</b>	<b>4,402,993.99</b>	<b>(91,504.04)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceed from sale of investments	-	-
Expenses for capital expenses	-	-
Purchase of fixed assets	-	(35,600.00)
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>(35,600.00)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	-	-
Increase/ (decrease) in secured loans	(497,754.02)	(1,289,363.68)
<b>Net cash flow from financing activities (C)</b>	<b>(497,754.02)</b>	<b>(1,289,363.68)</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>3,905,239.97</b>	<b>(1,416,467.72)</b>
Add: Opening cash and cash equivalents	264,287.80	1,680,755.52
<b>Closing cash and cash equivalents</b>	<b>4,169,527.77</b>	<b>264,287.80</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,081,332.00	5,611.00
Deposit with banks in current accounts	2,875,195.77	210,676.80
Cheque in Hand	213,000.00	48,000.00
<b>Toal cash and cash equivalents (note 8)</b>	<b>4,169,527.77</b>	<b>264,287.80</b>
	-	(0)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Sd/-

**O.P. Pareek****Partner****Membership No. 014238****New Delhi, the 30th day of May 2015****For and on behalf of the Board of Directors of****Sonal Mercantile Limited**

Sd/-

**Gopal Bansal****Director****DIN: 01246420**

Sd/-

**D.C. Singhal****Director****DIN: 00815681**

Sd/-

**Anjali Aggarwal****CFO**

Sd/-

**Deepika Rathore****Secretary****M.No. 34331**

**SONAL MERCANTILE LIMITED**  
**CIN : L51221DL1985PLC022433**

**NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2015**

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India.

The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

**2. Summary of significant accounting policies**

**a. Changes in accounting policy**

Accounting policies unless specifically stated to be otherwise are consistent and are in accordance with generally accepted accounting principles.

**b. Revenue recognition**

Revenue is being recognized in accordance with the guidance note on Accrual basis of accounting issued by the institute of Chartered Accountants of India. Accordingly wherever there is uncertainty in the realization of income, the same is not accounted for till such time the uncertainty is resolved. Income from Sale of Shares is recognized on the execution of the transaction on the stock exchange. All expenses are accounted for on accrual basis.

**c. Fixed assets:**

Fixed Assets are valued at Historical cost, less Depreciation. Cost of fixed Assets includes cost of purchase and/or construction as increased by necessary expenditure incurred to make them ready for use in the business.

**d. Inventories**

Inventories include investments in shares & bonds of other companies. The company classifies such investments & bonds as inventory and valuation of them has been made at lower of cost or market value.

**e. Depreciation**

Fixed assets are depreciated on a Written down Value method over the estimated useful lives of the assets considering the guidelines of Part C of Schedule II to the Companies Act, 2013. Following are useful lives for each asset category:

<b>Assets Category</b>	<b>Useful life (in years)</b>
Computers	3
Motor vehicles	8
Furniture and fittings	10

**f. Taxes on income**

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Current Tax Include Rs. 73282 Demand Under Scrutiny Assessment & 3065 of Short Provision of A.Y. 2012-13. Deferred Taxes has been recognized on timing differences between accounting income and taxable income subject to consideration of prudence.

**g. Employee Benefits**

Provision for Gratuity has not been made, as presently no employee is eligible for the same. Provision of provident fund and ESI has not been made, as the Provisions of the same are yet not applicable to the company. The company is not paying leave encashment benefits to its employees as per the rules of the company.

**h. Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until the month in which such assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the year in which they are incurred.

**i. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**j. Cash and Cash Equivalent**

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

In terms of our report of even date annexed

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

**Chartered Accountants**

Firm Regn. 304040E

For and on behalf of Board of Directors of

**Sonal Mercantile Limited**

**Sd/-**  
**O.P. Pareek**  
Partner  
Membership No. 014238

**Sd/-**  
**Gopal Bansal**  
Director  
DIN: 01246420

**Sd/-**  
**D.C. Singhal**  
Director  
DIN: 00815681

**Sd/-**  
**Anjali Aggarwal**  
CFO

**Sd/-**  
**Deepika Rathore**  
Secretary  
M.No. 34331

New Delhi, the 30<sup>th</sup> day of May 2015

**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

3. Share capital	As at 31st March 2015 (Rupees)	As at 31st March 2014 (Rupees)
<b>Authorised shares</b>		
1,47,40,000 (P.Y. 1,47,00,000) Equity Shares of Rs. 10/- each	147,400,000.00	147,400,000.00
<b>Issued, subscribed and fully paid- up shares</b>		
1,47,38,525(P.Y.1,47,38,525) Equity Shares of Rs. 10/-each fully paidup	147,385,250.00	147,385,250.00
<b>Total issued, subscribed and fully paid- up share capital</b>	<b>147,385,250.00</b>	<b>147,385,250.00</b>

**a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	As at 31st March 2015		As at 31st March 2014	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	14,738,525	147,385,250.00	14,738,525	147,385,250.00
Issue during the period: -				
Equity share capital - allotted for consideration other than cash	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>14,738,525</b>	<b>147,385,250.00</b>	<b>14,738,525</b>	<b>147,385,250.00</b>

**b. Terms and rights attached to equity shares**

The company has issued only one class of equity share 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

**c. Details of shareholders holding more than 5% shares in the company**

as per list attached as annexure A

4. Reserves and surplus	As at 31st March 2015 (Rupees)		As at 31st March 2014 (Rupees)	
<u>Securities premium account</u>				
Opening balance	72,529,750.00		72,529,750.00	
Add: Premium on share capital	-		-	
Less: Utilized/ transfer during the period	-		-	
Closing balance		72,529,750.00		72,529,750.00
<u>Special reserves u/s 45-IC of the RBI Act, 1934</u>				
Opening balance	300,721.00		261,014.00	
Add: transfer from P&L a/c during the year	35,016.00		39,707.00	
Less: Utilized/ transfer during the period	-		-	
Closing balance		335,737.00		300,721.00
<u>Surplus/ (deficit) in statement of profit &amp; loss</u>				
Balance as per last financial statements	539,495.68		403,067.21	
Add: Profit/ (loss) for the year	175,078.07		176,135.47	
Less: Utilized/ transfer during the period				
Transfer to Special reserve u/s 45-IC of the RBI Act, 1934	35,016.00	140,062.07	39,707.00	
Net (deficit) in statement of profit and loss		679,557.75		539,495.68
		<b>73,545,044.75</b>		<b>73,369,966.68</b>



**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

<b>5. Long-term Borrowings</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
BMW Financial Services - Car Loan	497,754.02	1,180,054.92
Less : Current Maturity of long term loan	497,754.02	682,300.90
	<u>                    -</u>	<u>                    497,754.02</u>
<b>6. Long-term provisions</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Contingent provision against standard assets*</b>		
Opening Balance	393,526.00	371,127.00
Add: Addition(written off) during the year	134,445.00	22,399.00
	<u>                    527,971.00</u>	<u>                    393,526.00</u>
*A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular Ref. No. DNBS(PD) CC No. 225/03.02.001/2011-12 dated July 1, 2011.		
<b>7. Other Current Liabilities</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Audit fee payable	22,472.00	11,236.00
Salary payable	249,350.00	249,150.00
TDS Payable	1,114.00	1,237.00
Other Expenses Payable	-	27,650.00
Current Maturity of long term loan (Car Loan)	497,754.02	682,300.90
	<u>                    770,690.02</u>	<u>                    971,573.90</u>
<b>8. Short-term provisions</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Provision for income tax	273,527.00	187,901.00
	<u>                    273,527.00</u>	<u>                    187,901.00</u>
<b>10. Deferred tax assets</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Opening Balance	103,968.00	13,139.00
Add: Addition during the year	100,975.00	90,829.00
	<u>                    204,943.00</u>	<u>                    103,968.00</u>
<b>11. Capital &amp; amortised expenses not w/off</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Preliminary Expenses</b>		
Opening Balance	3,000.00	7,920.00
Add: addition during the year	-	-
Less: written off during the year	1,500.00	4,920.00
<b>(A)</b>	<u>                    1,500.00</u>	<u>                    3,000.00</u>
<b>Deferred revenue expenses</b>		
Opening Balance	410,231.80	561,283.60
Add: addition during the year	-	-
Less: written off during the year	151,051.80	151,051.80
<b>(B)</b>	<u>                    259,180.00</u>	<u>                    410,231.80</u>
	<u>                    260,680.00</u>	<u>                    413,231.80</u>

**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

<b>12. Short-term loan and advances</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Loans portfolio* (recoverable in cash or kind, unsecured, considered good)	211,188,288.00	160,590,285.00
	<b>(A) 211,188,288.00</b>	160,590,285.00
Advances against investment & others (recoverable in cash or kind, unsecured, considered good)	-	53,324,519.00
	<b>(B) -</b>	53,324,519.00
<b>Total (A + B)</b>	<b>211,188,288.00</b>	<b>213,914,804.00</b>
*Standard Assets - as per The classification of loans under the RBI guidelines.		
<b>13. Inventories</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Stock in trade (Shares & Securities) (294000 Shares of Stellar Capital Services Ltd.)	2,066,820.00	3,960,600.00
	<b>2,066,820.00</b>	<b>3,960,600.00</b>
<b>14. Other Current Assets</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
TDS receivable form I. T. Department	3,102,625.00	1,929,963.00
TDS receivable form BMW Financial Services	6,448.00	7,433.00
Prepaid Insurance of Car	49,558.00	50,255.00
	<b>3,158,631.00</b>	<b>1,987,651.00</b>
<b>15. Cash and cash equivalents</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Cash in hand	1,081,332.00	5,611.00
Balances with banks	2,875,195.77	210,676.80
Cheque in Hand	213,000.00	48,000.00
	<b>4,169,527.77</b>	<b>264,287.80</b>
<b>16. Revenue from operations</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Sale of Shares & Securities	8,666,626.20	31,950,808.78
Interest income	14,607,500.00	12,560,904.00
	<b>23,274,126.20</b>	<b>44,511,712.78</b>
<b>17. Purchase of trade goods</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Purchases of stock in trade	13,427,018.40	42,853,483.42
	<b>13,427,018.40</b>	<b>42,853,483.42</b>
<b>18. Changes in inventories</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Inventories at the beginning of the year - Stock in trade	3,960,600.00	-
Less : Inventories at the end of the year - Stock in trade	2,066,820.00	3,960,600.00
(Inventories Are Valued at Lower of cost or Market Value)	<b>1,893,780.00</b>	<b>(3,960,600.00)</b>
<b>19. Employee benefit expenses</b>	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Salaries and wages	3,699,050.00	2,791,700.00
Bonus to Staff	50,000.00	-
Staff welfare expenses	310,781.00	280,646.00
	<b>4,059,831.00</b>	<b>3,072,346.00</b>

**SONAL MERCANTILE LIMITED****CIN : L51221DL1985PLC022433**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

<b>20. Finance costs</b>	<b>For the year ended 31st March 2015 (Rupees)</b>	<b>For the year ended 31st March 2014 (Rupees)</b>
Bank Charges	4,182.10	15,294.00
Interest on car loan	95,119.10	165,218.22
Other interest paid	27.00	12,161.00
	<b>99,328.20</b>	<b>192,673.22</b>
<b>21. Depreciation &amp; amortization expenses</b>	<b>For the year ended 31st March 2015 (Rupees)</b>	<b>For the year ended 31st March 2014 (Rupees)</b>
Depreciation charged	707,836.00	758,952.00
	<b>707,836.00</b>	<b>758,952.00</b>
<b>22. Other administrative expenses</b>	<b>For the year ended 31st March 2015 (Rupees)</b>	<b>For the year ended 31st March 2014 (Rupees)</b>
Advertisement & Publication Expenses	58,404.00	19,986.00
Annual Custodial Fee	67,416.00	13,482.00
Auditors Remuneration	22,472.00	11,236.00
Books & Periodicals	26,744.00	12,223.00
Business Promotion	87,200.00	77,776.00
Bse Listing Fees	696,632.00	-
Car Insurance	75,444.00	32,745.00
Conveyance Expenses	348,585.00	357,176.00
Contingent provision against standard assets	134,445.00	22,399.00
Diwali Expenses	118,500.00	65,460.00
Dmat Charges	29,218.73	260.50
Electricity Expenses	6,860.00	-
Fees & Subscription	-	1,011.00
Office Rent	120,000.00	-
ROC Filing Fee	25,800.00	4,000.00
Postage, Courier, Fax & Telegrams	39,656.00	25,856.00
Printing and Stationery	43,534.00	55,814.00
Professional Charges	16,181.00	38,241.00
Registration Fee (DSE)	22,472.00	22,472.00
RTA Expenses	6,742.00	-
Shortage & Excess	6.00	439.37
Telephone & Mobile Expenses	86,985.00	58,870.00
Tours & Travelling Expenses	246,680.00	177,322.00
Vehicle Running & Maintenance	225,827.00	145,770.00
Website Expenses	4,000.00	10,000.00
Preliminary expenditure w/off	1,500.00	4,920.00
Deferred revenue expenditure w/off	151,051.80	151,051.80
	<b>2,662,355.53</b>	<b>1,308,510.67</b>

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

Sd/-

**O.P. Pareek****Partner****Membership No. 014238****New Delhi, the 30th day of May 2015****For and on behalf of the Board of Directors of****Sonal Mercantile Limited**

Sd/-	Sd/-	Sd/-	Sd/-
Gopal Bansal	D. C. Singhal	Anjali Aggarwal	Deepika Rathore
Director	Director	CFO	Secretary
DIN: 01246420	DIN: 00815681		M.No. 34331

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

## Note - 9 (Fixed Assets)

(Amount in Rupees)

Tangible assets	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1 April, 2014	Additions / Deletion	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation during the year	Balance as at 31 March, 2015	W.D.V. as on 31.03.2015	W.D.V. as on 31.03.2014
<b>Tangible Assets</b>									
(a) Furniture and Fixtures	18.10%	14,000.00	-	14,000.00	9,775.00	1,529.00	11,304.00	2,696.00	4,225.00
(b) Motor Car	25.89%	3,157,938.00	-	3,157,938.00	1,023,850.00	690,101.00	1,713,951.00	1,443,987.00	2,134,088.00
(b) Computer	40.00%	35,600.00	-	35,600.00	12,484.00	16,206.00	28,690.00	6,910.00	23,116.00
<b>Total</b>		<b>3,207,538.00</b>	<b>-</b>	<b>3,207,538.00</b>	<b>1,046,109.00</b>	<b>707,836.00</b>	<b>1,753,945.00</b>	<b>1,453,593.00</b>	<b>2,161,429.00</b>
<b>Previous year</b>		<b>3,171,938.00</b>	<b>35,600.00</b>	<b>3,207,538.00</b>	<b>287,157.00</b>	<b>758,952.00</b>	<b>1,046,109.00</b>	<b>2,161,429.00</b>	<b>2,884,781.00</b>

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

For and on behalf of the Board of Directors of  
Sonal Mercantile Limited

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238  
New Delhi, the 30th day of May 2015

Sd/-                      Sd/-                      Sd/-                      Sd/-  
Gopal Bansal    D.C. Singhal    Anjali Aggarwal    Deepika Rathore  
Director            Director            CFO                      Secretary  
DIN: 01246420    DIN: 00815681                                      M.No. 34331

**SONAL MERCANTILE LIMITED**  
**CIN : L51221DL1985PLC022433**

**NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH 2015**

23. There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company.

24. The company is an Investing & financing company and most of the revenue of the company arise from investing activities. As Provisions of Accounting Standard (AS) - 17 issued by the ICAI on 'Segment Reporting' are not been applicable to the Company.

25. Deferred Tax Assets and Liabilities are recognised in respect of current year and prospective years. Deferred Tax Asset is recognised on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realized.

26. In the opinion of the management, the current assets, loans and advances have a relaisable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

27. **Related party disclosures/ transactions**

As per accounting standard 18 on "Related party Disclosure" issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party is as under:

A) Related Party where control exists:

Sunil Kumar (Key management personnel)  
Deepika Rathore (Key management personnel)  
Anjali Aggarwal (Key management personnel)

B) Individuals owning, directly or indirectly, an interest in the voting power & Relatives of Such Individuals

Gopal bansal HUF (Huf of Director)  
Sunita Bansal (Wife of Director)  
Deep chand Singhal (Director)

C) Transactions with related party

<b>Neture of Transaction</b>	<b>Current Period (Rs.)</b>	<b>Previous Year (Rs.)</b>
<b>Remuneration/Salary</b>		
Deepika Rathore	2,85,000	1,80,000
Anjali Aggarwal	3,75,000	3,00,000
<b>Sale of Shares</b>		
Gopal bansal HUF	6,07,500	-
Sunita Bansal	7,29,000	-
<b>Leasing Agreement</b>		
(Office Premises on Lease)		
Deep chand Singhal		
Office rent	1,20,000	-

28. The company has taken an office building on lease, which is classified as an operating lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease. Lease Payment recognized in the statement of profit & loss for the year is Rs. 1,20,000/-.

29.	<b>Particulars</b>	<b>Current Period (Rs.)</b>	<b>Previous Year (Rs.)</b>
	Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

30. Quantitive Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the Companies Act, 1956 are as per list attached.

31.	<b>Particulars</b>	<b>Current Period (Rs.)</b>	<b>Previous Year (Rs.)</b>
	Contingent Liability not provided for	Nil	Nil

32. Previous Year's Figures have been re-arranged or re-grouped wherever considered necessary.

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

34. Figures in brackets indicate negative (-) figures.

**FOR V.N. PUROHIT & CO.**  
**Chartered Accountants**  
 Firm Regn. 304040E

For and on behalf of Board of Directors of  
**Sonal Mercantile Limited**

**Sd/-**  
**O.P. Pareek**  
 Partner  
 Membership No. 014238

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Gopal Bansal</b>	<b>D.C. Singhal</b>	<b>Anjali Aggarwal</b>	<b>Deepika Rathore</b>
Director	Director	CFO	Secretary
DIN: 01246420	DIN: 00815681		M.No. 34331

New Delhi, the 30<sup>th</sup> day of May 2015

**Schedule to the Balance Sheet of a  
Non-deposit taking Non-Banking Financial Company**  
[As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit  
Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

RBI No. B-14-02393 Dt.19.07.2002

For the year ended on 31st March, 2015

Particulars		31.03.2015	
<b>Liabilities side :</b>			
1	<b>Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :</b>	Amount <u>Outstanding</u>	Amount <u>overdue</u>
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	4.98	4.98
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
	*Please see Note I below		
<b>Assets side :</b>		<b>Amount Outstanding</b>	
2	<b>Break-up of Loans and Advances including bills receivables[other than those Included in (3) below] :</b>		
	(a) Secured	Nil	
	(b) Unsecured	2111.88	
3	<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC Activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :	NIL	
	(a) Financial Lease	NIL	
	(b) Operating Lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :	NIL	
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Hypothecation loans counting towards AFC activities	NIL	
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	





6	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b> Please see Note 3 below		
	Category	Market Value / Break-up or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	NIL	NIL
	Total	NIL	NIL

\*\* As per Accounting Standard of ICAI

#### 7 Other Information

Particulars	Amount	
(i) Gross Non-Performing Assets	NIL	
(a) Related parties	NIL	
(b) Other than related parties	NIL	
(ii) Net Non-Performing Assets	NIL	
(a) Related parties	NIL	
(b) Other than related parties	NIL	
(iii) Assets acquired in satisfaction of debt	NIL	

#### Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

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

Sd/-  
O.P. Pareek  
Partner  
Membership No. 014238

New Delhi, the 30th day of May 2015

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

Sd/-                      Sd/-                      Sd/-                      Sd/-                      Sd/-  
Gopal Bansal   D. C. Singhal   Angali Aggarwal   Deepika Rathore  
Director                      Director                      CFO                      Secretary  
DIN: 01246420   DIN: 00815681                      M.No. 34331

**SONAL MERCANTILE LIMITED**

Annexure - A

**CIN : L51221DL1985PLC022433**

Shareholders having shareholding more than 5% in the Company

Name of Shareholder	Class of Shares	As at 31st March 2015		As at 31st March 2014	
		No.	% holding	No.	% holding
LILY INFRATECH PVT LTD	Equity	937145	6.36	937145	6.36
ORION INFRADEVELOPERS PVT. LTD.	Equity	771875	5.24	771875	5.24
TEASEL TRADERS PVT LTD	Equity	0	-	1018500	6.91
CHIRANJIV DISTRIBUTORS PVT LTD	Equity	1319000	8.95	2327000	15.79
NABKRI DEVELOPERS PVT. LTD.	Equity	765625	5.19	765625	5.19
BULBUL BUILDCON PVT. LTD.	Equity	1243000	8.43	0	-