

Sonal Mercantile Ltd.

REGD. OFFICE: 105/33, VARDHMAN GOLDEN PLAZA ROAD NO.44
PITAMPURA, DELHI - 110 034 E-MAIL: gopalbansal1975@yahoo.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Friday, 16th August 2013 at 11:00 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 businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at **31st March, 2013** and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' Report thereon.
2. To appoint the Statutory Auditors of the Company and to fix their Remuneration and in that connection to pass with or without modification(s), the following Resolution to be moved as an Ordinary Resolution.

"RESOLVED THAT M/s. V.N Purohit & Co., Chartered Accountants, New Delhi, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company, be and is hereby authorised to fix their remuneration.

3. To appoint Director in place of Mr. Sunil Kumar who retires by rotation & being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Anil Kumar Goyal who retires by rotation & being eligible offers himself for reappointment.

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



Chairman

Dated: 16.07.2013

Place: Delhi

Notes:

- A.** 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.
- B.** The Register of members and Share Transfer Books of the Company shall remain closed from 10.08.2013 to 16.08.2013 (both days inclusive).
- C.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D.** Members are requested to notify any change in their address immediately to the registered office of the Company.
- E.** 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.
- F.** Queries at the AGM: Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office 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.
- G.** 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 between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

DIRECTORS' REPORT

Dear Members

Your Directors present the 28th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended **31st March, 2013**.

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

Save as mentioned elsewhere 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- 31st March, 2013 till the date of this report.

Dividend

In view of marginal profits made by the Company, your Directors regret their inability to recommend any dividend.

Board of Directors

During the year under review, there has been no change in the composition of the Board of Directors.

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.

Public Deposits

The company being registered with Reserve Bank of India as Non Banking Finance Company has accepted/renewed public deposits as per RBI Norms.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **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.

- b. **Export Activities:** There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- c. **Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

Statutory Auditors

M/s V.N. Purohit & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

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

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon and to the best of their knowledge and belief, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards had been followed;
- b. the Directors had 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 as at 31st March, 2013;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The Equity Shares of the Company are listed at Delhi Stock Exchange Ltd (DSE). The Company has already paid listing fees for the financial year 2013-14 to the Delhi Stock Exchange Ltd.

Corporate Governance


Presently, Clause 49 of the Listing Agreement relating to the Corporate Governance is applicable to the Company. The Company observes good corporate practices to enhance the stakeholders' value.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

By Order of the Board
For Sonal Mercantile Limited


Gopal Bansal
Director


Deep Chand Singhal
Director

Dated: 16.07.2013

Place: Delhi



AUDITOR'S REPORT

To The Members of
Sonal Mercantile Limited

We have audited the attached Balance Sheet as at 31st March, 2013 and also the Profit and Loss Account & the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting, principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and profit and Loss Account and the cash flow statements dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2013 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.


As per Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 issued by Reserve Bank of India vide Notification No. DFC 117/DG(SPT)-98 dated January 2, 1998, we further report to the extent to which matters specified therein are applicable to the company that :

- (i) The company is a Non-Banking Financial Company not accepting public deposit and the certificate of registration no. B-14-02393 dated 19.07.2002 from Reserve Bank of India has been issued to the company.
- (ii) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
- (iii) The company has not accepted any public deposits during the relevant year.
- (iv) 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.

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



Place : New Delhi
Date : 31.05.2013


O.P. Pareek
Partner
M.No.014238

Annexure to Auditors Report

Referred to in Paragraph 3 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) In our opinion, and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements as per clause (iii) (e) of paragraph 4 of the order are not applicable in case of the company.
 - b) The Company has not taken any loans, secured or unsecured during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements as per clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable in case of the company.



4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods or services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. As explained and according to information given to us there has not been any contract or arrangement referred to in section 301 of the Act, particulars of which need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. The cost record maintained by the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
9. In respect of statutory dues:
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2013 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no outstanding statutory dues on the part of company which is not deposited on account of dispute.
10. The company does not have accumulated losses at the end of financial year. The company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not taken any loan from any financial institution or bank or debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and in our opinion, adequate documents and records are maintained.
13. The Company is not a chit fund, nidhi or mutual benefit society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments held by the company, in it's own name.



15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. As per information and explanations given to us, the company has not obtained any term loans during the year and no term loans are outstanding on the company at the end of year.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the company.
20. As explained to us, the management has disclosed on the end use of money raised by public issues and the same has been verified.
21. According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

Place : New Delhi
Date : 31.05.2013



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

O.P. Pareek
Partner
M.No.014238


SONAL MERCANTILE LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2013

Particulars	Notes	31st March 2013 (Rupees)	31st March 2012 (Rupees)
EQUITY AND LIABILITIES			
Shareholders' fund			
Share Capital	3	147,385,250.00	29,477,050.00
Reserves and Surplus	4	73,193,831.21	191,278,586.74
Non-current liabilities			
Long-term Borrowings	5	1,787,117.70	-
Long-Term Provisions	6	371,127.00	-
Current liabilities			
Trade Payables	7	1,188,225.00	15,000.00
Short-Term Provisions	8	81,133.00	274,589.00
Total		224,006,683.91	221,045,225.74
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	9	2,884,781.00	6,299.00
Deferred Tax Assets (net)	10	13,139.00	-
Capital & amortised expenses not w/off	11	569,203.60	138,295.40
Current Assets			
Current Investments	12	-	63,819,000.00
Short-term loan and advances	13	205,866,024.00	152,121,391.00
Inventories	14	-	3,665,430.00
Trade Receivables	15	12,992,780.79	1,011.29
Cash and Cash Equivalents	16	1,680,755.52	1,293,799.05
Total		224,006,683.91	221,045,225.74
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


O.P. Pareek
Partner
Membership No. 014238



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


Gopal Bansal
Director


Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

STATEMENT OF TRADING & PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

Particulars	Notes	From 1st April 2012 to 31st March 2013 (Rupees)	From 1st April 2011 to 31st March 2012 (Rupees)
A. CONTINUING OPERATIONS			
Income			
Revenue from operations	17	68,473,965.35	90,893,199.86
Other Income	18	-	-
Total Revenue (I)		68,473,965.35	90,893,199.86
Expenses			
Purchases of stock in trade	19	60,633,163.37	91,152,566.65
Changes in inventories	20	3,665,430.00	(3,665,430.00)
Employee benefit expenses	21	2,372,930.00	1,524,539.00
Finance costs	22	61,644.23	36,136.00
Depreciation & amortise expenses	23	448,997.80	50,843.80
Other administrative expenses	24	1,029,234.48	905,908.00
Total (II)		68,211,399.88	90,004,563.45
Profit/ (loss) before tax (I - II)		262,565.47	888,636.41
Tax expenses			
Current Tax		81,133.00	274,589.00
Deferred tax		(13,139.00)	-
Total Tax Expenses		67,994.00	274,589.00
Profit/ (loss) for the year after tax (PAT)		194,571.47	614,047.41
Less: Contingent provision against standard assets		371,127.00	-
Less: Special reserve u/s 45-IC of the RBI Act, 1934		38,914.00	122,809.00
Profit available for dividend distribution		(215,469.53)	491,238.41
Less: proposed dividend on equity		-	-
Less: provision for dividend distributors tax		-	-
Net profit transfer to appropriation		(215,469.53)	491,238.41
Earning per share (EPS)			
[nominal value of share Rs. 10/-]			
Basic		0.0132	1.1185
Diluted		0.0132	1.1185
Summary of significant accounting polices	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

O.P. Pareek
Partner
Membership No. 014238



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

Gopal Bansal
Director

Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2013

	For the year ended 31st March 2013 (Rupees)	For the year ended 31st March 2012 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	711,563.27	939,480.21
Adjustments for items not included	-	-
Operating Profit before working capital changes	<u>711,563.27</u>	<u>939,480.21</u>
Working capital adjustments: -		
(Increase)/ decrease in current loans and advances	(53,744,633.00)	(128,956,503.00)
(Increase)/ decrease in Trade receivables	(12,991,769.50)	(1,011.29)
(Increase)/ decrease in inventories	3,665,430.00	(3,665,430.00)
Increase/ (decrease) in current liabilities	1,173,225.00	(3,202,515.00)
Cash generated from operations	<u>(61,186,184.23)</u>	<u>(134,885,979.08)</u>
Direct Taxes Paid	(274,589.00)	(503,626.00)
Net cash flow from operating activities (A)	<u>(61,460,773.23)</u>	<u>(135,389,605.08)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from sale of investments	63,819,000.00	135,085,400.00
Expenses for capital expenses	(600,450.00)	(95,000.00)
Purchase of fixed assets	(3,157,938.00)	-
Net cash flow from investing activities (B)	<u>60,060,612.00</u>	<u>134,990,400.00</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Increase/ (decrease) in secured loans	1,787,117.70	-
Net cash flow from financing activities (C)	<u>1,787,117.70</u>	<u>-</u>
Net cash flow during the year (A + B + C)	386,956.47	(399,205.08)
Add: Opening cash and cash equivalents	1,293,799.05	1,693,004.13
Closing cash and cash equivalents	<u>1,680,755.52</u>	<u>1,293,799.05</u>
Components of cash and cash equivalents		
Cash in hand	1,297,981.52	69,177.60
Deposit with banks in current accounts	382,774.00	1,224,621.45
Toal cash and cash equivalents (note 8)	<u>1,680,755.52</u>	<u>1,293,799.05</u>
	(0.00)	(0.00)

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

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



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

Gopal Bansal *Deep Chand Singhal*
Gopal Bansal Deep Chand Singhal
Director Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1ST APRIL 2012 TO 31ST MARCH 2013

1. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and the relevant provisions of the Companies Act, 1956.

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

From the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it only impact on the presentation and disclosures made in the financial statements. The company has also reclassified previous year's figure in accordance with the requirements applicable for the current year.

b. Revenue recognition

Having regard to the size, nature and level of operation of the business, the company is applying accrual basis of accounting for recognition of income earned and expenses incurred in the normal course of business.

c. Fixed assets:

Fixed Assets are valued at 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. However, unquoted investments are stated at cost.

e. Depreciation

The company charged depreciation on its fixed assets on WDV method as per rates prescribed under Schedule XIV of the Companies Act, 1956.

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. Deferred Taxes has been recognised on timing differences between accounting income and taxable income subject to consideration of prudence.

Signed for the purpose of Identification

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



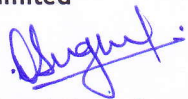
O.P. Pareek
Partner
Membership No. 014238



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



Gopal Bansal
Director



Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

3. Share capital	As at 31st March 2013		As at 31st March 2012
	(Rupees)		(Rupees)
Authorised shares			
1,50,00,000 (P.Y. 29,90,600) Equity Shares of Rs.10/- each	150,000,000.00		29,906,000.00
Issued, subscribed and fully paid- up shares			
1,47,38,525(P.Y.5,49,000) Equity Shares of Rs.10/-each fully paidup	147,385,250.00		5,490,000.00
Total issued, subscribed and fully paid- up share capital	147,385,250.00		5,490,000.00
Shares to be issued pursuant to the Scheme of Amalgamation			
23,98,705 Equity Shares of Rs.10/- each to be allotted for consideration otherthan cash	-		23,987,050.00
Total	-		23,987,050.00

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

	As at 31st March 2013		As at 31st March 2012	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	549,000	5,490,000.00	549,000	5,490,000.00
Issue during the period: -				
Equity share capital - allotted for consideration otherthan cash	2,398,705	23,987,050.00	-	-
Equity share capital-bonus issue 4:1	11,790,820	117,908,200.00	-	-
Outstanding at the end of the period	14,738,525	147,385,250.00	549,000	5,490,000.00

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

4. Reserves and surplus	As at 31st March 2013		As at 31st March 2012
	(Rupees)		(Rupees)
<u>Securities premium account</u>			
Opening balance	190,437,950.00		27,000,000.00
Add: Premium on share capital	-		177,872,900.00
Less: Utilized/ transfer during the period	117,908,200.00		14,434,950.00
Closing balance		72,529,750.00	190,437,950.00
<u>Special reserves u/s 45-IC of the RBI Act,1934</u>			
Opening balance	222,100.00		99,291.00
Add: transfer from P&L a/c during the year	38,914.00		122,809.00
Less: Utilized/ transfer during the period	-		-
Closing balance		261,014.00	222,100.00
<u>Surplus/ (deficit) in statement of profit & loss</u>			
Balance as per last financial statements	618,536.74		127,297.33
Add: Profit/ (loss) for the year	(215,469.53)		491,238.41
Less: Utilized/ transfer during the period	-		(1.00)
Net (deficit) in statement of profit and loss		403,067.21	618,536.74
		73,193,831.21	191,278,586.74

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

O.P. Pareek
Partner

Membership No. 014238
New Delhi, the 31st day of May 2013



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

Gopal Bansal
Director

Deep Chand Singhal
Director

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

	As at 31st March 2013	As at 31st March 2012
	(Rupees)	(Rupees)
5. Long-term Borrowings		
BMW Financial Services - Car Loan	<u>1,787,117.70</u>	<u>-</u>
	<u>1,787,117.70</u>	<u>-</u>
6. Long-term provisions		
Contingent provision against standard assets*	(Rupees)	(Rupees)
Opening Balance	-	-
Add: Addition(written off) during the year	<u>371,127.00</u>	<u>-</u>
	<u>371,127.00</u>	<u>-</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.		
7. Trade Payables		
Audit fee payable	<u>11,236.00</u>	<u>15,000.00</u>
Salary payable	<u>171,850.00</u>	<u>-</u>
TDS Payable	<u>5,139.00</u>	<u>-</u>
Sundry creditors	<u>1,000,000.00</u>	<u>-</u>
	<u>1,188,225.00</u>	<u>15,000.00</u>
8. Short-term provisions		
Provision for income tax	<u>81,133.00</u>	<u>274,589.00</u>
	<u>81,133.00</u>	<u>274,589.00</u>
10. Deferred tax assets		
Opening Balance	(Rupees)	(Rupees)
Add: Addition during the year	<u>13,139.00</u>	<u>-</u>
	<u>13,139.00</u>	<u>-</u>
11. Capital & amortised expenses not w/off		
Preliminary Expenses	(Rupees)	(Rupees)
Opening Balance	17,440.00	-
Add: addition during the year	-	26,960.00
Less: written off during the year	<u>9,520.00</u>	<u>9,520.00</u>
	<u>7,920.00</u>	<u>17,440.00</u>
(A)		
Deferred revenue expenses		
Opening Balance	120,855.40	-
Add: addition during the year	600,450.00	160,787.20
Less: written off during the year	<u>160,021.80</u>	<u>39,931.80</u>
	<u>561,283.60</u>	<u>120,855.40</u>
(B)	<u>569,203.60</u>	<u>138,295.40</u>
12. Current Investments		
Investment in unquoted equity shares	(Rupees)	(Rupees)
	<u>-</u>	<u>63,819,000.00</u>
	<u>-</u>	<u>63,819,000.00</u>

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

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



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

Gopal Bansal *Deep Chand Singhal*
Gopal Bansal Deep Chand Singhal
Director Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

13. Short-term loan and advances	As at 31st March 2013 (Rupees)	As at 31st March 2012 (Rupees)
Loans portfolio* (recoverable in cash or kind, unsecured, considered good)	148,450,628.00	98,530,038.00
	(A) <u>148,450,628.00</u>	<u>98,530,038.00</u>
Advances against investment & others (recoverable in cash or kind, unsecured, considered good)	56,516,980.00	53,282,260.00
	(B) <u>56,516,980.00</u>	<u>53,282,260.00</u>
Balance with government authorities Tax deposited / TDS	898,416.00	309,093.00
	(C) <u>898,416.00</u>	<u>309,093.00</u>
Total (A + B + C)	<u>205,866,024.00</u>	<u>152,121,391.00</u>

*Standard Assets - as per The classification of loans under the RBI guidelines.

14. Inventories	As at 31st March 2013 (Rupees)	As at 31st March 2012 (Rupees)
Stock in trade	-	3,665,430.00
	<u>-</u>	<u>3,665,430.00</u>

15. Trade Receivables	As at 31st March 2013 (Rupees)	As at 31st March 2012 (Rupees)
Sundry Debtors for goods	12,192,780.79	-
Sundry Debtors for others	800,000.00	1,011.29
	<u>12,992,780.79</u>	<u>1,011.29</u>


16. Cash and cash equivalents	As at 31st March 2013 (Rupees)	As at 31st March 2012 (Rupees)
Cash in hand	382,774.00	69,177.60
Balances with banks	1,297,981.52	1,224,621.45
	<u>1,680,755.52</u>	<u>1,293,799.05</u>

17. Revenue from operations	For the year ended 31st March 2013 (Rupees)	For the year ended 31st March 2012 (Rupees)
Sales	54,707,203.35	87,262,027.86
Interest income	13,766,762.00	3,631,172.00
	<u>68,473,965.35</u>	<u>90,893,199.86</u>

18. Other Income	For the year ended 31st March 2013 (Rupees)	For the year ended 31st March 2012 (Rupees)
Dividend income	-	-
Misc. income	-	-
	<u>-</u>	<u>-</u>


19. Purchase of trade goods	For the year ended 31st March 2013 (Rupees)	For the year ended 31st March 2012 (Rupees)
Purchases of stock in trade	60,633,163.37	91,152,566.65
	<u>60,633,163.37</u>	<u>91,152,566.65</u>

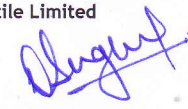
FOR V.N. PUROHIT & CO.
Firm Regn. No. 304040E
Chartered Accountants


O.P. Pareek
Partner
Membership No. 014238



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


Gopal Bansal
Director


Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

	For the year ended 31st March 2013 (Rupees)	For the year ended 31st March 2012 (Rupees)
20. Changes in inventories		
Inventories at the beginning of the year - Stock in trade	3,665,430.00	3,665,430.00
Less : Inventories at the end of the year - Stock in trade	-	-
	<u>3,665,430.00</u>	<u>(3,665,430.00)</u>
21. Employee benefit expenses		
Salaries and wages	2,103,400.00	1,415,200.00
Staff welfare expenses	269,530.00	109,339.00
	<u>2,372,930.00</u>	<u>1,524,539.00</u>
22. Finance costs		
Bank Charges	10,247.53	26,274.00
Interest on car loan	51,396.70	-
Other interest paid	-	9,862.00
	<u>61,644.23</u>	<u>36,136.00</u>
23. Depreciation & amortise expenses		
Depreciation charged	279,456.00	1,392.00
Preliminary expenditure w/off	9,520.00	9,520.00
Deferred revenue expenditure w/off	160,021.80	39,931.80
	<u>448,997.80</u>	<u>50,843.80</u>
24. Other administrative expenses		
Advertisement & Publication Expenses	65,641.00	90,224.00
Annual Custodial Fee	12,379.00	28,810.00
Auditors Remuneration	11,236.00	15,000.00
Books & Periodicals	9,105.00	9,050.00
Business Promotion	50,865.00	37,910.00
Conveyance Expenses	324,514.00	152,630.00
Diwali Expenses	47,200.00	27,500.00
Dmat Charges	-	1,000.00
Fee & Subscriptions	79,778.00	-
Filing Fee	5,500.00	6,000.00
Office Maintenance	-	3,980.00
Postage, Courier, Fax & Telegrams	21,673.00	4,785.00
Printing and Stationery	24,281.00	15,680.00
Professional Charges	132,404.00	354,693.00
Registration Fee (DSE)	22,472.00	22,034.00
Shortage & Excess	1.48	562.00
Telephone & Mobile Expenses	37,630.00	20,350.00
Tours & Travelling Expenses	138,485.00	115,700.00
Vehicle Running & Maintenance	46,070.00	-
	<u>1,029,234.48</u>	<u>905,908.00</u>

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

O.P. Pareek
Partner
Membership No. 014238



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

Gopal Bansal
Director

Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1ST APRIL 2012 TO 31ST MARCH 2013

25. 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.

26. Provisions of Accounting Standard (AS) - 17 issued by the ICAI on 'Segment Reporting' are not been applicable to the Company.
27. In view of present uncertainty regarding generation of sufficient future income, net deferred tax asset or liability has not been recognized in these accounts on prudent basis.
28. In the opinion of the management, the current assets, loans and advances have a reliable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.
29. **Related party disclosures/ transactions**
There is no transaction entered with the related party covered by the Accounting Standard (AS) - 18 on 'Related Party Disclosure' during the period covered by these financial statements.
30. Balance shown under head Sundry Debtors, Creditors and Advances are subject to confirmation.

31. Particulars	Current Period (Rs.)	Previous Year (Rs.)
Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

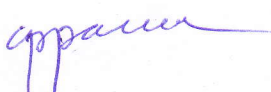
32. Quantitative Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the Companies Act, 1956 are as per list attached.

33. Particulars	Current Period (Rs.)	Previous Year (Rs.)
Contingent Liability not provided for	Nil	Nil

34. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.
35. Figures have been rounded off to the nearest rupees.
36. Figures in brackets indicate negative (-) figures.


Signed for the purpose of Identification

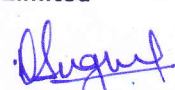
FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. 304040E


O.P. Pareek
Partner
Membership No. 014238



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


Gopal Bansal
Director


Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

Note - 09 (Fixed Assets)

(Amount in Rupees)

Tangible assets	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1 April, 2012	Additions / Deletion	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation during the year	Balance as at 31 March, 2013	W.D.V. as on 31.03.13	W.D.V. as on 31.03.2012
Tangible Assets									
(a) Furniture and Fixtures	18.10%	14,000.00	-	14,000.00	7,701.00	1,140.00	8,841.00	5,159.00	6,299.00
(b) Motor Car	25.89%	-	3,157,938.00	3,157,938.00	-	278,316.00	278,316.00	2,879,622.00	-
Total		14,000.00	3,157,938.00	3,171,938.00	7,701.00	279,456.00	287,157.00	2,884,781.00	6,299.00
Previous year		14,000.00	-	14,000.00	6,309.00	1,392.00	7,701.00	6,299.00	7,691.00

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



O.P. Pareek
Partner
Membership No. 014238

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

Gopal Bansal *Deep Chand Singhal*
Gopal Bansal Deep Chand Singhal
Director Director

New Delhi, the 31st day of May 2013

Schedule to the Balance Sheet of a
Non-Banking Financial Company
[As required in terms of Paragraph 9BB of Non-Banking Financial Companies
Prudential Norms (Reserve Bank) Directions, 1998]

SONAL MERCANTILE LIMITED
105/33, Vardhman Golden Plaza, Road No.44,
Pitampura, New Delhi - 110034
RBI No. B-14-02393 Dt.19.07.2002

(Rs.in lakhs)

Particulars		31.03.2013	
Liabilities side :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount overdue
	(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	17.87	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans (specify nature)	NIL	NIL
	*Please see Note I below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
Assets side :		Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables[other than those included in (4) below] :		
	(a) Secured	Nil	
	(b) Unsecured	2058.66	
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP Activities	NIL	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	NIL	
	(b) Operating Lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debenture and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Governments Securities	NIL	
	(v) Others (please specify)	NIL	
	2. Unquoted :		
	(i) Shares : (a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debenture and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Governemts Securities	NIL	
	(iii) Others (Please specify)	NIL	
	Long Term Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	NIL	

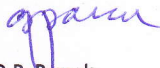


	(b) Preference		NIL	
	(ii) Debenture and Bonds		NIL	
	(iii) Units of Mutual Funds		NIL	
	(iv) Governments Securities		NIL	
	(v) Others (please specify)		NIL	
	2. Unquoted :			
	(i) Shares : (a) Equity		0.00	
	(b) Preference		NIL	
	(ii) Debenture and Bonds		NIL	
	(iii) Units of Mutual Funds		NIL	
	(iv) Governemts Securities		NIL	
	(iii) Others (Please specify)		NIL	
6	Borrower group-wise classification of all leased stock-on-hire and loans and advances :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties "	NIL	NIL	NIL
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	2. Other than related parties	NIL	2058.66	2058.66
	Total	NIL	2058.66	2058.66
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
	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	0.00	NIL	
	Total	0.00	NIL	
8	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 Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 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 (5) above.

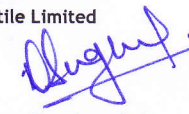
FOR V.N. PUROHIT & CO.
Firm Regn. No. 304040E
Chartered Accountants


O.P. Pareek
Partner
Membership No. 014238



For and on behalf of the Board
Sonal Mercantile Limited


Gopal Bansal
Director


Deep Chand Singhal
Director

New Delhi, the 31st day of May 2013

Annexure I

PART A

1	Name of the assessee	:	Sonal Mercantile Limited
2	Address	:	105/33, Vardhman Golden Plaza, Community Centre, Road No.44, Pitampura, New Delhi-10034
3	Permanent Account Number	:	AAACS3879G
4	Status	:	Limited Company
5	Previous year ended	:	31.03.2013
6	Assessment year	:	2013-2014

PART B

Nature of business or profession in respect of every business or profession carried on during the previous year	CODE	0	8	0	7
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S.No.	Parameters	Current year	Preceding Year
1	Paidup Share Capital	147,385,250.00	29,477,050.00
2	Share Application Money	-	-
3	Reserves and Surplus	73,193,831.21	191,278,586.74
4	Secured loans	1,787,117.70	-
5	Unsecured loans	-	-
6	Current liabilities and provisions	1,269,358.00	289,589.00
7	Total of Balance Sheet	223,635,556.91	221,045,225.74
8	Gross turnover	68,473,965.35	90,893,199.86
9	Gross profit	4,175,371.98	3,406,063.21
10	Commission received	-	-
11	Commission paid	-	-
12	Interest received	-	-
13	Interest paid	-	-
14	Depreciation as per books of account	279,456.00	1,392.00
15	Net Profit (or loss) before tax as per Profit and Loss Account	262,565.47	888,636.41
16	Taxes on income paid/provided for in the books	81,133.00	274,589.00

FOR V.N. PUROHIT & CO.

Firm Regn. No. 304040E

Chartered Accountants

O.P. Pareek

Partner

Membership No. 014238



New Delhi, the 31st day of May 2013

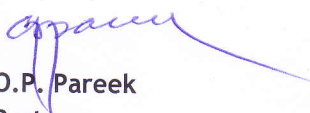
SONAL MERCANTILE LIMITED

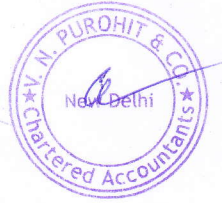
Annexure - 2

DEPRECIATION CHART FOR THE YEAR ENDED 31.03.2013

PARTICULARS	RATE OF DEP.	GROSS BLOCK AS ON 01.04.2012	ADDITION BEFORE 180 DAYS	ADDITION AFTER 180 DAYS	GROSS BLOCK AS ON 31.03.2013	DEPRECIATI ON	NET BLOCK AS ON 31.03.2013
Furniture & Fittings	10%	896.00	-	-	896.00	90.00	806.00
Plant & Machinery	15%	-	-	3,157,938.00	3,157,938.00	236,845.00	2,921,093.00
TOTAL		896.00	-	3,157,938.00	3,158,834.00	236,935.00	2,921,899.00

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


O.P. Pareek
Partner
Membership No. 014238



New Delhi, the 31st day of May 2013


SONAL MERCANTILE LIMITED

Annexure - 3

QUANTITATIVE DETAILS OF PRINCIPLE ITEMS

Item Name	Unit	Opening Stock	Purchase during the previous year	Sales during the previous year	Closing Stock	Shortage/Excess if any
Shares & Securities	Nos.	29,300	116,860	146,160	-	-
Bonds	Nos.	-	37,700	37,700	-	-
TOTAL		29,300	154,560	183,860	-	-

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


O.P. Pareek
Partner
Membership No. 014238



New Delhi, the 31st day of May 2013