

**Date: September 03, 2025**

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

**BSE Scrip Code – 538943**

**Dear Sir / Madam,**

**Sub.: Submission of 40<sup>th</sup> Annual Report along with Notice of Annual General Meeting for the Financial Year 2024 - 2025**

We wish to inform you that the **40<sup>th</sup> Annual General Meeting** (the 'AGM') of the Members of the Company will be held on **Tuesday, 30<sup>th</sup> September, 2025 at 11.00 A.M. IST** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are submitting herewith the Annual Report of the Company along with the Notice of the AGM for the financial year 2024-2025.

Further, in compliance with the relevant Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report along with the Notice of the AGM is being sent only by electronic mode to those shareholders whose e-mail address is registered either with the Company or with any Depository or Skyline Financial Services Private Limited, Registrar & Share Transfer Agent (RTA) of the Company.

Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter is being sent to shareholders whose e-mail id are not registered with the Company / the Registrar and Transfer Agent / the Depository Participant(s), providing the web-link where the Annual Report of the Company, for the Financial Year 2024-2025 and the Notice of the 40th AGM can be accessed on the Company's Website.

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

Kindly take the same on your records.

Thanking you,

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

**Akshay Khare  
Company secretary  
Place : New Delhi**



# **Sonal Mercantile Limited**



**Annual Report 2024 - 2025**

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## **Chairman's Message**

### **Dear Members**

*It's a pleasure to present the Annual Report of Financial Year 2024-2025 of your Company. This year was remarkable; your Company had earned profit after tax of Rs. 1070.13 Lakhs. It's only because of your trust and loyalty on the Company. I am very thankful to you and our team.*

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

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

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



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



## **COMPANY'S INFORMATION**

### **BOARD OF DIRECTORS**

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

### **CHIEF FINANCIAL OFFICER**

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

Mr. Akshay Khare	-	Company Secretary/Compliance Officer
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### **STATUTORY AUDITOR**

M/s. Ajay Rattan & Co. Chartered Accountants (Firm Reg No. 012063N)  
E-115, 11th Floor, Himalaya House, 23, Kasturba Gandhi Marg, Delhi - 110001  
Email: [ajay@ajayrattanco.com](mailto:ajay@ajayrattanco.com)

### **SECRETARIAL AUDITOR & SCRUTINIZER**

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

### **REGISTERED OFFICE**

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

### **REGISTRAR AND SHARE TRANSFER AGENT**

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

### **BANKERS OF THE COMPANY**

Union Bank of India  
HDFC Bank

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

#### **Listed At:**

BSE Limited, Mumbai (Scrip Code: 538943)  
Delhi Stock Exchange, Delhi (Scrip Code: 5053) (*DSE is an Inoperative Stock Exchange*)  
**RBI Registration Number:** B-14.02393 Dated 19/07/2002  
**Corporate Identification Number:** L51221DL1985PLC022433

## **BOARD COMMITTEES**

Audit Committee	Mr. Pardeep Kumar (Chairperson)
	Mrs. Rati Goswami (Member)
	Mr. Rajan Goyal (Member)
	Mr. Munish Kumar Garg (Member)
	Mr. Deepak (Member)
Nomination & Remuneration Committee	Mrs. Rati Goswami (Chairperson)
	Mr. Rajan Goyal (Member)
	Mr. Munish Kumar Garg (Member)
	Mr. Pardeep Kumar (Member)
	Mr. Deepak (Member)
Stakeholders & Relationship Committee	Mr. Munish Kumar Garg (Chairperson)
	Mr. Pardeep Kumar (Member)
	Mr. Deepak (Member)
	Mrs. Rati Goswami (Member)
	Mr. Rajan Goyal (Member)
Risk Management Committee	Mr. Munish Kumar Garg (Chairperson)
	Mr. Pardeep Kumar (Member)
	Mr. Deepak (Member)
	Mr. Vikram Goyal (Member)
	Mr. Rajan Goyal (Member)
Corporate Social Responsibility Committee	Mr. Vikram Goyal (Chairperson)
	Mr. Deepak (Member)
	Mr. Pardeep Kumar (Member)
	Mr. Rajan Goyal (Member)

## **NOTICE**

**NOTICE** is hereby given that the **Forty Annual General Meeting (AGM)** of the members of the Company which is scheduled to be held on **Tuesday, September 30, 2025 at 11.00 AM** through Video Conferencing (‘VC’)- Other Audio Visual Means (‘OAVM’) to transact the following business:

### **Ordinary Business:**

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

To receive, consider and adopt the Audited Financial Statements (Standalone as well as Consolidated) of the Company for the year ended March 31, 2025, along with the reports of the Board of Directors and the Auditors thereon.

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

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

### **Special Business:**

#### **3. Approval of Material Related Party Transaction**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulations 23 (3) & (4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee to the omnibus approval of Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), between the Company and Rudraveerya Developers Ltd an associate Company on such terms and conditions as may be mutually agreed for an aggregate value not exceeding Rs. 200 crore , during the financial year 2026-27, on the terms and conditions as set out in the explanatory statement annexed to this notice and that such transactions already undertaken by the Company with aforesaid related parties during such period also be and is hereby ratified provided that such transaction(s)/ contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

#### **4. Re-Appointment of Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with

Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pardeep Kumar (DIN: 08862414) as an Independent Director of the Company for the second term of five (5) years with effect from September 09, 2025 (date of reappointment) upto September 08, 2030 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed between the Board of Directors and Mr. Pardeep Kumar.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including any Committee thereof be and is hereby authorised to do all acts, deeds, matters and things as they may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard, in the best interest of the Company.”

#### **5. Appointment of Independent Director**

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

“**RESOLVED THAT** Mr. Akash Bhardwaj (DIN: 11268343) who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee as an Additional (Non-Executive, Independent) Director of the Company with effect from September 09, 2025 and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’), as amended, the appointment of Mr. Akash Bhardwaj (DIN: 11268343) who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from September 09, 2025 up to September 08, 2030, be and is hereby approved;

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

#### **6. Appointment of Secretarial Auditor**

To consider and if thought fit, approve the appointment of **Mr. Nitin Gupta, Practicing Company Secretary** as Secretarial Auditor of the Company for a first term of five years and to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded, to appoint **Mr. Nitin**

**Gupta, Practicing Company Secretary (Membership No: F12404; C.P. No.: 14087 Peer review certificate no.: 2293/2022)** as Secretarial Auditors of the Company to conduct secretarial audit for the first term of five consecutive years commencing from FY 2025-26 till FY 2029-30 on such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** approval of the members be and is hereby accorded to the Board to avail or obtain from the Secretarial Auditors, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the applicable laws, at a remuneration to be determined by the Audit committee/Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all actions and do all such deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

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

**Date: September 02<sup>nd</sup>, 2025  
Place: New Delhi**

**Akshay Khare  
Company Secretary**

**Notes:**

- 1.** General Instructions for accessing and participating in the 40th AGM through VC-OAVM facility and voting through electronic means including remote e voting.
- a)** The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 3/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022, and No. 09/2023 dated September 25, 2023 and latest being 09/2024 dated September 19, 2024 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the 40th Annual General Meeting (AGM) of the Company is being held through Video Conferencing (VC)/Other Audio Visual Mode (OAVM). The Registered Office of the Company shall be deemed to be the venue for the AGM.
- b)** In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by the Securities Exchange Board of India (collectively referred to as (SEBI Circulars), the Notice of the 40th AGM along with the Annual Report for FY 2024-25 is being sent by electronic mode to those Members/ Shareholders whose e-mail addresses are registered with the Company/RTA, National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories". In case any Member is desirous of obtaining a physical copy of the Annual Report for the FY 2024-25 and Notice of the 40th AGM of the Company, he/she/they may send a request to the Company by writing at [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) mentioning their Folio No. or DP ID and Client ID.
- c)** The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act"), relating to the Special Business mentioned above is annexed hereto.
- d)** Pursuant to the Circulars, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC-OAVM and participate there at and cast their votes through e-voting.
- e)** The Members can join the AGM in the VC-OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC-OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- f)** The attendance of the Members attending the AGM through VC-OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- g)** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and other applicable circulars by MCA and SEBI time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

- h)** Members holding shares in Dematerialized Form are requested to intimate immediately any change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., as follows:
- For shares held in electronic form: to their Depository Participants (DPs).
  - For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021
- i)** As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company's Registrar and Transfer Agent, Skyline Financial Services Pvt. Ltd at <https://www.skylinerta.com/> It may be noted that any service request can be processed only after the folio is KYC Compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd. for assistance in this regard.
- j)** SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16th March, 2023 mandated the physical shareholders to furnish their PAN, KYC and nomination details by October 1, 2023. Hence, the shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Skyline Financial Services Pvt. Ltd, either by e-mail to [admin@skylinerta.com](mailto:admin@skylinerta.com) or by post at D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020, In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details. The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC, and nomination details. The necessary forms in this regard have been made available on the Company's website at [www.sonalmercantile.in](http://www.sonalmercantile.in) Accordingly, the members are advised to register their details with the Company/RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.
- k)** As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA/DP, in case the shares are held in physical form.
- l)** 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 the Registrar and Share Transfer Agent of the Company for consolidation of the folios along with the requisite KYC documents for consolidating the holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialised form



- m)** In line with the Ministry of Corporate Affairs (MCA) Circular No. 17-2020 dated April 13, 2020, and other applicable circulars by MCA and SEBI time to time. the Notice calling the AGM has been uploaded on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- n)** In terms of section 152 of the Act, Mr. Rajan Goyal (DIN: 02600825), Director, retire by rotation at the meeting and being eligible, offer himself for re appointment.
- Details of Director retiring by rotation, appointment-re appointment as required to be provided pursuant to the provision of (i) the Securities and Exchange Board of India (LODR) Regulation, 2015 and (ii) Secretarial Standard on General Meeting (SS-2), issued by the institute of Company Secretaries of India and approved by the Central Government are provided in Annexure to the Notice.
- o)** AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular and No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021. and other applicable circulars by MCA and SEBI time to time.
- p)** The remote e-voting period begins on **27th September, 2025 at 09.00 A.M. and ends on 29th September, 2025 at 05.00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) **i.e. 23rd September, 2025** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **23rd September, 2025**. The Register of Members and Share Transfer Books of the Company will remain closed from **24th September 2025 to 30th September 2025** (both days inclusive).
- q)** Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **23rd September, 2025**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **23rd September, 2025** may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
- r)** Members seeking to inspect such documents can send an email to Company at [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in) mentioning their name, Folio No./DP ID and Client ID and the documents that they seek to inspect, with a self-attested copy of their PAN card attached.
- s)** Online Dispute Resolution Portal (“ODR Portal”) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as of August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market.
- Pursuant to the above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through the existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company’s website [www.sonalmercantile.in](http://www.sonalmercantile.in) under “Online Dispute Resolution (ODR) Portal” tab.

- t) In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”), as revised with effect from April 01, 2024, read with Clarification / Guidance on applicability of Secretarial Standards 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- u) Special window for re-lodgement of Transfer requests of physical shares

We draw your attention to SEBI circulars bearing reference SEBI/HO/MIRSD-PoD/P/CIR/2025/97 dated 2nd July, 2025 pertaining to opening of a special window for re-lodgement of transfer deeds, which were lodged prior to 1st April, 2019 and were rejected / returned / not attended due to deficiency in the documents / process or otherwise. The special window is open for a period of six months from 7th July, 2025 to 6th January, 2026. During this period, the securities that are re-lodged for transfer after rectification of errors will be issued only in demat form, once all the documents are found in order by the RTA. The lodger must have a demat account and provide its Client Master List (CML) alongwith the transfer documents for transfer with RTA. Transfer requests submitted after 6th January, 2026 will not be accepted by the Company/RTA.

## **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

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

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





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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>

	<p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/loginor">https://web.cdslindia.com/myeasi/home/loginor</a> <a href="https://web.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="https://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

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

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

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

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

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

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

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

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

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

Now, you will have to click on “Login” button.

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

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

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

After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.

Now you are ready for e-Voting as the Voting page opens.

Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

Upon confirmation, the message “Vote cast successfully” will be displayed.

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csuptanitin@gmail.com](mailto:csuptanitin@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and also mail to [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five



unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no : 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) who will also address the grievances connected with voting by electronic means. Members may also mail to the [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

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

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their share on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access



to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in). The same will be replied by the company suitably. Only registered speakers shall be allowed to express their views/ ask questions during the meeting for a maximum time of 3 (three) minutes each, once the facility is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO 3.**

Regulation 23 of the SEBI Listing Regulations, inter alia, states that effective from April 1, 2022, all Material Related Party Transactions ('RPT') shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds `1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Management has provided the Audit Committee with relevant details of the RPT. The Audit Committee, after reviewing all necessary information, has granted its omnibus approval for entering into the below mentioned RPT. The Audit Committee has noted that the said transaction will be at an arm's length pricing basis and in the ordinary course of business. Members approval is also sought for ratification of transactions, if any, already done during the contract period.

S.No.	Particulars	Details of Transactions
1	Name of the Related Party	Rudraveerya Developers Limited
2	Relationship with the Company	Associate Company
3	Type, Material terms and particulars of the proposed transaction and Value of the proposed Transaction	Material terms and conditions are based on contract. Inter – corporate loans taken & repaid, interest paid an aggregating value not exceeding Rs. 200 Crore during the FY 2026-27 in the ordinary course of business at arm's length price.
4	Nature of concern or interest of the related party	Financial
5	Transaction relating to any loans, inter-corporate deposits, advances or investments received or given by the Company.	
a	Details of Financial Indebtedness incurred	In the ordinary course of business.
b	Tenure	an aggregating value not exceeding Rs. 200 Crore during the 2026-27.
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Loans taken, repaid. Percentage of Interest paid is between 8 to 10% Loan is Unsecured in nature. Repayment schedule : As per Loan agreement
d	The purpose for which the funds will be utilized by the ultimate	In the ordinary course of business.

	Beneficiary of such funds pursuant to the RPT.	
6	Justification as to why the RPT is in the interest of the Company	The transaction is repetitive in nature and in the ordinary course of business at arm's length price.
7	Valuation or other external party report	Not applicable
8	Any other information that may be relevant	All relevant/important information forms part of this statement setting out material facts pursuant to section 102 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and other relatives are concerned or interested other than to the extent of their shareholding/ directorships, in the Resolution at Item No. 3 of the Notice. The Board recommends the Ordinary Resolution at Item No. 3 of this Notice for the approval of the members. No related party can vote on the Item no.3. of this Notice.

#### ITEM NO 4

Mr. Pardeep Kumar (DIN : 08862414) was appointed as Independent Director of the Company by the members at 35th AGM of the Company held on 16th October, 2020 for the period of 5 years commenced from 08th September, 2020 up to 08th September, 2025.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee and as per the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Mr. Pardeep Kumar (DIN : 08862414) fulfils the conditions specified in the Act & the Rules thereunder and the SEBI (LODR) Regulations, 2015 for reappointment as an Independent Director. In view of the aforesaid provisions of the Act, the Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the reappointment of Mr. Pardeep Kumar (DIN : 08862414) as an Independent Director of the Company for the second term of five (5) years with effect from September 09, 2025 (date of reappointment) upto September 08, 2030 for approval of the Members of the Company by way of Special Resolution. He will not be liable to retire by rotation. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received a declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Pardeep Kumar be paid such fees/ remuneration as the Nomination and Remuneration Committee and Board of Directors may approved from time to time.

None of the Directors, Key Managerial Personnel and other relatives are concerned or interested other than to the extent of their shareholding/ directorships, in the Resolution at Item No. 4 of the Notice. The Board recommends the Special Resolution at Item No. 4 of this Notice for the approval of the members.

#### ITEM NO 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting dated 02.09.2025 approved the appointment of Mr. Akash Bhardwaj (DIN: 11268343) as an Additional Director, designated as an Independent Director (Non-executive) of the Company, with effect from September 09, 2025 in accordance with the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors)

Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company to hold office for a period of five (5) consecutive years i.e. from September 09, 2025 till September 08, 2030, not liable to retire by rotation, subject to the approval of the Shareholders of the Company through Special Resolution.

Pursuant to the provisions of Section 161(1) of the Act, Regulation 17(1C) of the Listing Regulations read with Articles of Association of the Company, Mr. Akash Bhardwaj (DIN: 11268343), holds office only upto the date of the next annual general meeting or for a period of three months from the date of appointment, whichever is earlier.

The Company has received all statutory declarations/disclosures as specified under the Act, read with Rules thereunder and as per the Listing Regulations from Mr. Akash Bhardwaj. He has also declared that he is not been debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any such authority.

In the opinion of the Board, Mr. Akash Bhardwaj, a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. Having regard to the qualifications, skill, experience, capabilities and knowledge, the Board considers that their association would be of immense benefit to the Company and hence, it is desirable to appoint him as an Independent Director.

Pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Akash Bhardwaj, be paid such fees/remuneration as the Nomination and Remuneration Committee and Board of Directors may approved from time to time.

The terms and conditions of appointment is available for inspection on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

The profile and other relevant information as required under the Act, the Listing Regulations and the Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India are part of this Report.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 (1C) of the Listing Regulations, the approval of Members is sought for the appointment of Mr. Akash Bhardwaj, as Non-executive Independent Director of the Company, by way of Special Resolutions as set out above.

Other than Mr. Akash Bhardwaj, to whom the resolution relates and his relatives, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Special Resolution as set out in Resolution No. 5 of this notice.

The Board of Directors commends the Special Resolution set out at Item No. 5 of this Notice for approval by the members.

## **ITEM NO 6**

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, on the basis of recommendation of Board of Directors, a listed company is required to appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years; or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the shareholders in annual general meeting.

In view of the above, on the basis of recommendations of the Audit Committee & NRC, the Board of Directors at its meeting held on 02.09.2025 have appointed **Mr. Nitin Gupta, Practicing Company Secretary**

**(Membership No: F12404; C.P. No.: 14087 Peer review certificate no.: 2293/2022)** as Secretarial Auditor of the Company to conduct secretarial audit for a period of five consecutive years from FY 2025-26 to FY 2029-30. The appointment is subject to approval of the Members of the Company. While recommending **Mr. Nitin Gupta** for appointment, the Audit Committee, NRC and the Board considered the past audit experience of the particularly in auditing other companies, valuated various factors, including the **Mr. Nitin Gupta's** capability to handle a diverse and complex business environment, his existing experience in the various business segments, and his technical expertise.

Pursuant to Regulation 36(5) of SEBI Listing Regulations as amended, the credentials and terms of appointment of **Mr. Nitin Gupta's**, are as under:

**Profile & Terms of appointment:**

Mr. Nitin Gupta is member of the Institute of Company Secretaries of India (ICSI). He is Fellow Practicing Company Secretary having Certificate of Practice no. 14087. He has a track record of possessing extensive experience in providing services to both listed and unlisted clients. Mr. Nitin Gupta offers a full spectrum of corporate, secretarial, regulatory, compliance services, relating to various Corporate Laws and SEBI Laws.

Mr. Nitin Gupta is peer reviewed (Peer review certificate no.: 2293/2022) and is eligible to be appointed as Secretarial Auditors of the Company and are not disqualified in terms of SEBI Listing Regulations read with SEBI Circular dated December 31, 2024.

Mr. Nitin Gupta, Practicing Company Secretary is proposed to be appointed for the first term of five consecutive years conducting secretarial audit from FY 2025-26 to FY 2029-30. The proposed fees payable to Mr. Nitin Gupta, is approximately amounting to Rupees Twenty Two Thousand Five Hundred per annum. The said fees shall exclude GST, certification fees, applicable taxes, reimbursements and other outlays. The Audit Committee/ Board is proposed to be authorised to revise the secretarial audit fee, from time to time for subsequent years.

The Board of Directors recommends the said resolution, as set out in item 6 of this Notice for your approval.

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested, financially or otherwise in the said resolution.

## ANNEXURE TO THE NOTICE

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

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

Particulars	Description	Description	Description
<b>Name of Director</b>	Mr. Rajan Goyal	Mr. Pardeep Kumar	Mr. Akash Bhardwaj
<b>DIN</b>	<a href="#">02600825</a>	08862414	11268343
<b>Date of Birth</b>	07.10.1976	25.05.1982	10/08/1985
<b>Age</b>	49 years	43 years	40 years
<b>Category of the Director</b>	Director (Non-Executive Non Independent)	Independent Director (Non-Executive)	Additional (Independent) Director) - Non Executive upto ensuing AGM and (Independent Director) - Non Executive w.e.f. 30.09.2025 subject to approval by shareholders
<b>Educational Qualifications</b>	Post Graduate	Graduate	Graduate
<b>Experience</b>	In the field of accounts, taxation, marketing, construction business etc.	In the field of Banking relations.	In the field of finance and accounts etc.
<b>Expertise in specific functional areas</b>	He has good experience in Marketing and Research, good communication skill, interpersonal skills and sound business knowledge etc.	He has good communication skill, interpersonal skills and sound business knowledge etc.	He has good, interpersonal skills, sound business knowledge and rich experience in finance & accounts field.
<b>Date of First Appointment on the Board</b>	23rd November, 2018	08 <sup>th</sup> September, 2020	02 <sup>nd</sup> September, 2025
<b>Terms and conditions of appointment</b>	Re-Appointment as Non Executive director as per Companies Act, 2013	Re-Appointment as an Independent director as per Companies Act, 2013	Appointment as an Independent director as per Companies Act, 2013
<b>Details of remuneration last drawn</b>	-	-	-

<b>Details of remuneration sought to be paid</b>	-	as per explanatory statement attached	as per explanatory statement attached
<b>Number of shares held in the Company as on March 31, 2025</b>	-	-	-
<b>Name of listed entities from which the Director has resigned in the past three years</b>	-	-	-
<b>List of Directorships held in other companies (excluding foreign, private and Section 8 companies)</b>	1 BG Fincap Limited (Public Unlisted Company)	-	-
<b>Chairmanship - Membership of Committees across Public Companies</b>	No (Members in the Committees of Sonal Mercantile Limited only)	No (Chairperson & Members in the Committees of Sonal Mercantile Limited only)	-
<b>No. of Meetings of the Board attended during the year</b>	5	5	-
<b>Relationship between Directors inter se</b>	Yes, brother of Mr. Vikram Goyal	-	-



## **BOARD REPORT**

**Dear Members,**

Your Directors present the **Forty Annual Report** of your Company together with the **Audited Financial Statements** of the Company for the Financial Year ended **March 31, 2025**.

### **1. Background**

Your Company is registered with the Reserve Bank of India (RBI) as Non-Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC). Further, The Company was identified as NBFC-base Layer under the Scale Based Regulation under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

### **2. Financial Highlights**

Particulars	Financial Year ended	
	March 31, 2025 (In lakhs)	March 31, 2024 (In lakhs)
<b>Total Income</b>	3540.14	3952.39
<b>Total Expenditure</b>	2144.13	2387.99
<b>Profit-(Loss) before tax</b>	1396.01	1564.40
<b>Profit-(Loss) after tax</b>	1040.68	1170.67
<b>Paid-up Share Capital</b>	1473.85	1473.85

### **3. Operating Highlights**

During the year under review, revenue from operations of the Company is Rs. 3529.37 Lakhs as compared to Rs. 3931.61 Lakhs in the previous year. The Company earned a profit before tax of Rs. 1040.68 lakhs as compared to Rs. 1170.67 Lakhs in the previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

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

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

### **5. Dividend**

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

### **6. Share Capital**

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

## **7.Fixed Deposits**

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

Your Company being a Non-Deposit Taking NBFC, has not accepted any deposits from the public during the year under review.

## **8.Listing Agreement**

Your Company is listed on BSE Limited and complied with all the requirements of Listing Agreement. Also, your Company has paid listing fees for the Financial Year 2024-25 to the BSE Limited. The Company is also listed on Delhi Stock Exchange (Currently : Inoperative Stock Exchange).

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

Your Company being a Non-Banking Financial Company (NBFC), the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. Details of the above made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to accounts forming part of the audited financial statements for the financial year ended March 31, 2025.

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

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

## **11. Transfer to Reserves**

The Company has transferred an amount of Rs. 214.02 Lakhs to the Special Reserve of the RBI Act, 1934 out of current year's profits.

## **12. Directors**

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

During the year, 05 (Five) Board Meetings were convened and held, details of which are provided in the Corporate Governance Report. The intervening gap between the Meetings was in compliance with the Companies Act, 2013.

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

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

#### ❖ Declaration by Independent Directors

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

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

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

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

#### ❖ Familiarization Programme for Independent Directors

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarization Programme for its Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Programme are explained in the Corporate Governance Report. The same is also available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

#### ❖ Appointment of KMP / Directors

No Directors/ KMP has been appointed during the year.

Further, Based on the recommendations of the NRC, Mr. Akash Bhardwaj (DIN: 11268343) was appointed as an Additional (Independent) Director of the Company for a period of five years (5) w.e.f. September 09, 2025 till September 08, 2030 subject to approval of the Members of the Company in the ensuing General Meeting.

#### ❖ Retirement -Re-appointment

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

Mrs. Rati Goswami (DIN:08765348) was reappointed as Independent Director of the Company for the second term of five (5) years with effect from June 21, 2025 (date of reappointment) upto June 20, 2030. The same is also available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

#### ❖ Resignation of KMP / Directors

No Directors has been resigned during the year.

However, Mr. Munish Kumar Garg (DIN : 08866982) shall cease to be an Independent Directors of the Company upon completion of 1 consecutive term of 5 years at the closure of business hours on 08.09.2025.

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

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

### ❖ Key Managerial Personnel

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

S. No.	Name of Key Managerial Personnel	Designation	Appointment-Cessation
1.	Mr. Vikram Goyal	Whole Time Director	November 23, 2018 (Reappointed w.e.f. November 23, 2023)
2.	Mr. Rohit Saraogi	Chief Financial Officer	May 22, 2018
3.	Mr. Akshay Khare	Company Secretary & Compliance Officer	June 10, 2022

### 13. Committees of the Board

Your Company has a duly constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee, Corporate Social Responsibility Committee as per the provisions of Section 177, 178, 135 of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors has constituted such committees to enable the Board to deal with specific areas-activities that need a closer review and to have an appropriate structure to assist in the discharge of its responsibilities.

A detailed note on the Board and its committees along with details of the meetings are provided under the Corporate Governance report section in this Annual Report to avoid the repetition.

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

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

### 15. Code of Conduct

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

All the Board Members and the Senior Management personnel, if any have confirmed compliance with the Code. The detailed Code of Conduct can be referred from the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

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

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

## 17. Business Risk Management Policy

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

The policy as approved by the Board of Directors is uploaded on Company's website i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

## 18. Prevention of Insider Trading

The Company has already adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and certain designated employees of the Company. All Board Directors and the designated employees/persons have confirmed compliance with the Code. The Code is uploaded on Company's website at i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

## 19. Auditors

### ❖ Statutory Auditors

M/s. Ajay Rattan & Co. Chartered Accountants (Firm Reg No. 012063N), has appointed as a Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2027. The Board has taken note and M/s. Ajay Rattan & Co. Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder as Statutory Auditors of the Company as required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### ❖ Auditors' Report

There is no reservation, qualification or adverse remark made by the Statutory Auditors in their Report. Comments/ clarification, if any being read together with notes on the Financial Statements as these are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013.

### ❖ Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had reappointed Mr. Nitin Gupta (Practicing Company Secretary) to undertake the Secretarial Audit of the Company for Financial Year 2024-25. There is No qualification, reservation or adverse remark made in his Secretarial Audit Report. The Audit Report is annexed herewith as "Annexure A".

Further, pursuant to amended Regulation 24A of SEBI Listing Regulations, and subject to your approval being sought as the ensuing AGM Mr. Nitin Gupta, Practicing Company Secretary (Membership No: F12404; C.P. No.: 14087 Peer review certificate no.: 2293/2022) has been appointed as a Secretarial Auditor to undertake the Secretarial Audit of your Company for the first term of five consecutive financial years from FY 2025-26 till FY 2029-30. Mr. Nitin Gupta, Practicing Company Secretary has confirmed that he is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of your Company.

### ❖ Reporting of frauds by Auditors

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

### ❖ Internal Auditor

The Company has re-appointed Ms. Surbhi Singhal as an Internal Auditor of the Company for the financial year 2024-25.

### ❖ Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2024-25 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report was submitted to the stock exchanges within 60 days from the end of the financial year and the same is available on the Company's website at [www.sonalmercantile.in](http://www.sonalmercantile.in).

## 20. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return for the Financial Year 2024-25, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at [www.sonalmercantile.in](http://www.sonalmercantile.in)

## 21. Corporate Social Responsibility

Pursuant to provision of Section 135 of the Companies Act, 2013, your Company falls within the criteria of CSR applicability, therefore, the Company has formed CSR Policy. The CSR Policy & CSR Activity Report is annexed herewith as **"Annexure E"**.

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

Your company has complied with all the requirements prescribed by the Reserve Bank of India and has filed the required returns. The Company comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time. The Company was identified as NBFC-base Layer under the Scale Based Regulation.

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

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

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

Particulars	2024-25 (Rs.)	2023-24 (Rs.)
Foreign Exchange Earnings	0	0
Foreign Exchange outgo	0	0

## 24. Particulars of Employees

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

## 25. Related Party Transactions

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature. All transactions with related parties entered into during the year under review were at arm’s length basis and in the ordinary course of business and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations and your Company’s Policy on Related Party Transactions.

Pursuant to the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has filed half yearly reports to the stock exchanges, for the related party transactions.

During FY 2024-25, your Company has not entered into any transactions with related parties as per the terms of Section 188 of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC 2, is not applicable. Further, the details of Related Party Transactions covered under Ind AS- 24 are given in the Notes to accounts forming part of the audited financial statements for the financial year ended March 31, 2025 as well as mentioned in the “Annexure D”

The policy on Related Party Transactions is displayed on the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

## 26. Prevention of Sexual Harassment at Workplace

The Company has in place a policy on “Prevention of Sexual Harassment at Workplace” which extends to all employees (permanent, contractual, temporary, trainees). Since the Company has less than ten employees during the year under review, the requirement of constitution of an Internal Complaints Committee (“ICC”) under the Act is not applicable. However, the Company is committed to providing a safe and conducive work environment for all its employees. During the financial year 2024-25, no complaint of sexual harassment was received by the Company.

The status of complaints as on March 31, 2025 is as under:

No. of sexual harassment Complaint received during the year	Nil
No. of sexual harassment Complaint disposed of during the year	Nil
No. of cases pending for more than 90 days	Nil

## 27. Compliance with Maternity Benefit Act, 1961

The provisions of the Maternity Benefit Act, 1961 were not applicable to the Company during the financial year 2024-25.

## 28. Business Responsibility Report

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



## 29. Corporate Governance

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

## 30. Management's Discussion and Analysis Report

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

## 31. Disclosures under the Act

### ❖ Significant and Material Orders

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

There was no application filed/proceedings done/pending related to the Insolvency and Bankruptcy Code, 2016.

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

There are No material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2025 and the date of the Boards' Report.

### ❖ Change in the Nature of Business

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

## 32. 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 for the year ended March 31, 2025, 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 31.03.2025 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.

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

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

### **34. Dematerialisation of Shares:**

The ISIN No. INE321M01017 has been allotted for the Company. Therefore, the matter and/or investors may keep their shareholding in the electronic mode with their Depository Participates. 99.38% of the Company were held in dematerialized form and 0.62% of the issued share capital as on March 31, 2025.

### **35. Health, Safety And Environment Protection:**

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

### **36. Human Resources**

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset. The Company recognizes people as its most valuable asset and The Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

### **37. Cost Records and Cost Audit**

Maintenance of Cost Records and requirement of cost audit as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company and accordingly such accounts and records are not required to be made and maintained.

### **38. RBI Guidelines**

The Company continues to fulfill all the norms and standards laid down by the Reserve Bank of India for the Non-Banking Financial Company.

### **39. NBFC Registration**

The company has registered with Reserve Bank of India as Non-Banking Finance Company vide: B-14.02393 Dated 19/07/2002.

### **40. Credit Rating**

The Directors of the Company are pleased to report that the Company is registered with all four RBI Authorized CIC's Companies i.e. TransUnion CIBIL Limited (Formerly: Credit Information Bureau (India) Limited). Credit Information Bureau (India) Limited (CIBIL), Equifax Credit Information Services Private Limited (ECIS), Experian Credit Information Company of India Pvt. Ltd, CRIF High Mark Credit Information Services Pvt. Ltd.

#### **41. Investor Education and Protection Fund**

During the year under review, the Company was not required to transfer any amount to the Investor Education and Protection Fund ("IEPF") in terms of Section 125 of the Companies Act, 2013.

#### **42. Acknowledgments and Appreciation**

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

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

**Date: September 02<sup>nd</sup>, 2025  
Place: New Delhi**

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

**Rajan Goyal  
Director  
DIN: 02600825**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2025***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

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

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

Based on my verification of the Sonal Mercantile Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 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, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the company during the audit period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the audit period);**

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

**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**

1. 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.
2. The Company has transferred the Unspent CSR amount of Rs. 22,90,000 to Unspent CSR Bank Account which was meant to be spent on ongoing project.
3. Mrs. Rati Goswami was re-appointed as Independent Director of the Company wef 21st June, 2025.

**Place: New Delhi**  
**Date: 06-08-2025**  
**UDIN: F012404G000943378**

**NITIN GUPTA**  
**Practicing Company Secretary**  
**Membership No: F12404; C.P. No.: 14087**  
**Peer review certificate no.: 2293/2022**

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**

365, Vardhman Plaza, III Floor,

Sector-3, Rohini, New Delhi-110085

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

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

**Place: New Delhi**  
**Date: 06-08-2025**

**NITIN GUPTA**  
**Practicing Company Secretary**  
**Membership No: F12404**

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

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

The Directors of the Company are not drawing any remuneration from the Company hence the ratio of the remuneration of each Director to the median remuneration of the employee for the financial year is 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	Mr. Akshay Khare	Company Secretary	25 % approx
2	Mr. Rohit Saraogi	Chief Financial Officer	-

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

The remuneration of the employees in the financial year increase/decrease by approx 39 percentage The calculation of % increase/decrease in Remuneration is done based on overall employee cost.

4. **Number of Permanent Employees on the rolls of Company:** Seven

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

During the financial year, there was neither instance of drawing remuneration by managerial personnel nor increase in remuneration of CFO, However Salary of Company Secretary increased by approx 25 %.

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

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

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

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

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

**Date: September 02<sup>nd</sup>, 2025  
Place: New Delhi**

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

**Rajan Goyal  
Director  
DIN: 02600825**



**Annexure-c of Boards' Report**
**I. 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]

- A. Details of contracts or arrangements or transactions not at arm's length basis : NA  
 B. Details of contracts or arrangements or transactions at arm's length basis : NA

Not applicable, as there were no transaction with related party during the year as per the terms of Section 188 of the Act.

**II. Following transactions are made with the related parties covered under Ind AS- 24**

Particulars	Associate/Enterprises over which KMP have significant influence		KMP		Total	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Transactions during the year</b>						
<b>Loan Taken</b>	<b>4,70,470.00</b>	<b>12,34,107.50</b>	-	-	<b>4,70,470.00</b>	<b>12,34,107.50</b>
Rudraveerya Developers Ltd	4,70,470.00	12,34,107.50	-	-	4,70,470.00	12,34,107.50
<b>Loan repaid</b>	<b>9,56,250.00</b>	<b>14,81,960.00</b>	-	-	<b>9,56,250.00</b>	<b>14,81,960.00</b>
Rudraveerya Developers Ltd	9,56,250.00	14,81,960.00	-	-	9,56,250.00	14,81,960.00
<b>Finance Cost</b>	<b>36,053.21</b>	<b>69,944.63</b>	-	-	<b>36,053.21</b>	<b>69,944.63</b>
Rudraveerya Developers Ltd	36,053.21	69,944.63	-	-	36,053.21	69,944.63
<b>Remuneration</b>	-	-	<b>1,155.00</b>	<b>1,043.57</b>	<b>1,155.00</b>	<b>1,043.57</b>
Rohit Saraogi	-	-	600.00	600.00	600.00	600.00
Akshay Khare	-	-	555.00	443.57	555.00	443.57
<b>Balances outstanding at year end</b>						
<b>Loan Payable</b>	<b>2,42,807.81</b>	<b>6,65,637.64</b>	-	-	<b>2,42,807.81</b>	<b>6,65,637.64</b>
Rudraveerya Developers Ltd	2,42,807.81	6,65,637.64	-	-	2,42,807.81	6,65,637.64
<b>Interest Payable</b>	<b>27,112.89</b>	<b>62,950.17</b>	-	-	<b>27,112.89</b>	<b>62,950.17</b>
Rudraveerya Developers Ltd	27,112.89	62,950.17	-	-	27,112.89	62,950.17
<b>Remuneration Payable</b>	-	-	<b>97.87</b>	<b>86.23</b>	<b>97.87</b>	<b>86.23</b>
Rohit Saraogi	-	-	47.87	47.87	47.87	47.87
Akshay Khare	-	-	50.00	38.36	50.00	38.36

**For Sonal Mercantile Limited**

**Date: September 02<sup>nd</sup>, 2025**  
**Place: New Delhi**

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

**Rajan Goyal**  
**Director**  
**DIN: 02600825**

## **SONAL MERCANTILE LIMITED**

### **{CORPORATE SOCIAL RESPONSIBILITY POLICY}**

Corporate Social Responsibility ("CSR") is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a commitment at Sonal Mercantile Limited ("Company"). Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and with the broader community.

The Company's objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. The Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Corporate Social Responsibility Policy ("Policy") of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

#### **1. SCOPE OF THE POLICY**

The Policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The Policy would also ensure compliance with section 135 of the Companies Act, 2013 ("Companies Act"), read with Schedule VII of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), each as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time and the rules framed thereunder ("CSR Regulations"). In the event of any inconsistency or discrepancy between this Policy and the CSR Regulations, the provisions of the CSR Regulations shall prevail.

#### **2 COMPOSITION**

The CSR Committee shall consist of 3 or more directors, out of which at least one director must be an independent director. The Board may change the composition of the CSR Committee from time to time in such manner as it thinks fit and as required under the CSR Regulations.

S.N.	Name of Directors	Nature of Directorship/Designation	Number of meetings held during the year	Number of meetings attended during the year
1	Mr. Vikram Goyal	Whole Time Director /Chairman	5	5
2	Mr. Rajan Goyal	Non Executive Director/Member	5	5
3	Mr. Pardeep Kumar	Independent Director/Member	5	5

4	Mr. Deepak	Independent Director/Member	5	5

### 3 OPERATING FRAMEWORK

CSR activities may be undertaken by the Company.

CSR activities will be undertaken in areas identified by the CSR Committee/Board of Directors. An annual CSR plan shall be presented to the Board of Directors.

Activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities, if necessary and required. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record in implementing such projects.

The responsibility for implementation of identified activities/ projects shall be as per the organizational structure approved by the CSR Committee/Board of Directors.

The annual plan shall incorporate the following:

- (a) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;
- (b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Companies Act and related rules as amended from time to time, their conformity with the Policy and their implementation schedules;
- b. Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;
- c. Activities to be undertaken by Company directly;
- d. Activities to be undertaken by other entities and Company's contribution to such entities; and

The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

### 4 DECISION MAKING BY THE BOARD OF DIRECTORS/CSR COMMITTEE

The Board Of Directors/CSR Committee shall at all-time act in a manner that is consistent with the provisions contained in this Policy and the CSR Regulations.

The Board Of Directors shall endeavour to arrive at all decisions via consensus of all members. However, on occurrence of any event.

### 5 CSR SPENDING

The Company may, in every financial year, spend such amounts on its CSR activities approved by the CSR Committee/Board of Directors, provided that the CSR Committee/Board of Directors shall ensure that the CSR expenditure is compliant with the CSR Regulations.

The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.

## 6 CSR IMPLEMENTATION

It is ensure that the CSR activities are undertaken by the Company itself or through-

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities,

In the manner prescribed under the CSR Regulations, as amended from time to time.

The Company may collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

The CSR Committee/Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer of the Company.

In case of ongoing project, the CSR Committee/Board of Directors shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The CSR Committee/Board of Directors shall formulate an annual action plan in pursuance of its Policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
- (b) the manner of execution of such projects or programmes as specified in the CSR Rules;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company,

Provided that Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

## 7. MONITORING

The CSR Committee/Board of Directors shall ensure a transparent monitoring mechanism for CSR activities.

- (a) The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the Board of Directors in consultation and recommendation and suggestion with CSR Committee.

- (b) The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the Board.
- (c) The Board of Directors shall review the progress of CSR activities at least annually.

## **8 DISCLOSURE**

The Board's Report of the Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in the CSR Regulations, as applicable to the Company.

The above information shall also be displayed on the Company's website.

## **9 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the Board Of Directors in consultation and recommendation and suggestion with CSR Committee. Any project or programme that is exclusively for the benefit of Company's employees would not be considered as CSR.

**Company's primary focus areas for CSR activities are:**

- 1. Poor Eradication**
- 2. Education**
- 3. Health care**
- 4. Safe drinking water**
- 5. Social Empowerment**
- 6. Sports& culture**
- 7. Training &Employment**
- 8. Grant/donation/financial assistance/sponsorship to reputed NGO's engaged in the upliftment of the society**
- 9. Donation to reputed NGO's engaged in the upliftment of the society**
- 10.Sponsorships**
- 11.Salary to Regular CSR Staff**

## **10 AMENDMENTS**

The Policy may be reviewed and amended from time to time by the Board/CSR Committee.

## REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company :** The Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. The Company's objective is to pro-actively support meaningful socio-economic development. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation of Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vikram Goyal	Whole Time Director /Chairman	5	5
2	Mr. Rajan Goyal	Non Executive Director/Member	5	5
3	Mr. Pardeep Kumar	Independent Director/Member	5	5
4	Mr. Deepak	Independent Director/Member	5	5

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :** The Composition of CSR committee, CSR Policy and CSR projects approved by the board are available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable :** Not applicable.

- 5.

(a)	Average net profit of the company as per section 135(5) : Rs 11,37,52,468
(b)	Two percent of average net profit of the company as per section 135(5) : Rs. 22,75,050
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
(d)	Amount required to be set off for the financial year, if any : Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs. 22,75,050

- 6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Nil
(b)	Amount spent in Administrative Overheads: Nil
(c)	Amount spent on Impact Assessment, if applicable: Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil

**e. CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5).		
Nil	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Rs. 10,000 Rs. 22,80,000	14-04-2025 30-04-2025	Not Applicable		

**f. Excess amount for set-off, if any:**

Sl. No.	Particular	Amount
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
(i)	Two percent of average net profit of the company as section 135(5):	Rs. 22,75,050
(ii)	Total amount spent for the Financial Year:	<b>Nil</b>
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]:	<b>Nil</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any:	<b>Nil</b>
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]:	-----

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in Rs.)	Amount spent in the Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding Financial year (in Rs.)	Deficiency, if any
					Name of the Fund   Amount (in Rs.)   Date of transfer		



1	01.04.2023 - 31.03.2024	12,50,000	Nil	12,50,000	NA	NA	NA	NA	NA
2	01.04.2022 - 31.03.2023	11,40,000	Nil	11,40,000	NA	NA	NA	NA	NA
3	01.04.2021 - 31.03.2022	6,60,000	Nil	6,60,000	NA	NA	NA	NA	NA

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

**If Yes, enter the number of Capital assets created/ acquired**

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Sl. No	Short particulars of the property or asset(s)  [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

*(All the fields should be captured as appearing in the revenue record, flat no, house no Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)*

9. **Specify the reason(s), if the company has failed to spend two percent of the net profit as per section 135(5):** The Company has not spent the CSR amount during the financial year 2024-2025, The Board has been seeking a suitable project which is related to ongoing project pertains to Poverty, Poor Eradication, Health & Social empowerment. However, Company has transferred the CSR Amount in bank account and will spent the CSR Amount in due course as per Companies Act, 2013.

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

**Date: September 02<sup>nd</sup>, 2025  
Place: New Delhi**

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

**Rajan Goyal  
Director  
DIN: 02600825**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

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

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

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

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

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

### **2. Business Overview**

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

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

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

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

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

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

## **5. Outlook**

It is projected to strengthen over the projected period and hope to find some concrete business opportunity to expand the business of the Company.

## **6. Risk and Concern**

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

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

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

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

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

## **9. Human Resource Development**

The Board of Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in the challenging environment. Your Directors take this opportunity to thank all employees for rendering impeccable services to every constituent of Company, customers and shareholders. The Company has a well-defined appraisal system to assess and reward the employees appropriately and also to gauge the potentials of the individuals.

## **10. Cautionary Statement**

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

## **11. Appreciation**

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

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

**Date: September 02<sup>nd</sup>, 2025  
Place: New Delhi**

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

**Rajan Goyal  
Director  
DIN: 02600825**

## **CORPORATE GOVERNANCE REPORT**

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as “SEBI Listing Regulations”], a Report on Corporate Governance for the Financial Year 2024-25 is presented below:

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

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

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

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

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

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

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders. The Board comprises of eminent persons with considerable professional experience from varied disciplines. The present strength of the Board as on March 31, 2025 is six (06) Directors. Out of these Directors, four are Independent Directors including one Woman Director, one Whole Time Director and one Non-Executive Non Independent Director thus complies with the requirement of the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board of Directors of the Company has an ideal combination of Executive and Non-Executive Directors and is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The names and categories of the Directors on the Board as on March 31, 2025, their attendance at the Board Meetings held during the financial year 2024-2025 and at the last Annual General Meeting (AGM), and also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2025, are as under

Name	Category	Meeting and Attendance			No. of Directorships in other Public Limited Companies*	Committees Position	
		Number of Board Meetings	Board Meeting Attended	Last AGM Attended		Chairman-ship	Member-ship
Mr. Vikram Goyal (Whole Time Director) (DIN: 00381115)	Executive	05	05	Yes	1	Nil	Nil
Mr. Rajan Goyal (Director) (DIN: 02600825)	Non-Executive Non Independent	05	05	Yes	1	Nil	Nil
Rati Goswami (Director) (DIN:08765348)	Non-Executive - Independent	05	05	Yes	1	Nil	Nil
Mr. Deepak (Director) (DIN: 07878217)	Non-Executive - Independent	05	05	Yes	Nil	Nil	Nil
Pardeep Kumar (Director) (DIN: 08862414)	Non-Executive - Independent	05	05	Yes	Nil	Nil	Nil
Munish Kumar Garg (Director) (DIN: 08866982)	Non-Executive - Independent	05	05	Yes	Nil	Nil	Nil

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

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

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

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

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

There were no appointment/cessation in the directorship of the company during the year. However In terms of Section 152 of the Companies Act, 2013, Mr. Rajan Goyal (DIN: 02600825) who retires by rotation at the ensuing AGM, being eligible offered himself for reappointment.

Mrs. Rati Goswami (DIN:08765348) was reappointed as Independent Director of the Company for the second term of five (5) years with effect from June 21, 2025 (date of reappointment) upto June 20, 2030. The same is also available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in).

#### b) Number of Board Meetings

The Board of Directors met **Five times** during the Financial Year 2024-2025. The maximum gap between any two meetings had been not more than 120 days. All meetings were well attended.



❖ **Attendance in the Board meetings (F.Y. 2024-2025):**

S. No.	Date of Board Meetings	Total Strength of the Board	No. of Directors Present
1	30-05-2024	6	6
2	13-08-2024	6	6
3	02-09-2024	6	6
4	14-11-2024	6	6
5	13-02-2025	6	6

❖ **Familiarization Programme**

At the time of appointment, Independent Directors are made aware of their roles, rights and responsibilities through a formal letter of appointment which also stipulates the various terms and conditions of their engagement. At Board and Committee Meetings, the Independent Directors are on regular basis familiarized with the business model, regulatory environment in which it operates strategy, operations, functions, policies and procedures of the Company. Directors were invited to attend conferences held with objectives to guide corporate directors in carrying governance and compliance responsibilities amidst complex demands placed upon by the Act and SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

The Familiarization Programme formulated by the Company for Independent Directors has been uploaded on the Company's website i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

❖ **Number of shares and convertible instruments held by Non-Executive Directors during the Financial Year 2024-2025.**

Serial No.	Name of Non-Executive Director	Number of Shares
1.	Mr. Rajan Goyal (Non Independent Director)	0
2.	Mrs. Rati Goswami (Independent Director)	0
3.	Mr. Deepak (Independent Director)	41725
4.	Mr. Munish Kumar Garg (Independent Director)	0
5.	Mr. Pardeep Kumar (Independent Director)	0

❖ **Evaluation of Performance**

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

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

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

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

❖ **Exclusive Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 06/06/2024, 28/10/2024 & 25/03/2024 to review the performance of Non-independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

❖ **Minutes of the Board Meeting**

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

❖ **Information supplied to the Board**

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

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

**c) Code of Conduct & Declaration**

This is to confirm that the Board of Directors has laid down a code of conduct for all Directors and senior management personnel, if any of the Company, if applicable. It is further confirmed that all the Directors and senior management personnel, if applicable of the Company have duly complied with the Company's Code of Conduct during the financial year 2024-25, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**3. Committees of the Board**

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

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

The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. All decisions pertaining to

the constitution of the committees, appointment of members and fixing of terms of reference for the committee is taken by the board of directors.

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

#### **a) Audit Committee**

##### **❖ Composition of Audit Committee**

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

The Senior Management team, Internal Auditor and the Statutory Auditors, if required are invited for the meetings of the Audit Committee.

##### **❖ Terms of Reference:**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses - application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document - prospectus - notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### ❖ **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters - letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:

- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Annual statement of funds utilized for purposes other than those stated in the offer document-prospectus-notice in terms of Regulation 32(7).

#### ❖ Meetings of the Committee and Attendance of the Members during 2024-25

During the year, total five Audit Committee meetings were held respectively on 30.05.2024, 13.08.2024, 02.09.2024, 14.11.2024 and 13.02.2025. The attendance of the members of the committee mentioned as follows:

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

#### b) Nomination and Remuneration Committee:

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

The Nomination and Remuneration Committee comprises of five members viz. Mrs. Rati Goswami (Chairperson), Mr. Pardeep Kumar (Member), Mr. Munish Kumar Garg (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

##### ❖ Terms of Reference

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

#### ❖ Meetings of the Committee and Attendance of the Members during 2024-2025

During the year, total Five meetings were held respectively on 30.05.2024, 13.08.2024, 02.09.2024, 14.11.2024 and 13.02.2025. The attendance of the members of the committee mentioned are as follows:

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

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

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

**c) Stakeholders Relationship Committee:**

❖ **Composition of Stakeholders Relationship Committee:**

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

The Stakeholders Relationship Committee comprises of five members viz. Mr. Munish Kumar Garg (Chairman), Mrs. Rati Goswami (Member), Mr. Pardeep Kumar (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

❖ **Terms of reference**

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

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of investors' - shareholders' - security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification - amendment or modification as may be applicable.

#### ❖ Meetings of the Committee and Attendance of the Members during 2024-25

During the year, total four meetings were held respectively on 30.05.2024, 02.09.2024, 14.11.2024 and 13.02.2025. The attendance of the members of the committee mentioned as follows:

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

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

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

#### d) Risk Management Committee:

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

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

As on March 31, 2025 the Risk Management Committee comprises of Mr. Munish Kumar Garg (Chairman), Mr. Vikram Goyal (Member), Mr. Pardeep Kumar (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

#### ❖ Meetings of the Committee and Attendance of the Members during 2024-2025

During the year, total four meetings were held respectively on 30.05.2024, 02.09.2024, 14.11.2024 and 13.02.2025. The attendance of the members of the committee mentioned are as follows:

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

#### Senior Management:

The company has not other Senior management during the year 2024-2025. The Company has Key managerial personnel (includes Senior management as per Sebi (LODR) Reg, 2015 and other employees only, and there is no changes therein since the close of the previous financial year in terms of Senior Management.

### ***Corporate Social Responsibility Committee:***

Section 135 of the Companies Act, 2013 states about the CSR. Corporate Social Responsibility (“CSR”) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development.

#### **❖ Composition of Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee comprises of four members viz. Mr. Vikram Goyal (chairman), Mr. Pardeep Kumar (Member), Mr. Deepak (Member) and Mr. Rajan Goyal (Member).

#### **❖ Meetings of the CSR Committee and Attendance of the Members during 2024-2025**

During the year, total five meetings were held respectively on 30.05.2024, 13.08.2024, 02.09.2024, 14.11.2024 and 13.02.2025. The attendance of the members of the committee mentioned are as follows:

<b>Name of Member</b>	<b>No. of Meetings Held</b>	<b>Entitled to attend</b>	<b>Meetings Attended</b>
Mr. Rajan Goyal	5	5	5
Mr. Vikram Goyal	5	5	5
Mr. Deepak	5	5	5
Mr. Pardeep Kumar	5	5	5

## **4. General Body Meetings**

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

<b>Year</b>	<b>Day, Date and Time</b>	<b>Venue of the Meetings</b>	<b>Whether Resolutions Passed</b>	<b>Special</b>
2024	Monday September 30, 2024 at 11:00 A.M.	Meeting held through Video Conferencing (‘VC’)-Other Audio Visual Means (‘OAVM’)	Yes	
2023	Saturday September 30, 2023 at 11:00 A.M.	Meeting held through Video Conferencing (‘VC’)-Other Audio Visual Means (‘OAVM’)	Yes	
2022	Friday September 30, 2022 at 11:00 A.M.	Meeting held through Video Conferencing (‘VC’)-Other Audio Visual Means (‘OAVM’)	No	

However, The venue was deemed as registered office of the Company in case where meeting held through Video Conferencing (‘VC’)-Other Audio Visual Means (‘OAVM’).



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

## **5. Means of Communication**

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

### **❖ Annual Report**

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

Apart from quarterly results and annual reports of the Company, the Company's website also contains corporate governance reports, shareholding patterns for last 5 years and contact information along with other information as per applicable laws/rules.

The Unaudited/ Audited Financial Results have been published in a Hindi Newspaper and an English Newspaper. The results were sent to the Stock Exchanges on quarterly / half yearly basis. Details of publication of Financial Results are given below:

<b>PERIOD</b>	<b>NAME OF NEWSPAPER</b>
Audited Financial Results for the year ended 31.03.2025	Jansatta (Hindi News Paper) and Financial Express (English News Paper)
Unaudited Financial Results for the Quarter ended on 31.12.2024	Jansatta (Hindi News Paper) and Financial Express (English News Paper)
Unaudited Financial Results for the Quarter and half year ended on 30.09.2024	Jansatta (Hindi News Paper) and Financial Express (English News Paper)
Unaudited Financial Results for the Quarter ended on 30.06.2024	Jansatta (Hindi News Paper) and Financial Express (English News Paper)

The audited yearly/ unaudited quarterly results of the Company are also displayed on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in). As per the requirements of the Regulation 46 (2) of the SEBI Corporate Governance (Listing Obligations and Disclosure Requirement) Regulations 2015 of the Listing Agreement, the website of the Company is regularly updated.

## 6. General Shareholder Information

❖ <b>Annual General Meeting Schedule</b>	: Tuesday, September 30, 2025 at 11:00 A.M. through Video Conferencing ('VC')-Other Audio Visual Means ('OAVM')
❖ <b>Financial Calendar (2024-25) (Tentative)</b>	: The Financial Year of the Company will be April 01, 2024 to March 31, 2025.
❖ <b>Book Closure Dates</b>	: September 24, 2025 to September 30, 20235 (Both Dates inclusive)
❖ <b>Dividend Payment Date</b>	: Not Applicable
❖ <b>Listing at Stock Exchanges</b>	: BSE Limited, Dalal Street Fort, Mumbai-400001 and also on Delhi Stock Exchange but now this stock exchange is not operative.
❖ <b>Listing Fees</b>	: The Listing fees for the year 2024-2025 paid to BSE Limited
❖ <b>Scrip Code</b>	: 538943 (BSE) and 5053 (DSE, Inoperative stock exchange)
❖ <b>ISIN No</b>	: INE321M01017
❖ <b>CIN No.</b>	: L51221DL1985PLC022433
❖ <b>Registrar and Share Transfer Agent (RTA)</b>	: Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 Contact No.011-40450193 E-mail Id: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> ,
❖ <b>Share Transfer process</b>	: The Company's shares are traded on the Stock Exchanges in compulsory demat mode. The transfer of Physical shares are processed, if any and returned to the shareholders within a period of 15 days
❖ <b>Plant Locations</b>	: Not Applicable
❖ <b>Outstanding Bonds-Convertible Instruments</b>	: Nil
❖ <b>Dematerialization of shares</b>	As on March 31, 2025, 99.38% of the Company were held in dematerialized form and 0.62% of the issued share capital were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialized form.
❖ <b>Address for correspondence</b>	Registered Office Address: 365, Vardhman Plaza, III Floor, Sector-3, Rohini, New Delhi-110085 Contact No. 011-49091417 E-mail Id: <a href="mailto:sonalmercantile@yahoo.in">sonalmercantile@yahoo.in</a> Website: <a href="http://www.sonalmercantile.in">www.sonalmercantile.in</a>
❖ <b>Market Price &amp; Data</b>	Stock Market price data for the F.Y. 2024-2025. High- Low of daily closing market price of the Company's shares traded at BSE during each month in the financial year ended March 31, 2025 are as under.

**Stock Market price data for the Financial Year 2024-2025**

Date	Open Price	High Price	Low Price	Close Price	WAP	No.of Shares
01-Apr-24	93.2	97.99	93.15	95.01	95.20553592	1698
02-Apr-24	98.9	99.8	96	97.14	97.71938776	196
03-Apr-24	95.11	100	91.61	93.75	98.57847534	223
04-Apr-24	98	101	95.1	98.04	99.09340659	1274
05-Apr-24	98	102	98	101.95	101.0010764	929
08-Apr-24	100.11	102	100.11	101.02	100.9095238	420
09-Apr-24	101	112	100.15	104.92	105.3131749	1852
10-Apr-24	106.03	106.03	100	100.11	100.8485804	634
12-Apr-24	99	104.25	97.61	101.6	100.6469003	742
15-Apr-24	103.6	103.6	91	96.95	94.88449532	2883
16-Apr-24	98.99	99.65	96	97.78	97.96777547	962
18-Apr-24	100.22	100.22	94.61	99.9	98.27412587	715
19-Apr-24	99.9	99.9	95	98.95	97.31076582	901
22-Apr-24	99	103	94.55	97.9	98.88450292	684
23-Apr-24	98	103	98	99.62	98.23346761	11916
24-Apr-24	98.7	101	96.75	97.55	98.76377953	381
25-Apr-24	96.02	96.23	96.02	96.23	96.22772277	303
26-Apr-24	96.23	100	93.5	96.35	98.37662338	154
29-Apr-24	98.99	102.9	96.25	99	97.76657459	724
30-Apr-24	98	100.7	98	98.63	99.23060345	464
02-May-24	97.11	105.96	97.11	101.99	101.9118082	3379
03-May-24	101.99	105.9	98.5	100.21	101.4292929	396
06-May-24	103.95	104	98.5	99	99.65630115	611
07-May-24	99	99.1	97	97	98.89655172	58
08-May-24	96	102.98	96	102.98	99.45527157	626
09-May-24	102	102	98	99	99.42191781	730
10-May-24	99.99	100.5	97	100.5	98.50234742	426
13-May-24	98.5	98.5	95	95.1	96.56097561	164
14-May-24	99	100	96.9	98	98.07272727	770
15-May-24	98	99	98	98	98.6302521	238
16-May-24	97.05	99.99	97.05	99.9	99.11538462	26
17-May-24	99	99.5	97.05	98.5	97.86908078	718
21-May-24	98.5	99	97	97	97.32580645	310
22-May-24	96	102.29	93.61	97.65	98.68328076	1585
23-May-24	97	101	95.7	100.44	99.45820959	2357
24-May-24	99	99	96	98	97.47936508	315
27-May-24	99.96	101.92	96.99	100.68	100.0159817	876
28-May-24	101	101	93.58	100.35	99.31677019	483

29-May-24	100	100	98.9	100	99.81481481	108
30-May-24	100	120	99	116.99	113.7190143	23172
31-May-24	132	132	112.55	114.49	125.446469	21184
03-Jun-24	115.6	121.4	106.15	110.2	111.0822274	3466
04-Jun-24	111.2	111.2	101.45	101.75	104.2629228	1567
05-Jun-24	105	105	99.65	104.3	104.6263158	190
06-Jun-24	107.1	109.7	102.9	105.95	106.2569832	537
07-Jun-24	108.05	110.65	101.35	103.85	105.6678445	1698
10-Jun-24	103.85	106.2	99.35	103.75	100.8173697	2015
11-Jun-24	102.5	108.85	102.5	104.7	105.78157	293
12-Jun-24	103.5	117.2	103.5	114.15	110.8790397	1083
13-Jun-24	115	115	106	107.85	110.3471039	2348
14-Jun-24	106	115	106	113	110.4544979	1912
18-Jun-24	115	119	111.55	118.4	117.1507092	1128
19-Jun-24	117.1	126	116.1	118.25	120.2719509	3747
20-Jun-24	118.25	120	113.1	119.85	117.5480916	655
21-Jun-24	119.8	122.2	110.1	113.65	115.476652	1135
24-Jun-24	112.5	120.15	112.5	112.6	113.8997687	1297
25-Jun-24	111.5	115.9	110.9	112.9	111.7663043	184
26-Jun-24	114.2	114.2	107.6	109.1	110.0690691	333
27-Jun-24	109.1	116.6	106.3	112	109.9562232	1165
28-Jun-24	111.85	112	110.55	110.55	110.8273092	249
01-Jul-24	112	112	108.8	112	111.8545994	674
02-Jul-24	112	113	111	112.85	111.6889764	254
03-Jul-24	112.25	116	110	114.9	110.426755	11168
04-Jul-24	108.1	116.8	108.1	110.4	110.9822647	2199
05-Jul-24	110.1	116	108.45	109.15	109.3604784	1756
08-Jul-24	109.15	116.25	109.15	115.6	115.0142355	5409
09-Jul-24	113.1	116.35	110.1	111.05	113.6766467	835
10-Jul-24	110	114.7	107.6	108.3	109.8121577	1826
11-Jul-24	109.4	114.5	109.4	109.55	111.9202169	1291
12-Jul-24	110.5	113.65	109.55	110.35	111.4977376	884
15-Jul-24	117	117	102.15	105.1	106.492186	5311
16-Jul-24	109.9	112.85	105.1	107.5	111.174638	2279
18-Jul-24	107.55	112	107.5	108	108.765444	1036
19-Jul-24	108	108	104	105	107.6164384	365
22-Jul-24	111.35	111.35	106	108	109.2906137	554
23-Jul-24	110	110	99.2	102.9	102.4577508	1645
24-Jul-24	103.1	106.9	103	103	104.2009804	408
25-Jul-24	106.95	109.5	103	108.5	106.7708895	742
26-Jul-24	119	119	110.05	116.75	115.3774295	1595

29-Jul-24	117.7	117.95	110	111.1	112.0267289	2357
30-Jul-24	115.1	117.9	111.1	111.8	115.682243	1284
31-Jul-24	111.05	113.5	111.05	113.5	112.5504886	307
01-Aug-24	126.5	126.5	110	111	117.8848645	3396
02-Aug-24	108.2	118.9	108.2	111.6	113.1156969	1478
05-Aug-24	111.6	115	108	108.45	110.7951807	415
06-Aug-24	108	108.5	101.25	103.25	105.8551724	1305
07-Aug-24	104.15	106	104.1	104.55	104.6418605	430
08-Aug-24	104.55	112.9	103.9	104.05	105.2194538	2087
09-Aug-24	105.55	105.55	99.15	102	102.1762421	8755
12-Aug-24	102.1	122	102	104.4	107.2521186	1416
13-Aug-24	104.5	107	104.4	104.45	105.1260841	1499
14-Aug-24	104.45	104.45	99.1	103.4	100.4698964	17091
16-Aug-24	103	105.5	99.9	100.35	101.3806695	1852
19-Aug-24	100.35	102	99.5	102	101.6471372	751
20-Aug-24	105	105	100.95	101	101.5298329	838
21-Aug-24	104.8	104.8	100	102.85	101.472374	3294
22-Aug-24	102.5	104.95	97.6	101	100.1273938	1201
23-Aug-24	101.2	108.2	101	104.35	104.5867324	2231
26-Aug-24	104.45	108.8	101.8	103.15	105.2862414	1897
27-Aug-24	103.4	104.5	101.6	102	102.4321881	553
28-Aug-24	104.85	104.85	99.3	103.45	102.2107905	797
29-Aug-24	103.45	110.9	102.35	105.95	104.0234742	2130
30-Aug-24	104.9	106.75	101.6	102.3	103.7181818	770
02-Sep-24	102.3	105	98.55	101	100.6614256	954
03-Sep-24	101	105	100.05	100.05	101.1938104	2585
04-Sep-24	100.15	102.4	100.05	100.1	100.1498195	1108
05-Sep-24	107.25	107.25	103.9	104.25	105.0782123	2148
06-Sep-24	103.35	105	95	95.5	97.44256348	4962
09-Sep-24	95.55	114.6	95.5	114.6	113.6981011	27963
10-Sep-24	136.8	137.5	131.9	137.5	137.005533	59100
11-Sep-24	150	154.85	136	136.65	142.6798363	81121
12-Sep-24	125	163.95	125	163.95	156.8173932	32047
13-Sep-24	170	180.3	164	180.3	176.8297121	39627
16-Sep-24	182.9	198.3	180.35	193.9	193.5215171	24283
17-Sep-24	194	198	174.55	174.55	180.1197923	8089
18-Sep-24	161.3	184	157.1	163.9	164.8961999	27447
19-Sep-24	162.25	169.9	156	159.65	159.4794661	3896
20-Sep-24	156.5	162	151.7	151.7	153.4661579	3014
23-Sep-24	146.5	150	144.15	144.15	144.4524207	2396
24-Sep-24	137	143.95	136.95	137.45	138.0965697	6151

25-Sep-24	140.05	141	130.6	131.5	135.621781	5087
26-Sep-24	125.7	129	124.95	125.6	126.4960142	2258
27-Sep-24	125.7	129.9	119.35	119.65	120.4671471	4718
30-Sep-24	122.05	125.6	113.9	124.7	121.3969697	3300
01-Oct-24	129.9	129.9	124.75	129	127.5451389	2016
03-Oct-24	130	132	122.55	125	127.8142101	2266
04-Oct-24	125	125	118.75	120.9	119.5628483	1615
07-Oct-24	120.9	122.65	114.9	115.05	115.0925205	2313
08-Oct-24	115.45	117.45	110.05	114.9	112.5912281	570
09-Oct-24	118.9	120.6	111.55	120.6	117.0662461	1268
10-Oct-24	126	126.6	125	126.6	126.1666667	516
11-Oct-24	132	132	123.1	127.9	128.4731183	1209
14-Oct-24	127.9	127.9	121.55	125.15	125.7912088	728
15-Oct-24	123	129.8	118.9	123.2	120.6010526	950
16-Oct-24	120	129	117.1	124.65	121.5458716	872
17-Oct-24	124.65	126	118.5	124.75	121.6872111	649
18-Oct-24	122.5	123.1	118.55	121.35	119.1090909	330
21-Oct-24	119	119	115.3	115.3	115.5017878	839
22-Oct-24	112.55	119.5	110.05	113.05	117.758547	468
23-Oct-24	116.65	116.65	108	113.55	109.7783019	424
24-Oct-24	117.9	117.9	108.1	112.1	111.5083333	120
25-Oct-24	106.5	115.9	106.5	113.9	112.3764172	441
28-Oct-24	115	115	114.5	114.5	114.5833333	12
29-Oct-24	114.5	114.5	110.55	113.9	113.9673913	92
30-Oct-24	118.7	118.7	117	117	117.1150628	478
31-Oct-24	117	117	111.5	114	116.815047	319
01-Nov-24	119.7	119.7	109	113.05	113.0458716	327
04-Nov-24	117.9	117.9	110	116.35	115.2386831	729
05-Nov-24	121.3	121.45	115	118.35	121.057508	1252
06-Nov-24	118.15	118.15	113	113.8	114.4398148	216
07-Nov-24	117.8	119.45	117.8	119.45	118.0759282	2397
08-Nov-24	124.8	124.8	118.05	122.05	122.1067961	206
11-Nov-24	122.05	123.8	116.6	117.85	121.0235162	893
12-Nov-24	120.85	121	115	115.85	117.4538835	412
13-Nov-24	118.2	121	110.1	119.95	115.0875601	1873
14-Nov-24	121	121.2	114	114	115.3978495	930
18-Nov-24	119	119.7	110	110.6	117.7505376	465
19-Nov-24	112.85	116	110	110.75	112.1357143	140
21-Nov-24	116.25	116.25	108.2	108.7	113.8424658	146
22-Nov-24	114	114	104	108.45	108.5132159	454
25-Nov-24	107.05	113.8	106.3	111.5	108.6454768	1227

26-Nov-24	116.5	116.5	110	110.55	112	80
27-Nov-24	115	115	107	110.7	110.0923965	2078
28-Nov-24	110	114.1	110	114.1	113.9028571	175
29-Nov-24	111.25	115.9	111.25	113.05	112.5708333	240
02-Dec-24	107.55	114	107.55	110.3	111.1506173	405
03-Dec-24	109.95	115	109.95	114	114.5757576	165
04-Dec-24	114	114	109	111	111.0494505	546
05-Dec-24	115	115	111.05	111.35	112.9077491	271
06-Dec-24	115	115	112	112	114.8269231	260
09-Dec-24	117.6	117.6	114.95	115.2	115.7630058	346
10-Dec-24	112	116.95	112	113.7	115.6452648	623
11-Dec-24	117	117.5	110.15	113	114.0526316	532
12-Dec-24	113.5	113.5	110.15	113	112.0249017	763
13-Dec-24	113	114	110.1	110.35	111.2458472	301
16-Dec-24	115	115	111	113.1	113.2756892	399
17-Dec-24	113.1	115	110.1	110.35	111.2158859	491
18-Dec-24	110.35	114	110.2	110.45	110.5997323	747
19-Dec-24	113.75	114	111	113.8	113.1616915	402
20-Dec-24	113.8	119	111.85	114.75	113.5575827	877
23-Dec-24	120.1	120.1	111	112	115.7505828	858
24-Dec-24	113.6	118.95	112	113.2	113.7866324	778
26-Dec-24	116	116.65	111.35	113.6	112.9925293	937
27-Dec-24	119	119	112.05	116.9	115.4375	288
30-Dec-24	114	114.6	108.2	114.6	110.6052632	1254
31-Dec-24	110.15	118.7	110	113.55	115.0792079	808
01-Jan-25	112.25	115.9	112.25	113.5	114.0823529	425
02-Jan-25	113	117.7	112.7	113.3	115.1461318	349
03-Jan-25	112.1	121.15	109.6	118.55	116.0599194	1986
06-Jan-25	114.05	120	108	110.95	113.6820513	1170
07-Jan-25	114.9	121.3	112.6	115.7	117.0763814	1846
08-Jan-25	120	120	112.3	116.4	113.0018622	537
09-Jan-25	116.3	116.3	112.5	112.85	114.4786325	117
10-Jan-25	118.75	118.75	112.55	114.05	115.3192308	780
13-Jan-25	114	114.3	108	109.5	109.8370119	589
14-Jan-25	112	116.9	108.1	112.85	113.9565217	322
15-Jan-25	113.1	115.45	110.15	113	110.2245771	10286
16-Jan-25	115.85	115.85	114	114	114.1764706	17
17-Jan-25	111.05	117	111.05	112.35	111.6923077	13
20-Jan-25	116.95	117	114.5	115.45	116.3142857	70
21-Jan-25	113.6	119	108.3	110.9	113.6868885	1022
22-Jan-25	113.25	113.95	104.55	111	108.5677656	273

23-Jan-25	110.5	114	108.5	111.25	109.7596154	208
24-Jan-25	111.25	114	109	114	113.6666667	87
27-Jan-25	110	110	102.6	104	104.4654088	636
28-Jan-25	104	104	96.9	100.05	100.8118669	691
29-Jan-25	99	104.9	97.55	104.9	99.18539326	178
30-Jan-25	104.9	107.1	104.9	107	106.1052632	76
31-Jan-25	106.95	106.95	100	102.05	101.1304348	92
01-Feb-25	102.05	102.05	102.05	102.05	102.0384615	26
03-Feb-25	102.05	109	102.05	108	106.5890411	73
04-Feb-25	107.8	107.95	107	107.95	107.4782609	23
05-Feb-25	108	108	103	104	106.5106383	47
06-Feb-25	104	104	104	104	104	190
07-Feb-25	104.05	104.05	100	100	101.0960699	229
10-Feb-25	100.1	100.6	100.1	100.6	100	2
11-Feb-25	107	110	100	109.55	107.1363636	66
12-Feb-25	111	111	100	104	108.1704036	223
13-Feb-25	103.9	103.9	98	100.9	103.2241379	58
14-Feb-25	100.4	115	98.05	99.95	103.4985673	1047
17-Feb-25	99.95	99.95	98.5	98.85	98.97291196	443
18-Feb-25	105	115	99	105.8	105.9464286	224
19-Feb-25	105.75	109	105	107.75	105.0897436	312
20-Feb-25	100.15	100.15	100.15	100.15	100.1	10
24-Feb-25	100.15	111.95	100.15	109.95	101.4692308	130
25-Feb-25	109.95	109.95	109.3	109.3	109.5555556	9
27-Feb-25	111.5	111.5	103	103	103.4716981	53
28-Feb-25	100	101.55	89.45	99.8	92.29460581	241
03-Mar-25	99.99	99.99	90	94.09	94.54045307	309
04-Mar-25	94.09	100	91.01	99	97.71428571	14
05-Mar-25	104.5	115	100	103.99	104.845	200
06-Mar-25	105	112	101	101.2	104.0130039	769
07-Mar-25	102	106.5	102	103.86	104.6037736	106
10-Mar-25	103.86	103.86	103	103	103.1986143	433
11-Mar-25	103.06	105	103.06	104	104.902439	41
12-Mar-25	105.04	105.04	93.01	100.03	93.09982245	5069
13-Mar-25	100.03	109.78	100.03	106.47	107.1058824	170
17-Mar-25	102	103	102	103	102.6212121	66
18-Mar-25	107	107	95.01	106	95.52735457	5776
19-Mar-25	105	105	101	101.27	102.1205212	307
20-Mar-25	110.75	110.75	103.9	104.61	108.5428376	1459
21-Mar-25	105	107.8	102	103.05	106.3023256	86
24-Mar-25	105.11	105.11	100.55	102.35	102.3271501	593



25-Mar-25	103.5	103.5	98	100	100.5983027	1414
26-Mar-25	104.75	104.75	97	99.9	100.2788671	459
27-Mar-25	103.95	103.95	93.6	101.81	99.33716475	1566
28-Mar-25	101.81	101.81	97.99	98	98.10606061	528

❖ **Distribution of Shareholding as on March 31, 2025**

Shareholding Value (Rs.)	Nominal Number of Shareholders	% to Total Numbers	Shareholding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	2060	93.81	989630.00	0.67
5001 To 10,000	36	1.64	271960.00	0.18
10001 To 20,000	13	0.59	207080.00	0.14
20001 To 30,000	11	0.50	282670.00	0.19
30001 To 40,000	2	0.09	70500.00	0.05
40001 To 50,000	18	0.82	868870.00	0.59
50001 To 1,00,000	17	0.77	1133750.00	0.77
1,00,000 and Above	39	1.78	143560790.00	97.41
Total	2196	100.00	147385250.00	100.00

❖ **Shareholding Pattern as on March 31, 2025**

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

**7. Other Disclosures**

- ❖ Transactions with the related parties are disclosed in the Notes to accounts.
- ❖ Total fees for all services paid by the listed entity on a consolidated basis, to the statutory auditor and others are disclosed in the Notes to accounts.
- ❖ The Company is registered with all four RBI Authorized CIC's Companies i.e. TransUnion CIBIL Limited (Formerly: Credit Information Bureau (India) Limited), Credit Information Bureau (India) Limited (CIBIL), Equifax Credit Information Services Private Limited (ECIS), Experian Credit Information Company of India Pvt. Ltd, CRIF High Mark Credit Information Services Pvt. Ltd.
- ❖ Disclosure of certain types of agreements binding listed entities pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to Company as there is only normal course of business on arms length basis and not effecting the Listed entity.
- ❖ The financial statements have been prepared in accordance with the applicable accounting standards and policies generally accepted in India and are unqualified.

- ❖ The Company has a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to the Audit Committee.
- ❖ Disclosures with respect to demat suspense account/unclaimed suspense account, if applicable is placed at the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).
- ❖ 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 2024-25, no complaint was received/pending by the Company related to sexual harassment.

The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and para C, D and Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. and also adopted the discretionary requirements pursuant to SEBI (LODR) Regulations, 2015 as mentioned in the Annual report and at the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in).

The Policy on Related Party Transactions are available at the website of the Company i.e. [www.sonalmercantile.in](http://www.sonalmercantile.in). and disclosures for related party transactions, promoter or promoter group, associate company, loans and advances, investments, if applicable is mentioned in the Financial statements of the Company.

- ❖ **CFO Certification:** The CFO and the Whole Time Director have certified to the Board, the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with, with regard to the financial statements forms part of this Report as **Annexure - B**.
- ❖ **Compliance Certificate:** Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Nitin Gupta, Practicing Company Secretary, certifying the compliance by the Company with the provisions of the Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report as **Annexure - C**.
- ❖ **Certificate:** Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Mr. Nitin Gupta, Practicing Company Secretary with regard to Non-disqualification of directors, forms part of this Report as **Annexure - D**.

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

**Date: September 02<sup>nd</sup>, 2025**  
**Place: New Delhi**

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

**Rajan Goyal**  
**Director**  
**DIN: 02600825**

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

**To  
The Members  
Sonal Mercantile Limited**

Pursuant to Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreement with the stock exchange, I hereby confirm that, all the Directors and Senior Management Personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended March 31, 2025.

**For Sonal Mercantile Limited**

**Date: September 02<sup>nd</sup> , 2025  
Place: New Delhi**

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

**COMPLIANCE CERTIFICATE**

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

**DIRECTOR AND CFO CERTIFICATION TO THE BOARD**

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

- A. We have reviewed Financial Statements and the Cash Flow Statement for the quarter and year ended **March 31, 2025** and that to the best of their knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the quarter and year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For Sonal Mercantile Limited**

**Date: September 02<sup>nd</sup>, 2025**  
**Place: New Delhi**

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

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

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

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

1. I have reviewed the implementation of the Corporate Governance procedures by **Sonal Mercantile Limited** ('the Company') during the year ended March 31<sup>st</sup> 2025, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period from April 01, 2024 to March 31, 2025, with the relevant records and documents maintained by the Company and furnished to me for my review, explanations given to me and report on Corporate Governance, as approved by the Board of Directors.
2. The Compliance of conditions of Corporate Governance is responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of my review and according to the best of my information and according to the explanations given to me, the Company has been complying with the conditions of Corporate Governance, as stipulated above mentioned Listing Regulations, as applicable.
5. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and it should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Place: New Delhi  
Date : 22-08-2025  
UDIN: F012404G001056251

**NITIN GUPTA**  
Membership No.: F12404  
C P No.: 14087

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To,**

**The Members of  
SONAL MERCANTILE LIMITED**  
365, Vardhman Plaza, III Floor,  
Sector-3, Rohini,  
New Delhi-110085

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment in Company
1	Mr. Vikram Goyal	00381115	Wholetime Director	23-11-2018
2	Mr. Rajan Goyal	02600825	Director	23-11-2018
3	Mr. Deepak	07878217	Director	26-03-2019
4	Mrs. Rati Goswami	08765348	Director	20-06-2020
5	Mr. Pardeep Kumar	08862414	Director	08-09-2020
6	Mr. Munish Kumar Garg	08866982	Director	08-09-2020

**Disclaimer:**

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

Place: New Delhi  
Date: 22-08-2025  
UDIN: F012404G001056128

**NITIN GUPTA**  
Company Secretary in whole time practice  
Membership No.: F12404  
C. P. No.: 14087

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **SONAL MERCANTILE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Sonal Mercantile Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2025, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, **the profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Key Audit Matters**

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

S. No.	Key Audit Matters	Auditor's Response
1	<p><u>Compliance of RBI directions and circulars: -</u></p> <p>The recent RBI regulations increased the responsibility of auditors of NBFCs.</p> <p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p><u>Our audit procedure inter-alia includes the following: -</u></p> <p>We have reviewed the conditions for prudential norms prescribed by the RBI including: -</p> <ul style="list-style-type: none"> <li>• Hold impairment allowance as required by IND AS with due to consideration of existing prudential norms on IRACP on loan advanced.</li> <li>• Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act.</li> <li>• Holding of at least 50% of the financial assets and 50% of the financial income respectively.</li> <li>• Maintaining minimum Net Owned Funds of Rs. 200 Lakhs.</li> </ul>
2	<p><u>Loans and Advances: -</u></p> <p>Loans are to be disclosed at amortized Cost using effective interest method prescribed under IND AS 109 on 'Financial Instruments'.</p> <p>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company.</p>	<p><u>Our audit procedure includes the following: -</u></p> <ul style="list-style-type: none"> <li>• We evaluated the control environment including authorization, sectioning and disbursement of significant loans advanced during the year.</li> <li>• We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with IND AS 109.</li> <li>• We have obtained external confirmations from third parties in respect of transactions and closing balance for significant loans advanced by the company.</li> <li>• We tested all material entries recorded in connection with the loan advance and interest thereon to determine whether the accounting was appropriate.</li> </ul>

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone financial statements and our auditor's report thereon.

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



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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. We conclude that there is no material uncertainty, thereby we are not required to draw attention in our auditor's report to the related disclosures in the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 (including other comprehensive income), statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) 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 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to documents provided to us, the remuneration paid to the Managing Director of the Company is in accordance with the provisions of Section 197 along with Schedule V of Companies Act, 2013.
- h) 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 which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) (1) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(2) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, that Company had recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(3) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
  - v) The Company has not declared or paid any dividend during the year.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 for the financial year ended March 31,2025 is as follows:-
- Based on our examination, which included test checks, the company has used accounting software systems for maintaining its books of account for the financial year ended March 31,2025 which have the feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in software systems. Further, during the course of audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for the record retention.

**For Ajay Rattan & Co.**  
**Chartered Accountants**  
**Firm Registration No.012063N**

**CA. Ajay Aggarwal**  
**Partner**  
**Membership No. 090975**  
**UDIN: 25090975BOEOKZ4095**

**Place: New Delhi**  
**Dated: 30.05.2025**

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS Financial Statements of the Company for the year ended March 31, 2025:

We report that:

### **1) Property Plant and Equipment and Intangible Assets**

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- b) The company does not have any intangible assets.
- c) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancy were found during the inspection.
- d) According to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of company;
- e) The company has not revalued its Property, Plant and Equipment during the year.
- f) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

### **2) Inventories**

- a) The company does not have any inventory and hence reporting under clause (ii) paragraph 3 of the order is not applicable.

### **3) Investments, Guarantee/Security, Loan and Advance**

- a) The principal business of the company is to give loans, thus clause (iii)(a) to Paragraph 3 is not applicable to the company.
- b) The investments made and loans and advances granted are not prejudicial to the interest of the company.
- c) In respect of loans and advances in the nature of loans given by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are generally regular;
- d) The company does not have any amount overdue for more than ninety days. Accordingly, the provisions of clause 3(iii)(d) of the Order are not applicable to the Company and hence not commented upon.
- e) The principal business of the company is to give loans; thus clause(iii)(e) is not applicable to the company.
- f) In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to the promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

#### **4) Compliance of Provisions of Section 185 and 186.**

In our opinion and according to the information and explanation given to us, the company has not given loans, investments, guarantees, and securities covered under section 185 and 186 of the Companies Act, 2013.

#### **5) Public Deposits**

In our opinion and according to the information and explanation given to us, the company has not accepted public deposits and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the company. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.

#### **6) Cost Records**

According to the information and explanation given to us, the government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the services of the company.

#### **7) Statutory Dues**

- a) In our opinion the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no disputed amounts payable in respect of income tax as on March 31, 2025 for a period of more than six months from the date they became payable.

#### **8) Unrecorded Income**

Based upon the audit procedures performed and the information and the explanations given by the management, there are no transactions not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

#### **9) Repayment Of Dues**

Based upon the audit procedures performed and according to information and explanations given to us:

- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year of audit;
- b) The company has not been declared a wilful defaulter by any bank or financial institution or other lender;
- c) The Company does not have any term loan;
- d) The Company has not raised funds on short term basis, thus reporting under this clause is not required and not commented upon;
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its associate company.

**10) Application Of Money Raised by Public Issue and Preferential Allotment**

- a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company and hence not commented upon.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

**11) Fraud**

Based upon the audit procedures performed and the information and explanations given by the management:

- a) No fraud on or by the company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle-blower complaints have been received during the year by the company.

**12) Nidhi Company**

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

**13) Transaction With Related Parties**

In our opinion, all the transactions with related parties are in accordance with section 177 and 188 of the Companies Act, 2013. Details have been properly disclosed in Ind AS financial statements as required by applicable accounting standards.

**14) Internal Audit System**

- a) The company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditors for the period under audit were considered by us.

**15) Non-Cash Transaction with Director**

Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

**16) Registration With RBI**

- a) According to the information and explanations given to us, the company is a Non-Banking Financial Company and registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) According to information and explanations given to us, the company has conducted Non-Banking Financial activities with a valid certificate as per the Reserve Bank of India Act, 1934;
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- d) The Group does not have any CIC as part of the Group.

**17) Cash Losses**

The company has not incurred cash loss in the Current and in the immediately preceding financial year.

**18) Considerations Of Issues Raised by Outgoing Auditor**

There has been no resignation of the statutory auditor. Accordingly, clause (xviii) of Para 3 of the order is not applicable.

**19) Existence Of Material Uncertainty as To Company Ability to Meet Its Liabilities**

As per our opinion, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date

**20) Transfer Of Unspent CSR Amount**

- a) The Company does not have any project "other than the ongoing project".
- b) The amount remaining unspent u/s 135(5) of the Companies Act, pursuant to an ongoing project has been transferred to a special account in compliance with the provisions of the Sec 135(6) of the said act.

**21) Qualifications Or Adverse Remarks in Caro Reports of Group Companies**

This clause shall be dealt with in the consolidated auditor's report.

**For Ajay Rattan & Co.**  
**Chartered Accountants**  
**Firm Registration No.012063N**

**CA. AJAY AGGARWAL**  
**Partner**  
**Membership No. 090975**  
**UDIIN: 25090975BOEOKZ4095**

**Place: New Delhi**  
**Dated: 30.05.2025**



## **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Sonal Mercantile Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ajay Rattan & Co.**  
**Chartered Accountants**  
**Firm Registration No.012063N**

**CA. AJAY AGGARWAL**  
**Partner**  
**Membership No. 090975**  
**UDIN: 25090975BOEOKZ4095**

**Place: New Delhi**  
**Dated: 30.05.2025**

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**STANDALONE BALANCE SHEET AS AT 31 MARCH 2025**

		(₹ in '000)	
Particulars	Notes	As at 31 Mar 25	As at 31 Mar 24
<b><u>ASSETS</u></b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	5	9,160.01	1,329.38
(b) Bank Balance over and above (a)		-	-
(b) Trade Receivables		-	-
(c) Loans	6	32,94,914.36	35,33,241.68
(d) Investments	7	11,836.67	4,176.57
(e) Other financial assets	8	119.14	45.05
		<b>33,16,030.18</b>	<b>35,38,792.68</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	9	297.12	360.55
(b) Deferred tax Assets (net)	10	-	186.02
(c) Investment Property	11	63,101.31	63,101.31
(d) Property, plant & equipment	12	854.02	1,235.51
(e) Other non-financial assets	13	13,545.80	13,563.31
		<b>77,798.25</b>	<b>78,446.70</b>
<b>Total Assets</b>		<b>33,93,828.43</b>	<b>36,17,239.38</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Financial liabilities</b>			
(a) Borrowings (other than debt securities)	14	25,73,248.23	29,06,184.59
(b) Other financial liabilities	15	5,200.21	4,988.74
(c) Deferred Tax Liabilities (Net)	10	781.58	-
		<b>25,79,230.02</b>	<b>29,11,173.33</b>
<b>Non-financial liabilities</b>			
(a) Other non financial liabilities	16	1,57,864.51	1,56,345.55
		<b>1,57,864.51</b>	<b>1,56,345.55</b>
<b><u>EQUITY</u></b>			
(a) Equity share capital	17	1,47,385.25	1,47,385.25
(b) Other equity	18	5,09,348.65	4,02,335.25
		<b>6,56,733.90</b>	<b>5,49,720.50</b>
<b>Total Liabilities and Equity</b>		<b>33,93,828.43</b>	<b>36,17,239.38</b>

Summary of material accounting policies and accompanying notes form an integral part of these financial statements. **1-38**

This is the balance sheet referred to in our report of even date.

**FOR AJAY RATTAN & CO.**  
Chartered Accountants  
Firm Registration No. 012063N

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

**CA. AJAY AGGARWAL**  
Partner  
Membership No. 090975  
UDIN: 25090975B0EOKZ4095

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

Date: 30.05.2025  
Place: New Delhi

**ROHIT SARAOGI**  
CFO  
PAN: BVCP54684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2025****(₹ in '000)**

Particulars	Notes	For the year ended 31 Mar 25	For the year ended 31 Mar 24
<b>REVENUE</b>			
Revenue from operations	19	3,52,937.16	3,93,161.13
<b>(I) Total revenue from operations</b>		<b>3,52,937.16</b>	<b>3,93,161.13</b>
<b>(II) Other income</b>	20	1,077.37	2,078.55
<b>(III) Total Income (I+II)</b>		<b>3,54,014.53</b>	<b>3,95,239.68</b>
<b>EXPENSES</b>			
<b>(i) Finance costs</b>	21	2,07,658.74	2,32,941.51
<b>(ii) Impairment of Financial instrument</b>		-	-
<b>(iii) Employee benefit expenses</b>	22	3,679.38	2,665.11
<b>(iv) Depreciation, amortisation &amp; impairment</b>	12	393.98	550.47
<b>(v) Other expenses</b>	23	2,680.99	2,642.09
<b>(IV) Total Expenses</b>		<b>2,14,413.09</b>	<b>2,38,799.18</b>
<b>(V) Profit before tax (III-IV)</b>		<b>1,39,601.44</b>	<b>1,56,440.50</b>
<b>(VI) Tax Expense</b>	24		
Current tax		(35,491.28)	(39,423.43)
Deferred tax		22.91	50.48
Previous year taxes		(64.75)	-
<b>(VII) Profit/ (loss) after tax (V-VI)</b>		<b>1,04,068.32</b>	<b>1,17,067.55</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
- Equity instrument through other comprehensive income- gain/ (loss)		3,935.59	-
Income tax relating to items that will not be reclassified to profit or loss		(990.51)	-
<b>Total Other Comprehensive Income (VIII)</b>		<b>2,945.08</b>	<b>-</b>
<b>Total Comprehensive Income (VII+VIII)</b>		<b>1,07,013.40</b>	<b>1,17,067.55</b>
<b>Earning per equity share (EPS)</b>			
<b>25</b>			
Basic (Amount in ₹)		7.06	7.94
Diluted (Amount in ₹)		7.06	7.94

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

**1-38**

This is the balance sheet referred to in our report of even date.

**FOR AJAY RATTAN & CO.**

Chartered Accountants

Firm Registration No. 012063N

For and on behalf of the Board of Directors of

**SONAL MERCANTILE LIMITED****CA. AJAY AGGARWAL**

Partner

Membership No. 090975

UDIN: 25090975BOEOKZ4095

**VIKRAM GOYAL**

Whole Time Director

DIN: 00381115

**RAJAN GOYAL**

Director

DIN: 02600825

Date: 30.05.2025

Place: New Delhi

**ROHIT SARAOGI**

CFO

PAN: BVCPS4684L

**AKSHAY KHARE**

Company Secretary

PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2025**

Particulars	(₹ in '000)	
	As at 31 Mar 25	As at 31 Mar 24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra- ordinary	1,39,601.44	1,56,440.50
Adjustments for : -		
Depreciation	393.98	550.47
Gain on sale of investments	-	(1,426.19)
Impairment of Financial Instrument	(1,077.37)	-
Operating Profit before working capital changes	1,38,918.05	1,55,564.79
<u>Working capital adjustments: -</u>		
(Increase)/ decrease in loans	2,39,404.70	6,012.40
(Increase)/ decrease in other financial assets	(74.09)	(0.05)
(Increase)/ decrease in Current Tax Asset	(1.33)	12.63
Increase/ (decrease) in short term borrowing	(3,32,936.37)	(1,29,774.08)
(Increase)/ decrease in other non financial assets	17.51	(28.13)
Increase/ (decrease) in other financial liabilities	211.49	(1,149.23)
Increase/ (decrease) in other non-financial liabilities	1,518.96	11,580.92
Cash generated from operations	47,058.92	42,219.26
Direct Taxes Paid	35,491.28	39,423.43
<b>Net cash flow from operating activities (A)</b>	<b>11,567.64</b>	<b>2,795.82</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/ purchase of property, plant & equipment	(12.50)	(24.50)
Sale/ (Purchase) of investments	(3,724.51)	(2,500.28)
<b>Net cash flow from investing activities (B)</b>	<b>(3,737.01)</b>	<b>(2,524.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash flow from financing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>7,830.63</b>	<b>271.04</b>
Add: Opening cash and cash equivalents	1,329.38	1,058.35
<b>Closing cash and cash equivalents</b>	<b>9,160.01</b>	<b>1,329.38</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	260.34	7.01
<u>Balances with banks: -</u>		
In current accounts	8,899.67	1,322.37
In fixed deposits		
<b>Total cash and cash equivalents</b>	<b>9,160.01</b>	<b>1,329.38</b>

**Notes:-**

- i) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in IndAS 7 - 'Statement of Cash Flows'.
- ii) Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.
- iii) Since the Company is a loan company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned on loans have been considered as part of "Cash flow from operating activities".

**FOR AJAY RATTAN & CO.**  
Chartered Accountants  
Firm Registration No. 012063N

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

**CA. AJAY AGGARWAL**  
Partner  
Membership No. 090975  
UDIN: 25090975BOEOKZ4095

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

Date: 30.05.2025  
Place: New Delhi

**ROHIT SARAOGI**  
CFO  
PAN: BVCPS4684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

## **1 Corporate Information**

**NOTE 1**

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

## **2 Basis of Preparation of Standalone Financial Statements**

**NOTE 2**

### **2.1 Statement of Compliances**

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

### **2.2 Basis for preparation of standalone financial statements:**

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

### **2.3 Use of Estimates:**

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

### **2.4 New Standards/ Amendments and Other Changes adopted Effective 1 April 2024 or thereafter**

The Company has adopted certain new accounting standards and amendments effective from April 1, 2024. Ind AS 117, Insurance Contracts, which replaces Ind AS 104, provides comprehensive guidance on the recognition, measurement, presentation, and disclosure of insurance contracts; however, it had no impact on the Company's financial statements as the Company has not entered into any insurance contracts.

Further, an amendment to Ind AS 116, Leases, relating to lease liabilities arising from sale and leaseback transactions, was also notified. Since the Company has not undertaken any such transactions, the amendment did not affect its financial statements. As of the reporting date, there are no new standards that have been notified but are not yet effective.

### **2.5 Functional and presentation currency**

These Standalone Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Thousands (up to two decimals), except as stated otherwise.

### **2.6 Critical accounting estimates:**

#### **2.6.1 Income Taxes:**

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

#### **2.6.2 Impairment of Investments:**

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

#### **2.6.3 Provisions:**

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

#### **2.6.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments, restructuring and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

### 3 Material Accounting Policies:

A summary of the material accounting policies applied in the preparation of the Standalone Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Standalone Financial Statements.

#### 3.(a) Financial Instruments:

##### a.1 Financial Assets:-

###### **Recognition and initial measurement: -**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost.

###### **Subsequent measurement: -**

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

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

###### **De- Recognition of financial Assets: -**

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

###### **Impairment of financial assets: -**

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

##### a.2 Financial Liabilities : -

###### **Recognition and initial measurement: -**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost.

###### **Subsequent measurement: -**

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

###### **De-recognition of financial liabilities**

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

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

##### a.3 Off setting of financial instrument: -

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

##### a.4 Impairment of Financial Assets: -

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**a.5 Expected Credit Loss (ECL): -**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance on Loans with significant financing component is measured at an amount equal to 12-month ECL. For all other financial assets, expected credit losses are measured at an amount equal to the lifetime 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in condensed consolidated statement of comprehensive income.

**3.(b) Cash and cash equivalents**

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

**3.(c) Investment property**

**Recognition and initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act. However no depreciation is being charged on land in accordance with IND AS 40.

Asset Category Useful Life	(in years)
Agricultural land	Unlimited

**De-recognition**

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**3.(d) Property plant and equipment (PPE)**

**1.1. Initial recognition and measurement**

Property, plant and equipments ("PPE") are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipments have different useful lives, they are recognized separately.

Spare parts are capitalized when they meet the definition of PPE, i.e. when the Company intends to use these for a period exceeding 12 months.

On transition to IND AS, the Company has elected to continue with the carrying value of all of its PPE recognized, measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

**1.2. Depreciation**

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

In circumstance, where a PPE is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

<b>Particulars of Property, Plant &amp; Equipment</b>	<b>Useful life (in years)</b>
Furniture	10
Motor Vehicle	8
Office Equipment	5
Computer	3

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

**3.(e) Provision, contingent liabilities and contingent assets**

**Provision:** A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**Contingent Liability:** Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**3.(f) Revenue recognition:**

With Effective 1st April, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers Pursuant to adoption of Ind AS 115, Revenue from contracts with customers are recognized when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognized depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods or services.

- f.1 Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and other incomes attributable to acquisition of a financial assets.
- f.2 Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.
- f.3 Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**3.(g) Employee benefits**

**Short Term Benefits:** Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.(h) Taxation**

h.1 Current Income tax: Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to applicable tax regulations which are subject to interpretation and establishes provisions where appropriate.

h.2 Deferred Tax: Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

**3.(i) Earning per share**

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

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

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

**3.(j) Statement of cash Flows:** Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.'

**NOTE 4**

**4 Major Estimates and Judgments made in preparing Standalone Financial Statements**

The preparation of the Company's Standalone Financial Statements requires management to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

**4.1 JUDGEMENTS**

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the Standalone Financial Statements:

**Materiality**

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the Standalone Financial Statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

**Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter. In the similar line, management also on the basis of best judgment and estimate determines the net realizable value of the Inventories to make necessary provision.

**4.2 MAJOR ESTIMATES**

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**Useful life of property, plant and equipment and intangible assets**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

**Income Taxes**

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31 MARCH 2025**

**Equity Share Capital**

**(₹ in '000)**

**I. For the year ended 31st March 2025**

Balance at the 1st April 2024	Change in equity share capital due to prior period errors	Restated balance at the 01st April 2024	Changes in equity share capital during the year	Balance at the 31st March 2025
1,47,385.25	-	-	-	1,47,385.25

**II. For the year ended 31st March 2024**

**(₹ in '000)**

Balance at the 1st April 2023	Change in equity share capital due to prior period errors	Restated balance at the 01st April 2022	Changes in equity share capital during the year	Balance at the 31st March 2024
1,47,385.25	-	-	-	1,47,385.25

**Other Equity**

**I. For the year ended 31st March 2025**

**(₹ in '000)**

Particulars	Reserve & Surplus				Total
	Statutory Reserve (U/s 45-IC of the RBI Act, 1934)	Retained earnings	Share Premium	Equity Instrument through OCI	
<b>Balances as at 1st April 2024</b>	<b>66,434.30</b>	<b>2,63,371.20</b>	<b>72,529.75</b>	-	<b>4,02,335.25</b>
Changes in accounting policy or prior period error	-	-	-	-	-
<b>Restated balance as at 1st April 2024</b>	<b>66,434.30</b>	<b>2,63,371.20</b>	<b>72,529.75</b>	-	<b>4,02,335.25</b>
Profit/Loss for the period	-	1,04,068.32	-	-	1,04,068.32
Other comprehensive income for the year	-	-	-	2,945.08	2,945.08
Appropriation to statutory reserves	21,402.68	(21,402.68)	-	-	-
<b>Balance as at 31st March 2025</b>	<b>87,836.98</b>	<b>3,46,036.84</b>	<b>72,529.75</b>	<b>2,945.08</b>	<b>5,09,348.65</b>

**II. For the year ended 31st March 2024**

**(₹ in '000)**

Particulars	Reserve & Surplus				Total
	Statutory Reserve (U/s 45-IC of the RBI Act, 1934)	Retained earnings	Share Premium	Equity Instrument through OCI	
<b>Balances as at 1st April 2023</b>	<b>43,020.79</b>	<b>1,69,717.16</b>	<b>72,529.75</b>	-	<b>2,85,267.71</b>
Changes in accounting policy or prior period error	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	1,17,067.55	-	-	1,17,067.55
Appropriation to statutory reserves	23,413.51	(23,413.51)	-	-	-
<b>Balance as at 31st March 2022</b>	<b>55,202.88</b>	<b>2,18,445.51</b>	<b>72,529.75</b>	<b>3,46,178.14</b>	

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

**1-38**

This is the balance sheet referred to in our report of even date.

**FOR AJAY RATTAN & CO.**

Chartered Accountants

**Firm Registration No. 012063N**

**For and on behalf of the Board of Directors of**

**SONAL MERCANTILE LIMITED**

**CA. AJAY AGGARWAL**

Partner

Membership No. 090975

UDIN: 25090975BOEOKZ4095

**VIKRAM GOYAL**

Whole Time Director

DIN: 00381115

**RAJAN GOYAL**

Director

DIN: 02600825

Date: 30.05.2025

Place: New Delhi

**ROHIT SARAOGI**

CFO

PAN: BVCP54684L

**AKSHAY KHARE**

Company Secretary

PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

		(₹ in '000)	
Particulars	As at	As at	
	31 Mar 25	31 Mar 24	
Note 5			
5 Cash and cash equivalents			
Cash on hand (as certified)	260.34	7.01	
Balances with banks	8,899.67	1,322.37	
Total	9,160.01	1,329.38	
Note 6			
6 Loans			
In India (at amortized cost)			
(A)			
(i) Loans repayable on demand	-	-	
(ii) Term loan	33,02,792.93	35,42,197.63	
Total (A)- Gross	33,02,792.93	35,42,197.63	
Less: Impairment loss allowance	(7,878.57)	(8,955.95)	
Total (A)-Net	32,94,914.36	35,33,241.68	
(B)			
(i) Secured by tangible assets	-	-	
(ii) Secured by intangible assets	-	-	
(iii)Covered by Bank/ Govt. guarantee	-	-	
(iv) Unsecured	33,02,792.93	35,42,197.63	
Total (B)- Gross	33,02,792.93	35,42,197.63	
Less: Impairment loss allowance	(7,878.57)	(8,955.95)	
Total (B)-Net	32,94,914.36	35,33,241.68	
(C)			
(I) Loans in India	-	-	
(ii) Public sector	-	-	
(iii) Others	33,02,792.93	35,42,197.63	
Total (C)- Gross	33,02,792.93	35,42,197.63	
Less: Impairment loss allowance	(7,878.57)	(8,955.95)	
Total ( C) (I) - Net	32,94,914.36	35,33,241.68	
(II) Loans outside India	-	-	
Less: Impairment loss allowance	-	-	
Total ( C) (II) - Net	-	-	
Total Net (C) (III)	32,94,914.36	35,33,241.68	
Note 7			
7 Investments			
Equity Instruments ( Measured at Fair value through OCI)			
Investment in India - Quoted Shares			
6,62,370 Shares of PC Jewellers Limited	8,650.55	3,926.47	
(PY 66,237 shares of FV Rs 10 each)			
51,500 Shares of Eraaya Lifespaces Ltd.	2,936.02	-	
Shares - Aplaya Creations Limited	-	0.00	
Total	11,586.57	3,926.47	
Investments in Associates (Measured at Amortised cost)			
Investment in India Un-Quoted Shares			
25,000 Equity Shares of M/s Rudraveerya Developers Limited	250.00	250.00	
FV Rs 10/- each			
Other investments (Measured at amortised cost)			
Stamp Paper	0.10	0.10	
Total	11,836.67	4,176.57	
Aggregate cost of quoted investment	7,650.98	3,926.47	
Aggregate Market value of quoted investment	11,586.57	3,926.47	
Investments in Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.			
Note 8			
8 Other financial assets			
Security deposits	45.00	45.00	
Receivables considered good- unsecured	73.65	0.05	
Receivable against expenses	0.49	-	
Total	119.14	45.05	
Note 9			
9 Current tax assets			
Balance with revenue authorities	35,788.40	39,783.98	
Provision for Income Tax	(35,491.28)	(39,423.43)	
Total	297.12	360.55	
Note 10			
10 Deferred tax assets (net)			
At start of the year	186.02	135.54	
Credit/ (charge) to statement of profit and loss	22.91	50.48	
Credit/ (charge) to statement of OCI	(990.51)	-	
At end of the year	(781.58)	186.02	

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(₹ in '000)

Particulars	As at 31 Mar 25	As at 31 Mar 24
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- 10.1 Deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Timing difference on account of :	For the year ended on 31 March 2025			
	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Property, plant & equipment	186.02	22.91	-	208.92
Fair value measurement of Equity instrument	186.02	-	(990.51)	(990.51)
<b>Total</b>	<b>186.02</b>	<b>22.91</b>	<b>(990.51)</b>	<b>(781.58)</b>

Timing difference on account of :	For the year ended on 31 March 2024			
	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Property, plant & equipment	135.54	50.48	-	186.02
<b>Total</b>	<b>135.54</b>	<b>50.48</b>	<b>-</b>	<b>186.02</b>

**Note 11**

**11 Investment Property**

In Agricultural land (at Cost): -

Opening Balance	63,101.31	63,101.31
Add: Additions during the year	-	-
Less: Sales during the year	-	-
Closing Balance	<b>63,101.31</b>	<b>63,101.31</b>

**(i) Amount recognised in profit and loss for investment properties**

- The property is not given on rent therefore no amount has been recognised in the profit and loss. Hence no disclosure is required under clause (i).

**(ii) Fair Value of investment properties**

Particulars	31-03-2025	31-03-2024
Fair value	65,388.75	63,101.31
<b>Total</b>	<b>65,388.75</b>	<b>63,101.31</b>

\* Fair value is determined on the basis of Collector rate of the land of that area as provided by the management.

**(iii) Leasing arrangements**

The aforementioned investment property is not provided on long term lease agreement.

**Note 12**

**12 Property, plant & equipment**

Carrying amount: -

Office equipment	7.69	0.31
Furniture & fixtures	0.70	0.70
Computers	14.01	25.22
Motor Car	831.62	1,209.28

<b>Total</b>	<b>854.02</b>	<b>1,235.51</b>
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Assets	Motor Car	Office equipment	Furniture & fixtures	Computers	Total
<b>Cost or Deemed Cost: -</b>					
Balance as at 31 March 2024	2,163.91	5.29	14.00	60.10	2,243.30
Additions during the year	-	12.50	-	-	12.50
Asset disposed/ written off during the year	-	-	-	-	-
Balance as at 31 March 2025	2,163.91	17.79	14.00	60.10	2,255.80
<b>Accumulated depreciation: -</b>					
Balance as at 31 March 2024	954.63	4.98	13.30	34.88	1,007.79
Charge for the year	377.66	5.12	-	11.21	393.98
Asset disposed/ written off during the year	-	-	-	-	-
Balance as at 31 March 2025	1,332.29	10.10	13.30	46.09	1,401.78
<b>Carrying amount: -</b>					
Balance as at 31 March 2024	1,209.28	0.31	0.70	25.22	1,235.50
Balance as at 31 March 2025	831.62	7.69	0.70	14.01	854.02

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

- 12.2 The company has not made any of change (10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) in the value of Property, Plant & Equipments due to revaluation.

**Note 13**

**13 Other non-financial assets**

Advances for purchase of properties	13,535.18	13,535.18
Prepaid Insurance	9.50	11.26
Prepaid Expenses	1.12	16.87

<b>Total</b>	<b>13,545.80</b>	<b>13,563.31</b>
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**Note 14**

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(₹ in '000)

Particulars	As at 31 Mar 25	As at 31 Mar 24
<b>14 Borrowings (other than debt securities)</b>		
Loans from related parties*	2,69,920.70	7,28,587.81
Loan from others	23,03,327.53	21,77,596.78
<b>Total</b>	<b>25,73,248.23</b>	<b>29,06,184.59</b>

\* For related party disclosure, refer note 26

Loan from others are the inter corporate loans repayable on demand or in installments as specified.

**Note 15**

<b>15 Other financial liabilities</b>		
Advance against sale of investments	4,800.00	4,800.00
Salary Payable	294.21	176.24
Rent Payable	25.00	12.50
Payable against expenses	81.00	-
<b>Total</b>	<b>5,200.21</b>	<b>4,988.74</b>

**Note 16**

<b>16 Other non financial liabilities</b>		
Advance against joint development agreement	1,21,000.00	1,21,000.00
Payable to government authorities	36,863.28	35,263.09
Expense Payable	1.23	82.46
<b>Total</b>	<b>1,57,864.51</b>	<b>1,56,345.55</b>

**Note 17**

<b>17 Equity share capital</b>				
	<b>As at 31 March 2025</b>		<b>As at 31 March 2024</b>	
	Nos.	(₹ In '000s)	Nos.	(₹ In '000s)
<b>Authorized shares</b>				
Equity shares of ₹ 10 each with voting rights	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00
<b>Total</b>	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00
<b>Issued, subscribed and fully paid- up shares</b>				
Equity shares of ₹ 10 each with voting rights fully paid	1,47,38,525	1,47,385.25	1,47,38,525	1,47,385.25
<b>Total</b>	<b>1,47,38,525</b>	<b>1,47,385.25</b>	<b>1,47,38,525</b>	<b>1,47,385.25</b>
<b>17.1 Reconciliation of number of equity shares and amount outstanding</b>				
	<b>As at 31 March 2025</b>		<b>As at 31 March 2024</b>	
	Nos.	(₹ In '000s)	Nos.	(₹ In '000s)
<u>Equity Shares</u>				
- At the beginning of the period	1,47,38,525	1,47,385.25	1,47,38,525	1,47,385.25
- Issued during the year	-	-	-	-
<b>Total outstanding at the end of the period</b>	<b>1,47,38,525</b>	<b>1,47,385.25</b>	<b>1,47,38,525</b>	<b>1,47,385.25</b>

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

The company has issued only one class of equity shares having a par value of ₹ 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.

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

	<b>As at 31 March 2025</b>		<b>As at 31 March 2024</b>	
	Nos.	% holding	Nos.	% holding
Rudraveerya Developers Limited	36,45,635	24.74%	36,45,635	24.74%
Ram Gopal Goyal & Sons LLP	36,72,396	24.92%	36,72,396	24.92%
Orion infradevelopers LLP	13,22,043	8.97%	13,22,043	8.97%
Orion Propmart LLP	15,21,354	10.32%	15,21,354	10.32%

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

**17.4 Details of shares held by promoters in the Company**

Promoter Name	<b>31st March 2025</b>		<b>31st March 2024</b>		% Change during the year
	No of Shares	% of total Shares	No of Shares	% of total Shares	
Ram Gopal Goyal & Sons LLP	36,72,396	24.92%	36,72,396	24.92%	-

17.5 There is no change in promoters shareholding during the period ended March 31, 2025 and March 31, 2024.

**Note 18**

<b>18 Other equity</b>			
<u>Special Reserve (u/s 45IC of RBI Act, 1934)</u>			
Balance as per last financial statements	66,434.30	43,020.79	
Add: Transfer from surplus	20,813.66	23,413.51	
Closing balance		87,247.96	66,434.30
<u>Retained Earnings</u>			
Balance as per last financial statements	2,63,371.20	1,69,717.16	
Add/(Less): Profit/ (loss) for the year	1,04,068.32	1,17,067.55	
Less: Transfer to Special Reserve u/s 45-IC of RBI Act	(20,813.66)	(23,413.51)	
Net surplus in statement of profit and loss		3,46,625.86	2,63,371.20

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Particulars	(₹ in '000)	
	As at 31 Mar 25	As at 31 Mar 24
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	-	
Add/Less: Movement in OCI (Net) during the year	2,945.08	
Closing Balance	2,945.08	
<b>Share premium</b>		
Opening balance	72,529.75	72,529.75
Addition/ (deletion) during the year	-	-
Closing balance	72,529.75	72,529.75
<b>Total</b>	<b>5,09,348.65</b>	<b>4,02,335.25</b>

**Nature and Purpose of other reserves**

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income and gain/(loss) booked on re-measurement of defined benefit plans.

**Share Premium**

Any premium received on the issue of shares cumulates to this reserve account.

**Special Reserve**

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.



**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025****(₹ in '000)**

<b>Particulars</b>	<b>For the year ended 31 Mar 25</b>	<b>For the year ended 31 Mar 24</b>
<b>Note 19</b>		
<b>19 Revenue from operations</b>		
<u>On financial assets measured at amortized cost:</u>		
- Interest income on loans	3,52,937.16	3,93,161.13
<b>Total</b>	<b>3,52,937.16</b>	<b>3,93,161.13</b>
<b>Note 20</b>		
<b>20 Other income</b>		
Interest on income tax refund	-	0.72
Income From Trading	-	1,425.47
Expected Credit Loss Allowance	1,077.37	652.36
<b>Total</b>	<b>1,077.37</b>	<b>2,078.55</b>
<b>Note 21</b>		
<b>21 Finance cost</b>		
<u>On financial liabilities measured at amortized cost:</u>		
- Interest on borrowings	2,07,658.74	2,32,941.51
<b>Total</b>	<b>2,07,658.74</b>	<b>2,32,941.51</b>
<b>Note 22</b>		
<b>22 Employee benefit expenses</b>		
Salaries and allowances	3,663.82	2,636.39
Staff welfare expenses	15.56	28.72
<b>Total</b>	<b>3,679.38</b>	<b>2,665.11</b>
<b>Note 23</b>		
<b>23 Other expenses</b>		
Advertisement & publication expenses	84.20	85.33
CSR Charges	1,325.00	1,390.00
Rent	150.00	150.00
Insurance	25.21	16.70
Payment to statutory auditors		-
towards audit fees	88.50	118.00
Printing and stationery	12.82	13.17
Miscellaneous expenses	995.26	868.89
<b>Total</b>	<b>2,680.99</b>	<b>2,642.09</b>

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025****(₹ in '000)**

Particulars	For the year ended 31 Mar 25	For the year ended 31 Mar 24
	<b>NOTE 24</b>	
<b>24 Income tax</b>		
Tax expense comprises of:		
Current tax	(35,491.28)	(39,423.43)
Deferred tax charge	22.91	50.48
Earlier years tax adjustments (net)	(64.75)	-
<b>and loss</b>	<b>(35,533.12)</b>	<b>(39,372.95)</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	1,39,601.44	1,56,440.50
At India's statutory income tax rate of 25.168%	35,134.89	39,372.94

**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Tax impact of expenses which will never be allowed

	-	-
Earlier years tax adjustments (net)	-	-
Others	-	-
<b>Income tax expense</b>	<b>35,134.89</b>	<b>39,372.94</b>

**Note 25****25 Earning Per Shares: (in ₹)**

Profit for the year (₹)	10,40,68,327.76	11,70,67,556.93
Amount available for equity shareholders (₹)	10,40,68,327.76	11,70,67,556.93
Total number of equity shares outstanding at the beginning of the year	1,47,38,525.00	1,47,38,525.00
Total number of equity shares outstanding at the beginning of the year	1,47,38,525.00	1,47,38,525.00
Weighted average number of equity shares	1,47,38,525	1,47,38,525
Earning per share - Basic and diluted (₹)	7.06	7.94
Face value per equity share (₹)	10.00	10.00

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025**

**26 Related parties**

**Note 26**

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

**26.1** List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Associate Company	Rudraveerya Developers Limited
(ii)	Key Management Personnel	Vikram Goyal
		Executive Director
		Rajan Goyal
		Non-Executive Director
		Rohit Saraogi
		Chief Financial Officer
		Akshay Khare
		Company Secretary
		Deepak
		Independent Director
		Rati Goswami
		Independent Director
		Pardeep Kumar
		Independent Director
		Munish Kumar Garg
		Independent Director
(iii)	Relatives of Key Management Personnel	No transactions have been entered into with such parties
(iv)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	

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

(₹ in '000)

Particulars	Associate/Enterprises over which KMP have significant influence		KMP		Total	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Transactions during the year</b>						
<b>Loan Taken</b>	<b>4,70,470.00</b>	<b>12,34,107.50</b>	-	-	<b>4,70,470.00</b>	<b>12,34,107.50</b>
Rudraveerya Developers Ltd	4,70,470.00	12,34,107.50	-	-	4,70,470.00	12,34,107.50
<b>Loan repaid</b>	<b>9,56,250.00</b>	<b>14,81,960.00</b>	-	-	<b>9,56,250.00</b>	<b>14,81,960.00</b>
Rudraveerya Developers Ltd	9,56,250.00	14,81,960.00	-	-	9,56,250.00	14,81,960.00
<b>Finance Cost</b>	<b>36,053.21</b>	<b>69,944.63</b>	-	-	<b>36,053.21</b>	<b>69,944.63</b>
Rudraveerya Developers Ltd	36,053.21	69,944.63	-	-	36,053.21	69,944.63
<b>Remuneration</b>	-	-	<b>1,155.00</b>	<b>1,043.57</b>	<b>1,155.00</b>	<b>1,043.57</b>
Rohit Saraogi	-	-	600.00	600.00	600.00	600.00
Akshay Khare	-	-	555.00	443.57	555.00	443.57
<b>Balances outstanding at year end</b>						
<b>Loan Payable</b>	<b>2,42,807.81</b>	<b>6,65,637.64</b>	-	-	<b>2,42,807.81</b>	<b>6,65,637.64</b>
Rudraveerya Developers Ltd	2,42,807.81	6,65,637.64	-	-	2,42,807.81	6,65,637.64
<b>Interest Payable</b>	<b>27,112.89</b>	<b>62,950.17</b>	-	-	<b>27,112.89</b>	<b>62,950.17</b>
Rudraveerya Developers Ltd	27,112.89	62,950.17	-	-	27,112.89	62,950.17
<b>Remuneration Payable</b>	-	-	<b>97.87</b>	<b>86.23</b>	<b>97.87</b>	<b>86.23</b>
Rohit Saraogi	-	-	47.87	47.87	47.87	47.87
Akshay Khare	-	-	50.00	38.36	50.00	38.36

**Note 27**

**27 Ratio Analysis and its components**

S.No.	Particulars	31 Mar 25	31 Mar 24	% change from March 31 2024 to March 31 2025
1	Capital to risk -weighted asset ratio (CRAR)	19.40%	15.21%	27.62%
2	Tier I CRAR	19.40%	15.21%	27.62%
3	Tier II CRAR	0.00%	0.00%	0.00%
4	Liquidity Coverage Ratio	-3.68%	-0.48%	666.50%

**Reasons for variance of more than 25% in above ratios**

(a) CRAR has increased as Tier 1 capital increased more than decreased in Risk Weighted Assets during the year ended on 31st March 2024 as compared to previous year.

(b) Liquidity Coverage Ratio has decreased due to increase in cash inflow more than increase in cash outflows during the year ended on 31st March 2024 as compared to previous year.

**Components of Ratio**

(₹ In '000s)

S.No.	Ratios	Numerator	Denominator	31 Mar 25		31 Mar 24	
				Numerator	Denominator	Numerator	Denominator
1	Capital to risk -weighted asset ratio (CRAR)	Tier I Capital + Tier II Capital - Investment in subsidiaries	Risk Weighted Assets	6,56,733.90	33,84,371.19	4,32,652.95	36,19,899.98
2	Tier I CRAR	Tier I	Risk Weighted Assets	6,56,733.90	33,84,371.19	4,32,652.95	36,19,899.98
3	Tier II CRAR	Tier II	Risk Weighted Assets	-	33,84,371.19	-	36,19,899.98
4	Liquidity Converge Ratio	Highly qualified Liquid assets	Net Cash outflow	9,160.01	(2,49,148.46)	1,058.34	22,025.26

**SONAL MERCANTILE LIMITED**

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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025**

- 28** The standalone financial statements were approved for issue by the Board of Directors on 30th day of May, 2025. **Note 28**
- 29** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. **Note 29**
- 30** There has been no delay in transferring amounts, if required to be transferred, to the Investor Education and Protection Fund by the Company. **Note 30**
- 31 Corporate Social Responsibility (CSR)** **Note 31**
- 31.1** The Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. The Company's objective is to pro-actively support meaningful socio-economic development. As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in) and the company is required to spend for CSR activities in accordance with the same. The details of the CSR expenses for the year are as under:
- | Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| For Corporate Social Responsibility   | 1,325.00                     | 1,390.00                     |
| <b>Total</b>  | <b>1,325.00</b>              | <b>1,390.00</b>              |
| a) Gross amount required to be spent by the Company during the year   | 2,275.05                     | 1,654.28                     |
| b) Un-utilised Amount brought forward from previous year  | 1,227.59                     | 963.31                       |
| c) Excess Amount spent last year brought forward  | -                            | -                            |
| d) Amount of Expenditure incurred during the year   | 1,325.00                     | 1,390.00                     |
| e) Shortfall at the end of the year   | 2,177.64                     | 1,227.59                     |
| f) Total of Previous Year Shortfall   | -                            | -                            |
| g) Un-utilised Amount carried forward to next year  | -                            | -                            |
| h) Excess Amount spent carried forward to next year   | -                            | -                            |
| i) Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard                      | Nil                          | Nil                          |
| j) where a provision is made with respect to a liability incurred by entering into a contractual obligations, the movements in the provision during the year shall be shown separately. | Nil                          | Nil                          |
- 31.2** The Company has not spent the entire amount during the FY 24-25. However the Company has transferred the amount of Rs 2,290/- thousands to a separate Unspent CSR Bank Account and will spend the same in due course as per the applicable provisions of the Companies Act, 2013
- 32** Figures have been rounded off to the nearest thousands of rupees. **Note 32**
- 33** Previous year figures have been regrouped/rearranged wherever considered necessary. **Note 33**

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

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

**ROHIT SARAOGI**  
CFO  
PAN: BVCP54684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**
**34 Financial instruments**
**NOTE 34**
**Fair values hierarchy**

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Financial instruments by category**
**Categories of Financial Instruments and its fair value measurement**
*(₹ in 000's)*

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	11,586.57	250.10	-	3,926.47	250.10
Trade receivables	-	-	-	-	-	-
Loans	-	-	32,94,914.36	-	-	35,33,241.68
Cash and cash equivalents	-	-	9,160.01	-	-	1,329.38
Other financial assets	-	-	119.14	-	-	45.05
<b>Total financial assets</b>	-	<b>11,586.57</b>	<b>33,04,443.61</b>	-	<b>3,926.47</b>	<b>35,34,866.21</b>
<b>Financial liabilities</b>						
Borrowings	-	-	25,73,248.23	-	-	29,06,184.59
Other financial liabilities	-	-	5,200.21	-	-	4,988.74
Deferred Tax Liabilities	-	-	781.58	-	-	-
<b>Total financial liabilities</b>	-	-	<b>25,79,230.02</b>	-	-	<b>29,11,173.33</b>

Investment in associate is measured at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2025		31 March 2024	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	32,94,914.36	32,94,914.36	35,33,241.68	35,33,241.68
<b>Total financial assets</b>		<b>32,94,914.36</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>	<b>35,33,241.68</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	25,73,248.23	25,73,248.23	29,06,184.59	29,06,184.59
Other financial liabilities	Level 3	5,200.21	5,200.21	4,988.74	4,988.74
Deferred Tax Liabilities	Level 3	781.58	781.58	(186.02)	(186.02)
<b>Total financial liabilities</b>		<b>25,79,230.02</b>	<b>25,79,230.02</b>	<b>29,10,987.31</b>	<b>29,10,987.31</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**35 FINANCIAL RISK MANAGEMENT**
**NOTE 35**

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, Investments, trade receivables, other financial assets.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables, Loans and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Credit risk management**
**Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Company provides for expected credit loss based on the following:

	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, investments, other bank balances, loans, trade receivables other financial assets	Life time expected credit loss or 12 month expected credit loss
Medium	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables and other financial asset	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit rating	31 March 2025	31 March 2024
A: Low	-	-
B: Medium	-	-
C: High	-	-

**Concentration of trade receivables, Loans**

The Company's exposure to credit risk for trade receivables is Nil.

**Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**SONAL MERCANTILE LIMITED**

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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**

**As at 31 March 2025**

Particulars	Estimated	Expected credit	Carrying amount
Cash and cash equivalents	9,160.01	-	9,160.01
Investment	11,836.67	-	11,836.67
Other bank balances	-	-	-
Loans	33,02,792.93	7,878.57	32,94,914.36
Other financial assets	119.14	-	119.14

**As at 31 March 2024**

Particulars	Estimated	Expected credit	Carrying amount
Cash and cash equivalents	1,329.38	-	1,329.38
Investment	4,176.57	-	4,176.57
Other bank balances	-	-	-
Loans	35,42,197.63	8,955.95	35,33,241.68
Other financial assets	45.05	-	45.05

**Reconciliation of loss provision – lifetime expected credit losses**

Reconciliation of loss allowance	Loans	Other financial asset
<b>Loss allowance as on 31 March 2023</b>	9,608.31	-
Impairment loss recognised/reversed during the year	(652.36)	-
Amounts written off	-	-
<b>Loss allowance on 31 March 2024</b>	<b>8,955.95</b>	-
Impairment loss recognised/reversed during the year	1,077.37	-
Amounts written off	-	-
<b>Loss allowance on 31 March 2025</b>	<b>10,033.32</b>	-

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2025	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	-	25,73,248.23	25,73,248.23
Trade payable	-	-	-
Other financial liabilities	400.21	4,800.00	5,200.21
<b>Derivatives</b>			
Derivative liability	-	-	-
<b>Total</b>	<b>400.21</b>	<b>25,78,048.23</b>	<b>25,78,448.44</b>

31 March 2024	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	-	29,06,184.59	29,06,184.59
Trade payable	-	-	-
Other financial liabilities	188.74	4,800.00	4,988.74
<b>Derivatives</b>			
Derivative liability	-	-	-
<b>Total</b>	<b>188.74</b>	<b>29,10,984.59</b>	<b>29,11,173.33</b>

**Interest rate risk**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2025	31 March 2024
Variable rate borrowing	-	-
Fixed rate borrowing	25,73,248.23	29,06,184.59
<b>Total borrowings</b>	<b>25,73,248.23</b>	<b>29,06,184.59</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2025	31 March 2024
Interest rates – increase by 50 basis points	(12,866.24)	(14,530.92)
Interest rates – decrease by 50 basis points	12,866.24	14,530.92

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**NOTE 36**

**Capital management**

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios -

Particulars	31 March 2025	31 March 2024
Net debt*	25,64,088.22	29,04,855.21
Total equity	6,56,733.90	5,49,720.50
<b>Net debt to equity ratio</b>	<b>3.90</b>	<b>5.28</b>

\*Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents

**SONAL MERCANTILE LIMITED**

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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**

**37 Disclosure as per Ind AS 115 : Revenue from contract with customers**

**NOTE 37**

Ind AS 115 requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

Description	Year ended 31 March 2025	Year ended 31 March 2024
Contract liabilities at the beginning of the year	-	-
Less: performance obligations satisfied in current year	-	-
Add: advance received during the year	-	-
Contract liabilities at the end of the year	-	-

**Disaggregation of revenue**

Revenue arises mainly from the Interest income on loans.

Description	Year ended 31 March 2025	Year ended 31 March 2024
Interest Income	3,52,937.16	3,93,161.13
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

Geographical markets	Year ended 31 March 2025	Year ended 31 March 2024
India	3,52,937.16	3,93,161.13
Others	-	-
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

**Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price**

Description	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised during the year	3,52,937.16	3,93,161.13
Less: Discount, rebates, credits etc.	-	-
Add/Less: Any adjustment during the year	-	-
Revenue as per the contract	<b>3,52,937.16</b>	<b>3,93,161.13</b>

**Timing of Revenue recognition:**

Description	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised at point in time		
Interest Income	3,52,937.16	3,93,161.13
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

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**NOTE 38**

**Additional Regulatory Disclosures**

**(i) Details of Benami Property held**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.

**(ii) Willful defaulter**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**(iii) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(iv) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(v) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vi) Utilization of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(vii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(viii) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(ix) Valuation of Property, Plant & Equipment, intangible asset and investment property**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

**(x) Title deeds of immovable properties not held in name of the company**

The Company has immovable property.

**(xi) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period. Corporate Guarantee given by the company to subsidiary company is not liable for charge registration.

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

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

**ROHIT SARAOGI**  
CFO  
PAN: BVCP54684L

**AKSHAY KHARE**  
Company Secretary  
PAN : FMRPK3637K

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **SONAL MERCANTILE LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **Sonal Mercantile Limited** "hereinafter referred to as the Holding Company") and its associate (Holding and associate together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2025, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2025, and the consolidated **Net Profit** (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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



S. No.	Key Audit Matters	Auditor's Response
1	<p><u>Compliance of RBI directions and circulars: -</u></p> <p>The recent RBI regulations increased the responsibility of auditors of NBFCs.</p> <p>As Company is an NBFC, it is responsibility of Company to duly follow the directions and circulars.</p> <p>We focused on the requisite compliance and disclosure as per the requirements in the norms.</p>	<p><u>Our audit procedure inter-alia includes the following: -</u></p> <p>We have reviewed the conditions for prudential norms prescribed by the RBI including: -</p> <ul style="list-style-type: none"> <li>• Hold impairment allowance as required by IND AS with due consideration of existing prudential norms on IRACP on loan advanced.</li> <li>• Transfer of 20% profit to reserve maintain under section 45-IC of the RBI Act.</li> <li>• Holding of at least 50% of the financial assets and 50% of the financial income respectively.</li> <li>• Maintaining minimum Net Owned Funds of Rs. 200 Lakhs.</li> </ul>
2	<p><u>Loans and Advances: -</u></p> <p>Loans are to be disclosed at amortized Cost using effective interest method prescribed under IND AS 109 on 'Financial Instruments'.</p> <p>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company.</p>	<p><u>Our audit procedure inter-alia includes the following: -</u></p> <ul style="list-style-type: none"> <li>• We evaluated the control environment including authorization, sectioning and disbursement of significant loans advanced during the year.</li> <li>• We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with IND AS 109.</li> <li>• We Have obtained external confirmations from third parties in respect of transactions and closing balance for significant loans advanced by the company.</li> <li>• We tested all material entries recorded in connection with the loan advance and interest thereon to determine whether the accounting was appropriate.</li> </ul>

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone financial statements and our auditor's report thereon.

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

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

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

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

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- 1 Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- 3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4 Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5 Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

### **Other Matters**

- The Consolidated audited financial results include the group's share of net profit including other comprehensive income of Rs 2,118.06 lakhs and Rs. 4,407.14 lakhs for the quarter ended March 31, 2025 and year ended March 31, 2025 respectively of the associate company whose financial statements/financial information are unaudited and these are certified by the management, so far as it relates to the amount and disclosures included in respect of aforesaid associate company, is based solely on the certification of management and the procedures performed by us as stated in para "Auditor's Responsibilities" above.

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

- A. With respect to the matters specified in the paragraph 3(xxi) and 4 of the companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Consolidated Auditor's report, according to the information and explanations given to us, the statutory auditor of the associate i.e. the company which is included in the consolidated financial statements have not issued their auditor's report for FY 24-25 till the date of signing this report.
- B. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - 2 In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - 3 The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this

report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- 4 In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under Section 133 of the Act;
- 5 On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of the Group companies is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- 6 With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 7 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:
  - a. The consolidated financial statements have disclosed the impact, if any, of pending litigations on the consolidated financial position of the Group in its consolidated financial statements.
  - b. The Company and its associate did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate.
  - d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - e. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - f. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- g. Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 for the financial year ended March 31,2025 is as follows:
- Based on our examination, which included test checks, the company has used accounting software systems for maintaining its books of account for the financial year ended March 31,2025 which have the feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in software systems. Further, during the course of audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for the record retention.
- h. No qualified/adverse comment under CARO 2020, has been given in the associate auditor's report.
- 8 Dividend is not declared or paid during the year by the company.

**For Ajay Rattan & Co.**  
**Chartered Accountants**  
**Firm Registration No.012063N**

**CA. AJAY AGGARWAL**  
**Partner**  
**Membership No. 090975**  
**UDIN: 25090975BOEOLB4265**

**Place: New Delhi**  
**Dated: 30.05.2025**

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

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

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31<sup>st</sup> March 2025, we have audited the internal financial controls over financial reporting of **Sonal Mercantile Limited** (hereinafter referred to as "the Holding Company") along with its associate (the Holding Company and its associate together referred to as "the Group") as on that date.

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

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

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

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its associate.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

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

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

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

## **Opinion**

In our opinion, to the best of information and according to explanation given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Group have maintained in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".



**Other Matters**

Our aforesaid report under Section 143(3)(G) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is incorporated in India, is based on the corresponding report of the auditor of such company.

**For Ajay Rattan & Co.**  
**Chartered Accountants**  
**Firm Registration No.012063N**

**CA. AJAY AGGARWAL**  
**Partner**  
**Membership No. 090975**  
**UDIN: 25090975BOEOLB4265**

**Place: New Delhi**  
**Dated: 30.05.2025**

**SONAL MERCANTILE LIMITED**  
CIN: L51221DL1985PLC022433  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025**

		(₹ in '000)	
Particulars	Notes	As at 31 Mar 25	As at 31 Mar 24
<b><u>ASSETS</u></b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	5	9,160.01	1,329.38
(b) Bank Balance over and above (a)		-	-
(b) Trade Receivables		-	-
(c) Loans	6	32,94,914.36	35,33,241.68
(d) Investments	7	29,34,445.08	25,93,084.65
(e) Other financial assets	8	119.14	45.05
		<b>62,38,638.59</b>	<b>61,27,700.76</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	9	297.12	360.55
(b) Deferred tax Assets (net)	10	-	186.02
(c) Investment Property	11	63,101.31	63,101.31
(d) Property, plant & equipment	12	854.02	1,235.51
(e) Other non-financial assets	13	13,545.80	13,563.31
		<b>77,798.25</b>	<b>78,446.70</b>
<b>Total Assets</b>		<b>63,16,436.84</b>	<b>62,06,147.46</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Financial liabilities</b>			
(a) Borrowings (other than debt securities)	14	25,73,248.23	29,06,184.59
(b) Other financial liabilities	15	5,200.21	4,988.74
(c) Deferred Tax Liabilities (Net)	10	781.58	-
		<b>25,79,230.02</b>	<b>29,11,173.33</b>
<b>Non-financial liabilities</b>			
(a) Other non financial liabilities	16	1,57,864.51	1,56,345.55
		<b>1,57,864.51</b>	<b>1,56,345.55</b>
<b><u>EQUITY</u></b>			
(a) Equity share capital	17	1,47,385.25	1,47,385.25
(b) Other equity	18	34,31,957.06	29,91,243.32
		<b>35,79,342.31</b>	<b>31,38,628.57</b>
<b>Total Liabilities and Equity</b>		<b>63,16,436.84</b>	<b>62,06,147.46</b>

Summary of material accounting policies and accompanying notes form an integral part of these financial statements. **1-38**

This is the balance sheet referred to in our report of even date.

**FOR AJAY RATTAN & CO.**  
Chartered Accountants  
Firm Registration No. 012063N

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

**CA. AJAY AGGARWAL**  
Partner  
Membership No. 090975  
UDIN: 25090975B0EOLB4265

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

Date: 30.05.2025  
Place: New Delhi

**ROHIT SARAOGI**  
CFO  
PAN: BVCPS4684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

CIN: L51221DL1985PLC022433

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH 2025**

		<b>(₹ in '000)</b>	
<b>Particulars</b>	<b>Notes</b>	<b>For the year ended 31 Mar 25</b>	<b>For the year ended 31 Mar 24</b>
<b>REVENUE</b>			
(I) Revenue from operations	19	3,52,937.16	3,93,161.13
(I) Total revenue from operations		<b>3,52,937.16</b>	<b>3,93,161.13</b>
(II) Other income	20	1,077.37	2,078.55
(III) <b>Total Income (I+II)</b>		<b>3,54,014.53</b>	<b>3,95,239.68</b>
<b>EXPENSES</b>			
(i) Finance costs	21	2,07,658.74	2,32,941.51
(ii) Impairment of Financial instrument		-	-
(iii) Employee benefit expenses	22	3,679.38	2,665.11
(iv) Depreciation, amortisation & impairment	12	393.98	550.47
(v) Other expenses	23	2,680.99	2,642.09
(IV) <b>Total Expenses</b>		<b>2,14,413.09</b>	<b>2,38,799.18</b>
(V) <b>Profit before tax (III-IV)</b>		<b>1,39,601.44</b>	<b>1,56,440.50</b>
(VI) <b>Tax Expense</b>	24		
Current tax		(35,491.28)	(39,423.43)
Deferred tax		22.91	50.48
Previous year taxes		(64.75)	-
(VII) <b>Profit/ (loss) after tax (V-VI)</b>		<b>1,04,068.32</b>	<b>1,17,067.55</b>
Share of Profit in Associate(net)		2,19,155.78	1,24,923.01
<b>Total Profit</b>		<b>3,23,224.10</b>	<b>2,41,990.56</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
- Equity instrument through other comprehensive income- gain/ (loss)		1,49,201.28	-
Income tax relating to items that will not be reclassified to profit or loss		(31,711.65)	-
<b>Total Other Comprehensive Income (VIII)</b>		<b>1,17,489.63</b>	<b>-</b>
<b>Total Comprehensive Income (VII+VIII)</b>		<b>4,40,713.73</b>	<b>2,41,990.56</b>
<b>Earning per equity share (EPS)</b>			
	25		
Basic (Amount in ₹)		24.50	18.40
Diluted (Amount in ₹)		24.50	18.40

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

**1-38**

This is the balance sheet referred to in our report of even date.

**FOR AJAY RATTAN & CO.**

Chartered Accountants

**Firm Registration No. 012063N**

For and on behalf of the Board of Directors of

**SONAL MERCANTILE LIMITED**

**CA. AJAY AGGARWAL**

Partner

Membership No. 090975

UDIN: 25090975BOEOLB4265

**VIKRAM GOYAL**

Whole Time Director

DIN: 00381115

**RAJAN GOYAL**

Director

DIN: 02600825

Date: 30.05.2025

Place: New Delhi

**ROHIT SARAOGI**

CFO

PAN: BVCPS4684L

**AKSHAY KHARE**

Company Secretary

PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2025**

	<b>(₹ in '000)</b>	
<b>Particulars</b>	<b>As at 31 Mar 25</b>	<b>As at 31 Mar 24</b>
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit before tax and after extra- ordinary	1,39,601.44	1,56,440.50
Adjustments for : -		
Depreciation	393.98	550.47
Gain on sale of investments	-	(1,426.19)
Impairment of Financial Instrument	(1,077.37)	-
Operating Profit before working capital changes	1,38,918.05	1,55,564.79
<b><u>Working capital adjustments: -</u></b>		
(Increase)/ decrease in loans	2,39,404.70	6,012.40
(Increase)/ decrease in other financial assets	(74.09)	(0.05)
(Increase)/ decrease in Current Tax Asset	(1.33)	12.63
Increase/ (decrease) in short term borrowing	(3,32,936.37)	(1,29,774.08)
(Increase)/ decrease in other non financial assets	17.51	(28.13)
Increase/ (decrease) in other financial liabilities	211.49	(1,149.23)
Increase/ (decrease) in other non-financial liabilities	1,518.96	11,580.92
Cash generated from operations	47,058.92	42,219.26
Direct Taxes Paid	35,491.28	39,423.43
<b>Net cash flow from operating activities (A)</b>	<b>11,567.63</b>	<b>2,795.82</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Sale/ purchase of property, plant & equipment	(12.50)	(24.50)
Sale/ (Purchase) of investments	(3,724.50)	(2,500.28)
<b>Net cash flow from investing activities (B)</b>	<b>(3,737.00)</b>	<b>(2,524.78)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
<b>Net cash flow from financing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>7,830.63</b>	<b>271.04</b>
Add: Opening cash and cash equivalents	1,329.38	1,058.35
<b>Closing cash and cash equivalents</b>	<b>9,160.01</b>	<b>1,329.38</b>
<b><u>Components of cash and cash equivalents</u></b>		
Cash on hand	260.34	7.01
<b><u>Balances with banks: -</u></b>		
In current accounts	8,899.67	1,322.37
In fixed deposits		
<b>Total cash and cash equivalents</b>	<b>9,160.01</b>	<b>1,329.38</b>

**Notes:-**

- The above statement of cash flow has been prepared under the 'Indirect Method' as set out in IndAS 7 - 'Statement of Cash Flows'.
- Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.
- Since the Company is a loan company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned on loans have been considered as part of "Cash flow from operating activities".

**FOR AJAY RATTAN & CO.**  
Chartered Accountants  
**Firm Registration No. 012063N**

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

**CA. AJAY AGGARWAL**  
Partner  
Membership No. 090975  
UDIN: 25090975BOEOLB4265

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

Date: 30.05.2025  
Place: New Delhi

**ROHIT SARAOGI**  
CFO  
PAN: BVCPS4684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

## SONAL MERCANTILE LIMITED

CIN: L51221DL1985PLC022433

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31 MARCH 2025

## Equity Share Capital

(₹ in '000)

## I. For the year ended 31st March 2025

Balance at the 1st April 2024	Change in equity share capital due to prior period errors	Restated balance at the 01st April 2024	Changes in equity share capital during the year		Balance at the 31st March 2025
1,47,385.25	-	-	-		1,47,385.25

## II. For the year ended 31st March 2024

(₹ in '000)

Balance at the 1st April 2023	Change in equity share capital due to prior period errors	Restated balance at the 01st April 2022	Changes in equity share capital during the year		Balance at the 31st March 2024
1,47,385.25	-	-	-		1,47,385.25

## Other Equity

## I. For the year ended 31st March 2025

(₹ in '000)

Particulars	Reserve & Surplus			Share of other comprehensive income in associates	Total
	Statutory Reserve (U/s 45-IC of the RBI Act, 1934)	Retained earnings	Share Premium		
Balances as at 1st April 2024	1,59,463.90	21,66,800.11	72,529.75	5,92,449.57	29,91,243.33
Changes in accounting policy or prior period error	-	-	-		-
Restated balance as at 1st April 2024	1,59,463.90	21,66,800.11	72,529.75	5,92,449.57	29,91,243.33
Total comprehensive income	-	1,04,068.32	-	1,17,489.63	2,21,557.95
Share of profit in associate		2,19,155.78			2,19,155.78
Appropriation to statutory reserves	88,142.75	(88,142.75)	-		-
Balance as at 31st March 2025	2,47,606.64	24,01,881.47	72,529.75	7,09,939.20	34,31,957.06

## II. For the year ended 31st March 2024

(₹ in '000)

Particulars	Reserve & Surplus			Share of other comprehensive income in associates	Total
	Statutory Reserve (U/s 45-IC of the RBI Act, 1934)	Retained earnings	Share Premium		
Balances as at 1st April 2023	1,11,065.78	19,73,207.66	72,529.75	5,92,449.57	27,49,252.76
Changes in accounting policy or prior period error	-	-	-	-	-
Restated balance as at 1st April 2023	1,11,065.78	19,73,207.66	72,529.75	5,92,449.57	27,49,252.76
Total comprehensive income	-	1,17,067.55	-	-	1,17,067.55
Share of profit in associate	-	1,24,923.01	-	-	1,24,923.01
Appropriation to statutory reserves	48,398.11	(48,398.11)	-	-	-
Balance as at 31st March 2024	1,59,463.90	21,66,800.11	72,529.75	5,92,449.57	29,91,243.32

Summary of material accounting policies and accompanying notes form an integral part of these financial statements.

1-38

This is the balance sheet referred to in our report of even date.

## FOR AJAY RATTAN &amp; CO.

Chartered Accountants

Firm Registration No. 012063N

## For and on behalf of the Board of Directors of

SONAL MERCANTILE LIMITED

## CA. AJAY AGGARWAL

Partner

Membership No. 090975

UDIN: 25090975BOEOLB4265

## VIKRAM GOYAL

Whole Time Director

DIN: 00381115

## RAJAN GOYAL

Director

DIN: 02600825

Date: 30.05.2025

Place: New Delhi

## ROHIT SARAOGI

CFO

PAN: BVCPS4684L

## AKSHAY KHARE

Company Secretary

PAN: FMRPK3637K

**1 Corporate Information**

**NOTE 1**

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

**2 Basis of Preparation of Consolidated Financial Statements**

**NOTE 2**

**2.1 Statement of Compliances**

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

**2.2 Basis for preparation of Consolidated financial statements:**

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

**2.3 Basis and Principles of Consolidation**

The financial statements of the associate company used in the consolidation are unaudited and drawn up to the same reporting date as of the Company i.e. year ended March 31, 2025.

**Associate**

The consolidated financial statements comprise of the group Sonal Mercantile Ltd and its associate Rudraveerya Developers Ltd in accordance with the requirements of Ind AS 110- Consolidated Financial Statements and Ind AS 28 – Investment in Associates and Joint Ventures (to the extent applicable).

Investment in Associates are accounted under the Equity Method , after initially being recognized at cost in the consolidated Balance sheet.

**Equity Method**

Under the equity method of accounting, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for the impairment individually.

The statement of profit and loss reflects the group's share of the results of operations of the associate. Any change in OCI of investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group are eliminated to the extent of the interest of the associate.

**2.4 Use of Estimates:**

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

**2.5 New Standards/ Amendments and Other Changes adopted Effective 1 April 2024 or thereafter**

The Company has adopted certain new accounting standards and amendments effective from April 1, 2024. Ind AS 117, Insurance Contracts, which replaces Ind AS 104, provides comprehensive guidance on the recognition, measurement, presentation, and disclosure of insurance contracts; however, it had no impact on the Company's financial statements as the Company has not entered into any insurance contracts.

Further, an amendment to Ind AS 116, Leases, relating to lease liabilities arising from sale and leaseback transactions, was also notified. Since the Company has not undertaken any such transactions, the amendment did not affect its financial statements. As of the reporting date, there are no new standards that have been notified but are not yet effective.

**2.6 Functional and presentation currency**

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Thousands (up to two decimals), except as stated otherwise.

**2.7 Critical accounting estimates:**

**2.7.1 Income Taxes:**

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

**2.7.2 Impairment of Investments:**

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

**2.7.3 Provisions:**

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

**2.7.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments, restructuring and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.

**NOTE 3**

**3 Material Accounting Policies:**

A summary of the material accounting policies applied in the preparation of the Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Consolidated Financial Statements.

**3.(a) Financial Instruments:**

**a.1 Financial Assets:-**

**Recognition and initial measurement: -**

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost.

**Subsequent measurement: -**

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

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

**De- Recognition of financial Assets: -**

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

**Impairment of financial assets: -**

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

**a.2 Financial Liabilities : -**

**Recognition and initial measurement: -**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost.

**Subsequent measurement: -**

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

**De-recognition of financial liabilities**

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

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

**a.3 Off setting of financial instrument: -**

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

**a.4 Impairment of Financial Assets: -**

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

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

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**a.5 Expected Credit Loss (ECL): -**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance on Loans with significant financing component is measured at an amount equal to 12-month ECL. For all other financial assets, expected credit losses are measured at an amount equal to the lifetime 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment gain or loss in condensed consolidated statement of comprehensive income.

**3.(b) Cash and cash equivalents**

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

**3.(c) Investment property**

**Recognition and initial measurement**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives)**

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the straight-line method, computed on the basis of useful lives (as set-out below) prescribed in Schedule II to the Act. However no depreciation is being charged on land in accordance with IND AS 40.

<b>Asset Category Useful Life</b>	<b>(in years)</b>
Agricultural land	Unlimited

**De-recognition**

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**3.(d) Property plant and equipment (PPE)**

**1.1. Initial recognition and measurement**

Property, plant and equipments ("PPE") are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipments have different useful lives, they are recognized separately.

Spare parts are capitalized when they meet the definition of PPE, i.e. when the Company intends to use these for a period exceeding 12 months.

On transition to IND AS, the Company has elected to continue with the carrying value of all of its PPE recognized, measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

**1.2. Depreciation**

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

In circumstance, where a PPE is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

<b>Particulars of Property, Plant &amp; Equipment</b>	<b>Useful life (in years)</b>
Furniture	10
Motor Vehicle	8
Office Equipment	5
Computer	3



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

**3.(e) Provision, contingent liabilities and contingent assets**

**Provision:** A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**Contingent Liability:** Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**3.(f) Revenue recognition:**

With Effective 1st April, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers Pursuant to adoption of Ind AS 115, Revenue from contracts with customers are recognized when the control over the goods or services promised in the contract are transferred to the customer. The amount of revenue recognized depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the goods or services.

- f.1 Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and other incomes attributable to acquisition of a financial assets.
- f.2 Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.
- f.3 Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**3.(g) Employee benefits**

**Short Term Benefits:** Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.(h) Taxation**

**h.1 Current Income tax:** Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to applicable tax regulations which are subject to interpretation and establishes provisions where appropriate.

**h.2 Deferred Tax:** Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

**3.(i) Earning per share**

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

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

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

**3.(j) Statement of cash Flows:** Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.'

**NOTE 4**

**4 Major Estimates and Judgments made in preparing Consolidated Financial Statements**

The preparation of the Company's Consolidated Financial Statements requires management to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

**4.1 JUDGEMENTS**

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the Consolidated Financial Statements:

**Materiality**

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the Consolidated Financial Statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

**Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter. In the similar line, management also on the basis of best judgment and estimate determines the net realizable value of the Inventories to make necessary provision.

**4.2 MAJOR ESTIMATES**

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**Useful life of property, plant and equipment and intangible assets**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

**Income Taxes**

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Particulars	(₹ in '000)	
	As at 31 Mar 25	As at 31 Mar 24
<b>Note 5</b>		
<b>5 Cash and cash equivalents</b>		
Cash on hand (as certified)	260.34	7.01
Balances with banks	8,899.67	1,322.37
<b>Total</b>	<b>9,160.01</b>	<b>1,329.38</b>
<b>Note 6</b>		
<b>6 Loans</b>		
In India (at amortized cost)		
(A)		
(i) Loans repayable on demand	-	-
(ii) Term loan	33,02,792.93	35,42,197.63
<b>Total (A)- Gross</b>	<b>33,02,792.93</b>	<b>35,42,197.63</b>
Less: Impairment loss allowance	(7,878.57)	(8,955.95)
<b>Total (A)-Net</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>
(B)		
(i) Secured by tangible assets	-	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Govt. guarantee	-	-
(iv) Unsecured	33,02,792.93	35,42,197.63
<b>Total (B)- Gross</b>	<b>33,02,792.93</b>	<b>35,42,197.63</b>
Less: Impairment loss allowance	(7,878.57)	(8,955.95)
<b>Total (B)-Net</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>
(C)		
(I) Loans in India	-	-
(ii) Public sector	-	-
(iii) Others	33,02,792.93	35,42,197.63
<b>Total (C)- Gross</b>	<b>33,02,792.93</b>	<b>35,42,197.63</b>
Less: Impairment loss allowance	(7,878.57)	(8,955.95)
<b>Total (C) (I) - Net</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
<b>Total (C) (II) - Net</b>	<b>-</b>	<b>-</b>
<b>Total Net (C) (III)</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>
<b>Note 7</b>		
<b>7 Investments</b>		
<b>Equity Instruments ( Measured at Fair value through OCI)</b>		
<u>Investment in India - Quoted Shares</u>		
6,62,370 Shares of PC Jewellers Limited	8,650.55	3,926.47
(PY 66,237 shares of FV Rs 10 each)		
51,500 Shares of Eraaya Lifespaces Ltd.	2,936.02	-
Shares -Aplaya Creations Limited	-	0.00
<b>Total</b>	<b>11,586.57</b>	<b>3,926.47</b>
<b>Investments in Associates (Measured at Amortised cost)</b>		
<u>Investment in India Un-Quoted Shares</u>		
25,000 Equity Shares of M/s Rudraveerya Developers Limited	29,22,858.41	25,89,158.08
FV Rs 10/- each		
<b>Other investments (Measured at amortised cost)</b>		
<u>Stamp Paper</u>	0.10	0.10
<b>Total</b>	<b>29,34,445.08</b>	<b>25,93,084.65</b>
Aggregate cost of quoted investment	<b>7,650.98</b>	<b>3,926.47</b>
Aggregate Market value of quoted investment	<b>11,586.57</b>	<b>3,926.47</b>
Investments in Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.		
7.1 Carrying amount of investment in associate in accordance with IND AS 28 is arrived as follows:-		
Initial cost of investment	229.40	229.40
Goodwill on consolidation	20.60	20.60
Share in post acquisition profit	29,22,608.41	25,88,908.08
<b>Total</b>	<b>29,22,858.41</b>	<b>25,89,158.08</b>
<b>Note 8</b>		
<b>8 Other financial assets</b>		
Security deposits	45.00	45.00
Receivables considered good- unsecured	73.65	0.05
Receivable against expenses	0.49	-
<b>Total</b>	<b>119.14</b>	<b>45.05</b>

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		(₹ in '000)	
Particulars		As at 31 Mar 25	As at 31 Mar 24
<b>Note 9</b>			
<b>9 Current tax assets</b>			
Balance with revenue authorities		35,788.40	39,783.98
Provision for Income Tax		(35,491.28)	(39,423.43)
<b>Total</b>		<b>297.12</b>	<b>360.55</b>
<b>Note 10</b>			
<b>10 Deferred tax assets (net)</b>			
At start of the year		186.02	135.54
Credit/ (charge) to statement of profit and loss		22.91	50.48
Credit/ (charge) to statement of OCI		(990.51)	-
<b>At end of the year</b>		<b>(781.58)</b>	<b>186.02</b>

10.1 Deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Timing difference on account of :	For the year ended on 31 March 2025			
	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Property, plant & equipment	186.02	22.91	-	208.92
Fair value measurement of Equity instrument	-	-	(990.51)	(990.51)
<b>Total</b>	<b>186.02</b>	<b>22.91</b>	<b>(990.51)</b>	<b>(781.58)</b>

Timing difference on account of :	For the year ended on 31 March 2024			
	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Property, plant & equipment	135.54	50.48	-	186.02
<b>Total</b>	<b>135.54</b>	<b>50.48</b>	<b>-</b>	<b>186.02</b>

<b>Note 11</b>			
<b>11 Investment Property</b>			
In Agricultural land (at Cost): -			
Opening Balance		63,101.31	63,101.31
Add: Additions during the year		-	-
Less: Sales during the year		-	-
Closing Balance		<b>63,101.31</b>	<b>63,101.31</b>

(i) Amount recognised in profit and loss for investment properties

- The property is not given on rent therefore no amount has been recognised in the profit and loss. Hence no disclosure is required under clause (i).

(ii) Fair Value of investment properties

Particulars	31-03-2025	31-03-2024
Fair value	65,388.75	63,101.31
<b>Total</b>	<b>65,388.75</b>	<b>63,101.31</b>

\* Fair value is determined on the basis of Collector rate of the land of that area as provided by the management.

(iii) Leasing arrangements

The aforementioned investment property is not provided on long term lease agreement.

<b>Note 12</b>			
<b>12 Property, plant &amp; equipment</b>			
Carrying amount: -			
Office equipment		7.69	0.31
Furniture & fixtures		0.70	0.70
Computers		14.01	25.22
Motor Car		831.62	1,209.28
<b>Total</b>		<b>854.02</b>	<b>1,235.51</b>

Assets	Motor Car	Office equipment	Furniture & fixtures	Computers	Total
<b>Cost or Deemed Cost: -</b>					
Balance as at 31 March 2024	2,163.91	5.29	14.00	60.10	2,243.30
Additions during the year	-	12.50	-	-	12.50
Asset disposed/ written off during the year	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>2,163.91</b>	<b>17.79</b>	<b>14.00</b>	<b>60.10</b>	<b>2,255.80</b>
<b>Accumulated depreciation: -</b>					
Balance as at 31 March 2024	954.63	4.98	13.30	34.88	1,007.79
Charge for the year	377.66	5.12	-	11.21	393.98
Asset disposed/ written off during the year	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>1,332.29</b>	<b>10.10</b>	<b>13.30</b>	<b>46.09</b>	<b>1,401.78</b>
<b>Carrying amount: -</b>					
Balance as at 31 March 2024	1,209.28	0.31	0.70	25.22	1,235.50
<b>Balance as at 31 March 2025</b>	<b>831.62</b>	<b>7.69</b>	<b>0.70</b>	<b>14.01</b>	<b>854.02</b>

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

12.2 The company has not made any of change (10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) in the value of Property, Plant & Equipments due to revaluation.

**SONAL MERCANTILE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Particulars	As at 31 Mar 25	As at 31 Mar 24
		(₹ in '000)
13 Other non-financial assets	Note 13	
Advances for purchase of properties	13,535.18	13,535.18
Prepaid Insurance	9.50	11.26
Prepaid Expenses	1.12	16.87
Total	13,545.80	13,563.31
14 Borrowings (other than debt securities)	Note 14	
Loans from related parties*	2,69,920.70	7,28,587.81
Loan from others	23,03,327.53	21,77,596.78
Total	25,73,248.23	29,06,184.59
* For related party disclosure, refer note 26		
Loan from others are the inter corporate loans repayable on demand or in installments as specified.		
15 Other financial liabilities	Note 15	
Advance against sale of investments	4,800.00	4,800.00
Salary Payable	294.21	176.24
Rent Payable	25.00	12.50
Payable against expenses	81.00	-
Total	5,200.21	4,988.74
16 Other non financial liabilities	Note 16	
Advance against joint development agreement	1,21,000.00	1,21,000.00
Payable to government authorities	36,863.28	35,263.09
Expense Payable	1.23	82.46
Total	1,57,864.51	1,56,345.55
17 Equity share capital	Note 17	
	As at 31 March 2025	As at 31 March 2024
	Nos.	(₹ In '000s)
Authorized shares		
Equity shares of ₹ 10 each with voting rights	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000
Issued, subscribed and fully paid- up shares		
Equity shares of ₹ 10 each with voting rights fully paid	1,47,38,525	1,47,385.25
Total	1,47,38,525	1,47,385.25
17.1 Reconciliation of number of equity shares and amount outstanding		
	As at 31 March 2025	As at 31 March 2024
	Nos.	(₹ In '000s)
Equity Shares		
- At the beginning of the period	1,47,38,525	1,47,385.25
- Issued during the year	-	-
Total outstanding at the end of the period	1,47,38,525	1,47,385.25
17.2 Terms and rights attached to equity shares		
The company has issued only one class of equity shares having a par value of ₹ 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.		
17.3 Details of shareholders holding more than 5% shares in the company: -		
	As at 31 March 2025	As at 31 March 2024
	Nos.	% holding
Rudraveerya Developers Limited	36,45,635	24.74%
Ram Gopal Goyal & Sons LLP	36,72,396	24.92%
Orion infradevelopers LLP	13,22,043	8.97%
Orion Propmart LLP	15,21,354	10.32%
As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of		
17.4 Details of shares held by promoters in the Company		
	31st March 2025	31st March 2024
	No of Shares	% of total Shares
Ram Gopal Goyal & Sons LLP	36,72,396	24.92%
		% Change during the year
		-
17.5	There is no change in promoters shareholding during the period ended March 31, 2025 and March 31, 2024.	

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

Particulars	(₹ in '000)	
	As at 31 Mar 25	As at 31 Mar 24
<b>Note 18</b>		
<b>18 Other equity</b>		
<u>Special Reserve (u/s 451C of RBI Act, 1934)</u>		
Balance as per last financial statements	1,59,463.89	1,11,065.78
Add: Transfer from surplus	20,813.66	48,398.11
Closing balance	1,80,277.55	1,59,463.89
<u>Retained Earnings</u>		
Balance as per last financial statements	21,66,800.11	19,73,207.66
Add/(Less): Profit/ (loss) for the year	1,04,068.32	1,17,067.55
Add/(Less): Share of Profit in Associate	2,19,155.78	1,24,923.01
Less: Transfer to Special Reserve u/s 45-1C of RBI Act	(20,813.66)	(48,398.11)
Net surplus in statement of profit and loss	24,69,210.55	21,66,800.11
<u>Share premium</u>		
Opening balance	72,529.75	72,529.75
Addition/ (deletion) during the year	-	-
Closing balance	72,529.75	72,529.75
<u>Other Comprehensive Income</u>		
Opening Balance	-	-
Transfer from Statement of Profit & Loss	2,945.08	-
Closing Balance	2,945.08	-
<u>Share of Other Comprehensive Income in Associate</u>		
Opening Balance	5,92,449.58	5,92,449.58
Transfer from Statement of Profit & Loss	1,14,544.55	-
Closing Balance	7,06,994.13	5,92,449.58
<b>Total</b>	<b>34,31,957.06</b>	<b>29,91,243.32</b>

**Nature and Purpose of other reserves**

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income and gain/(loss) booked on re-measurement of defined benefit plans.

**Share Premium**

Any premium received on the issue of shares cumulates to this reserve account.

**Special Reserve**

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent. of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025****(₹ in '000)**

<b>Particulars</b>		<b>For the year ended 31 Mar 25</b>	<b>For the year ended 31 Mar 24</b>
		<b>Note 19</b>	
<b>19</b>	<b>Revenue from operations</b>		
	<u>On financial assets measured at amortized cost:</u>		
	- Interest income on loans	3,52,937.16	3,93,161.13
	<b>Total</b>	<b>3,52,937.16</b>	<b>3,93,161.13</b>
		<b>Note 20</b>	
<b>20</b>	<b>Other income</b>		
	Interest on income tax refund	-	0.72
	Income From Trading	-	1,425.47
	Expected Credit Loss Allowance	1,077.37	652.36
	<b>Total</b>	<b>1,077.37</b>	<b>2,078.55</b>
		<b>Note 21</b>	
<b>21</b>	<b>Finance cost</b>		
	<u>On financial liabilities measured at amortized cost:</u>		
	- Interest on borrowings	2,07,658.74	2,32,941.51
	<b>Total</b>	<b>2,07,658.74</b>	<b>2,32,941.51</b>
		<b>Note 22</b>	
<b>22</b>	<b>Employee benefit expenses</b>		
	Salaries and allowances	3,663.82	2,636.39
	Staff welfare expenses	15.56	28.72
	<b>Total</b>	<b>3,679.38</b>	<b>2,665.11</b>
		<b>Note 23</b>	
<b>23</b>	<b>Other expenses</b>		
	Advertisement & publication expenses	84.20	85.33
	CSR Charges	1,325.00	1,390.00
	Rent	150.00	150.00
	Insurance	25.21	16.70
	Payment to statutory auditors		-
	towards audit fees	88.50	118.00
	Printing and stationery	12.82	13.17
	Miscellaneous expenses	995.26	868.89
	<b>Total</b>	<b>2,680.99</b>	<b>2,642.09</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025****(₹ in '000)**

Particulars	For the year ended	For the year ended
	31 Mar 25	31 Mar 24
	<b>NOTE 24</b>	
<b>24 Income tax</b>		
Tax expense comprises of:		
Current tax	(35,491.28)	(39,423.43)
Deferred tax charge	22.91	50.48
Earlier years tax adjustments (net)	(64.75)	-
<b>and loss</b>	<b>(35,533.12)</b>	<b>(39,372.95)</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	1,39,601.44	1,56,440.50
At India's statutory income tax rate of 25.168%	35,134.89	39,372.94

**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Tax impact of expenses which will never be allowed

	-	-
Earlier years tax adjustments (net)	-	-
Others	-	-
<b>Income tax expense</b>	<b>35,134.89</b>	<b>39,372.94</b>

**Note 25****25 Earning Per Shares: (in ₹)**

Profit for the year (₹)	32,32,24,110.84	24,19,90,563.35
Amount available for equity shareholders (₹)	32,32,24,110.84	24,19,90,563.35
Total number of equity shares outstanding at the beginning of the year	1,31,91,008.20	1,47,38,525.00
Total number of equity shares outstanding at the beginning of the year	1,31,91,008.20	1,47,38,525.00
Weighted average number of equity shares	1,31,91,008	1,31,51,081
Earning per share - Basic and diluted (₹)	24.50	18.40
Face value per equity share (₹)	10.00	10.00



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025**

**26 Related parties**

**Note 26**

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

**26.1** List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

(i)	Associate Company	Rudraveerya Developers Limited
(ii)	Key Management Personnel	Vikram Goyal
		Executive Director
		Rajan Goyal
		Non-Executive Director
		Rohit Saraogi
		Chief Financial Officer
		Akshay Khare
		Company Secretary
		Deepak
		Independent Director
		Rati Goswami
		Independent Director
		Pardeep Kumar
		Independent Director
		Munish Kumar Garg
		Independent Director
(iii)	Relatives of Key Management Personnel	No transactions have been entered into with such parties
(iv)	Enterprises owned or significantly influenced by the Key Management Personnel or their Relatives	

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

(₹ in '000)

Particulars	Associate/Enterprises over which KMP have significant influence		KMP		Total	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.03.2024
<b>Transactions during the year</b>						
<b>Loan Taken</b>	<b>4,70,470.00</b>	<b>12,34,107.50</b>	-	-	<b>4,70,470.00</b>	<b>12,34,107.50</b>
Rudraveerya Developers Ltd	4,70,470.00	12,34,107.50	-	-	4,70,470.00	12,34,107.50
<b>Loan repaid</b>	<b>9,56,250.00</b>	<b>14,81,960.00</b>	-	-	<b>9,56,250.00</b>	<b>14,81,960.00</b>
Rudraveerya Developers Ltd	9,56,250.00	14,81,960.00	-	-	9,56,250.00	14,81,960.00
<b>Finance Cost</b>	<b>36,053.21</b>	<b>69,944.63</b>	-	-	<b>36,053.21</b>	<b>69,944.63</b>
Rudraveerya Developers Ltd	36,053.21	69,944.63	-	-	36,053.21	69,944.63
<b>Remuneration</b>	-	-	<b>1,155.00</b>	<b>1,043.57</b>	<b>1,155.00</b>	<b>1,043.57</b>
Rohit Saraogi	-	-	600.00	600.00	600.00	600.00
Akshay Khare	-	-	555.00	443.57	555.00	443.57
<b>Balances outstanding at year end</b>						
<b>Loan Payable</b>	<b>2,42,807.81</b>	<b>6,65,637.64</b>	-	-	<b>2,42,807.81</b>	<b>6,65,637.64</b>
Rudraveerya Developers Ltd	2,42,807.81	6,65,637.64	-	-	2,42,807.81	6,65,637.64
<b>Interest Payable</b>	<b>27,112.89</b>	<b>62,950.17</b>	-	-	<b>27,112.89</b>	<b>62,950.17</b>
Rudraveerya Developers Ltd	27,112.89	62,950.17	-	-	27,112.89	62,950.17
<b>Remuneration Payable</b>	-	-	<b>97.87</b>	<b>86.23</b>	<b>97.87</b>	<b>86.23</b>
Rohit Saraogi	-	-	47.87	47.87	47.87	47.87
Akshay Khare	-	-	50.00	38.36	50.00	38.36

**Note 27**

**27 Ratio Analysis and its components**

S.No.	Particulars	31 Mar 25	31 Mar 24	% change from March 31 2024 to March 31 2025
1	Capital to risk -weighted asset ratio (CRAR)	56.75%	50.59%	12.18%
2	Tier I CRAR	56.75%	50.59%	12.18%
3	Tier II CRAR	0.00%	0.00%	0.00%
4	Liquidity Coverage Ratio	-3.68%	-0.48%	665.94%

**Reasons for variance of more than 25% in above ratios**

- (a) CRAR has increased as Tier 1 capital increased more than decreased in Risk Weighted Assets during the year ended on 31st March 2025 as compared to previous year.
- (b) Liquidity Coverage Ratio has decreased due to increase in cash inflow more than increase in cash outflows during the year ended on 31st March 2025 as compared to previous year.

**Components of Ratio**

(₹ In '000s)

S.No.	Ratios	Numerator	Denominator	31 Mar 25		31 Mar 24	
				Numerator	Denominator	Numerator	Denominator
1	Capital to risk -weighted asset ratio (CRAR)	Tier I Capital + Tier II Capital - Investment in subsidiaries	Risk Weighted Assets	35,79,342.31	63,06,979.70	31,38,628.57	62,04,271.49
2	Tier I CRAR	Tier I	Risk Weighted Assets	35,79,342.31	63,06,979.70	31,38,628.57	62,04,271.49
3	Tier II CRAR	Tier II	Risk Weighted Assets	-	63,06,979.70	-	62,04,271.49
4	Liquidity Converge Ratio	Highly qualified Liquid assets	Net Cash outflow	9,160.01	(2,49,148.46)	1,329.38	(2,77,156.37)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025**

- 28** The Consolidated financial statements were approved for issue by the Board of Directors on 30th day of May, 2025. **Note 28**
- 29** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. **Note 29**
- 30** There has been no delay in transferring amounts, if required to be transferred, to the Investor Education and Protection Fund by the Company. **Note 30**
- 31 Corporate Social Responsibility (CSR)** **Note 31**
- 31.1** The Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. The Company's objective is to pro-actively support meaningful socio-economic development. As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at [www.sonalmercantile.in](http://www.sonalmercantile.in) and the company is required to spend for CSR activities in accordance with the same. The details of the CSR expenses for the year are as under:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
For Corporate Social Responsibility	1,325.00	1,390.00
<b>Total</b>	<b>1,325.00</b>	<b>1,390.00</b>

a) Gross amount required to be spent by the Company during the year	2,275.05	1,654.28
b) Un-utilised Amount brought forward from previous year	1,227.59	963.31
c) Excess Amount spent last year brought forward	-	-
d) Amount of Expenditure incurred during the year	1,325.00	1,390.00
e) Shortfall at the end of the year	2,177.64	1,227.59
f) Total of Previous Year Shortfall	-	-
g) Un-utilised Amount carried forward to next year	-	-
h) Excess Amount spent carried forward to next year	-	-
i) Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
j) where a provision is made with respect to a liability incurred by entering into a contractual obligations, the movements in the provision during the year shall be shown separately.	Nil	Nil

- 31.2** The Company has not spent the entire amount during the FY 24-25. However the Company has transferred the amount of Rs 2,290/- thousands to a separate Unspent CSR Bank Account and will spend the same in due course as per the applicable provisions of the Companies Act, 2013

**32 Disclosure as per IND AS: 27, Separate Financial Statement****Note 32**

Interest in Associate

Name of the Entity	Place of Business/ Country of Incorporation	Proportion of Ownership Interest	
		As at March 2025	As at March 2024
Rudraveerya Developers Limited	India	42.44%	42.44%

The company's share of assets, Liabilities, income and expenses of Associate is as follows:

Name of the Associate	Financial year	Income	Expenses	Profit
Rudraveerya Developers Limited	2024-2025	17,08,858.00	10,19,074.00	5,14,816.00
	2023-2024	3,69,476.46	2,45,214.53	1,24,923.01

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

- 34** Previous year figures have been regrouped/rearranged wherever considered necessary. **Note 34**

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

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

**ROHIT SARAOGI**  
CFO  
PAN: BVCP54684L

**AKSHAY KHARE**  
Company Secretary  
PAN: FMRPK3637K

**SONAL MERCANTILE LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**
**35 Financial instruments**
**NOTE 35**
**Fair values hierarchy**

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Financial instruments by category**
**Categories of Financial Instruments and its fair value measurement**

(₹ in 000's)

Particulars	31 March 2025			31 March 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	11,586.57	29,22,858.51	-	3,926.47	25,89,158.18
Trade receivables	-	-	-	-	-	-
Loans	-	-	32,94,914.36	-	-	35,33,241.68
Cash and cash equivalents	-	-	9,160.01	-	-	1,329.38
Other financial assets	-	-	119.14	-	-	45.05
<b>Total financial assets</b>	-	<b>11,586.57</b>	<b>62,27,052.02</b>	-	<b>3,926.47</b>	<b>61,23,774.29</b>
<b>Financial liabilities</b>						
Borrowings	-	-	25,73,248.23	-	-	29,06,184.59
Other financial liabilities	-	-	5,200.21	-	-	4,988.74
Deferred Tax Liabilities	-	-	781.58	-	-	-
<b>Total financial liabilities</b>	-	-	<b>25,79,230.01</b>	-	-	<b>29,11,173.33</b>

Investment in associate is measured at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2025		31 March 2024	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	32,94,914.36	32,94,914.36	35,33,241.68	35,33,241.68
<b>Total financial assets</b>		<b>32,94,914.36</b>	<b>32,94,914.36</b>	<b>35,33,241.68</b>	<b>35,33,241.68</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	25,73,248.23	25,73,248.23	29,06,184.59	29,06,184.59
Other financial liabilities	Level 3	5,200.21	5,200.21	4,988.74	4,988.74
Deferred Tax Liabilities	Level 3	781.58	781.58	(186.02)	(186.02)
<b>Total financial liabilities</b>		<b>25,79,230.01</b>	<b>25,79,230.01</b>	<b>29,10,987.32</b>	<b>29,10,987.32</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**36 FINANCIAL RISK MANAGEMENT**
**NOTE 36**

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, Investments, trade receivables, other financial assets.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables, Loans and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Credit risk management**
**Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Company provides for expected credit loss based on the following:

	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, investments, other bank balances, loans, trade receivables other financial assets	Life time expected credit loss or 12 month expected credit loss
Medium	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables and other financial asset	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit rating	31 March 2025	31 March 2024
A: Low	-	-
B: Medium	-	-
C: High	-	-

**Concentration of trade receivables, Loans**

The Company's exposure to credit risk for trade receivables is Nil.

**Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

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**As at 31 March 2025**

Particulars	Estimated	Expected credit	Carrying amount
Cash and cash equivalents	9,160.01	-	9,160.01
Investment	29,34,445.08	-	29,34,445.08
Other bank balances	-	-	-
Loans	33,02,792.93	7,878.57	32,94,914.36
Other financial assets	119.14	-	119.14

**As at 31 March 2024**

Particulars	Estimated	Expected credit	Carrying amount
Cash and cash equivalents	1,329.38	-	1,329.38
Investment	25,93,084.65	-	25,93,084.65
Other bank balances	-	-	-
Loans	35,42,197.63	8,955.95	35,33,241.68
Other financial assets	45.05	-	45.05

**Reconciliation of loss provision – lifetime expected credit losses**

Reconciliation of loss allowance	Loans	Other financial asset
<b>Loss allowance as on 31 March 2023</b>	9,608.31	-
Impairment loss recognised/reversed during the year	(652.36)	-
Amounts written off	-	-
<b>Loss allowance on 31 March 2024</b>	<b>8,955.95</b>	-
Impairment loss recognised/reversed during the year	1,077.37	-
Amounts written off	-	-
<b>Loss allowance on 31 March 2025</b>	<b>10,033.32</b>	-

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2025	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	-	25,73,248.23	25,73,248.23
Trade payable	-	-	-
Other financial liabilities	400.21	4,800.00	5,200.21
<b>Derivatives</b>			
Derivative liability	-	-	-
<b>Total</b>	<b>400.21</b>	<b>25,78,048.23</b>	<b>25,78,448.44</b>

31 March 2024	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	-	29,06,184.59	29,06,184.59
Trade payable	-	-	-
Other financial liabilities	188.74	4,800.00	4,988.74
<b>Derivatives</b>			
Derivative liability	-	-	-
<b>Total</b>	<b>188.74</b>	<b>29,10,984.59</b>	<b>29,11,173.33</b>

**Interest rate risk**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	31 March 2025	31 March 2024
Variable rate borrowing	-	-
Fixed rate borrowing	25,73,248.23	29,06,184.59
<b>Total borrowings</b>	<b>25,73,248.23</b>	<b>29,06,184.59</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2025	31 March 2024
Interest rates – increase by 50 basis points	(12,866.24)	(14,530.92)
Interest rates – decrease by 50 basis points	12,866.24	14,530.92

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**NOTE 37**

**Capital management**

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios -

Particulars	31 March 2025	31 March 2024
Net debt*	25,64,088.22	29,04,855.21
Total equity	35,79,342.31	5,49,720.50
<b>Net debt to equity ratio</b>	<b>0.72</b>	<b>5.28</b>

\*Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025**

**38 Disclosure as per Ind AS 115 : Revenue from contract with customers**

**NOTE 38**

Ind AS 115 requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

Description	Year ended 31 March 2025	Year ended 31 March 2024
Contract liabilities at the beginning of the year	-	-
Less: performance obligations satisfied in current year	-	-
Add: advance received during the year.	-	-
Contract liabilities at the end of the year	-	-

**Disaggregation of revenue**

Revenue arises mainly from the Interest income on loans.

Description	Year ended 31 March 2025	Year ended 31 March 2024
Interest Income	3,52,937.16	3,93,161.13
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

Geographical markets	Year ended 31 March 2025	Year ended 31 March 2024
India	3,52,937.16	3,93,161.13
Others	-	-
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

**Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price**

Description	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised during the year	3,52,937.16	3,93,161.13
Less: Discount, rebates, credits etc.	-	-
Add/Less: Any adjustment during the year	-	-
Revenue as per the contract	<b>3,52,937.16</b>	<b>3,93,161.13</b>

**Timing of Revenue recognition:**

Description	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised at point in time		
Interest Income	3,52,937.16	3,93,161.13
	<b>3,52,937.16</b>	<b>3,93,161.13</b>

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**NOTE 39**

**Additional Regulatory Disclosures**

**(i) Details of Benami Property held**

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.

**(ii) Willful defaulter**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**(iii) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(iv) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(v) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vi) Utilization of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(vii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(viii) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(ix) Valuation of Property, Plant & Equipment, intangible asset and investment property**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

**(x) Title deeds of immovable properties not held in name of the company**

The Company has immovable property.

**(xi) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period. Corporate Guarantee given by the company to subsidiary company is not liable for charge registration.

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

**VIKRAM GOYAL**  
Whole Time Director  
DIN: 00381115

**RAJAN GOYAL**  
Director  
DIN: 02600825

**ROHIT SARAOGI**  
CFO  
PAN: BVCP54684L

**AKSHAY KHARE**  
Company Secretary  
PAN : FMRPK3637K