

Sonal Mercantile Ltd.

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

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Saturday, 29th September 2012 at 11:30 A.M. at the Registered Office of the Company at 105/33, Vardhman Golden Plaza, Community Center, Road No. 44, Pitampura, Delhi-110034 to transact the following businesses:


Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at **31st March, 2012** and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' Report (alongwith the Compliance Certificate) thereon.
2. To appoint the Statutory Auditors of the Company and to fix their Remuneration and in that connection to pass with or without modification(s), the following Resolution to be moved as an Ordinary Resolution.

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

3. To appoint Director in place of Mr. Vishnu Mittal who retires by rotation & being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Vikram Sharma who retires by rotation & being eligible offers himself for reappointment.

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


Chairman

**Dated: 01.09.2012
Place: New Delhi**

Notes:

- A. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the meeting.
- B. The Register of members and Share Transfer Books of the Company shall remain closed from 20.09.2012 to 29.09.2012 (both days inclusive).
- C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- D. Members are requested to notify any change in their address immediately to the registered office of the Company.
- E. Corporate Members: Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- F. Queries at the AGM: Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- G. Inspection of Documents: Documents referred to in the Annual General Meeting Notice are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

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DIRECTORS' REPORT

Dear Members

Your Directors present the 27th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended **31st March, 2012**.

Financial Highlights

Particulars	(Amount in Rs.)	
	Financial Year ended 31.3.2012	Financial Year ended 31.3.2011
Total Income	9,08,93,199.86	11,45,976.00
Total Expenditure	9,00,04,563.45	5,56,552.00
Profit/(Loss) before tax	8,88,636.41	5,89,424.00
Paid-up Share Capital	54,90,000	54,90,000
Reserves and Surplus (excluding revaluation reserve)	19,12,78,586.74	2,73,71,731.60

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

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company- 31st March, 2012 till the date of this report.

Dividend

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

AMALGAMATION

The Scheme for amalgamation of Adonis Infosoft Pvt Ltd, Daisy Garments Pvt Ltd, Saroj Softtex Pvt Ltd and Shriram Buildmart Pvt Ltd (Transferor Companies) with Sonal Mercantile Ltd (Transferee Company) was approved by the Hon'ble High Court of Delhi vide its order dated 21st March, 2012.

Board of Directors

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

Prudential Norms & Directions of RBI for NBFCs

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

Public Deposits

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

Particulars of Employees

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

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

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

Statutory Auditors

M/s Ishant Agarwal & Associates, Chartered Accountants, Statutory Auditors of the Company, who retires at the conclusion of the ensuing Annual General Meeting of the Company have expressed their unwillingness to be considered for reappointment as statutory auditors of the Company.

Your Board has proposed the name of M/s V.N. Purohit & Co., Chartered Accountants, as statutory auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed appointment has been obtained from them. Your Directors recommend their appointment.

Auditors' Report

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

Secretarial Compliance Certificate

In terms of the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the necessary Compliance Certificate from Ms. Rachna Bhasin, Practicing Company Secretary. The Compliance Certificate is annexed herewith and forms part of this Report.

Directors' Responsibility Statement

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

- a. in preparation of the annual accounts, the applicable accounting standards had been followed;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The Equity Shares of the Company are listed at Delhi Stock Exchange Ltd (DSE). The Company has already paid listing fees for the financial year 2012-13 to the Delhi Stock Exchange Ltd.

Corporate Governance

Presently, Clause 49 of the Listing Agreement relating to the Corporate Governance is not applicable to the Company. However, the Company observes good corporate practices to enhance the stakeholders' value.

Acknowledgement

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

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



Chairman

Dated: 01.09.2012

Place: New Delhi

AUDITOR'S REPORT

To The Members of
Sonal Mercantile Limited

We have audited the attached Balance Sheet as at 31st March, 2012 and also the Profit and Loss Account & the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and profit and Loss Account and the cash flow statements dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.



(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : New Delhi
Date : 31.05.2012



For Ishant Agarwal & Associates
Chartered Accountants



Ishant
AI

(Ishant Agarwal)
Proprietor
M.No.518876

Annexure to Auditors Report

Referred to in Paragraph 3 of our report of even date

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



4. In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods or services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. As explained and according to information given to us there has not been any contract or arrangement referred to in section 301 of the Act, particulars of which need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. The cost record maintained by the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
9. In respect of statutory dues:
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2012 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no outstanding statutory dues on the part of company which is not deposited on account of dispute.
10. The company does not have accumulated losses at the end of financial year. The company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not taken any loan from any financial institution or bank or debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and in our opinion, adequate documents and records are maintained.
13. The Company is not a chit fund, nidhi or mutual benefit society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments held by the company, in it's own name.



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

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

- (i) The company is a Non-Banking Financial Company not accepting public deposit and the certificate of registration no. B-14-02393 dated 19.07.2002 from Reserve Bank of India has been issued to the company.
- (ii) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
- (iii) The company has not accepted any public deposits during the relevant year.
- (iv) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.



Place : New Delhi
Date : 31.05.2012



For Ishant Agarwal & Associates
Chartered Accountants

Ishant
AI

(Ishant Agarwal)
Proprietor
M.No.518876

SONAL MERCANTILE LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2012

	Notes	31st March 2012 (Rupees)	31st March 2011 (Rupees)
EQUITY AND LIABILITIES			
Shareholders' fund			
Share Capital	3	29,477,050.00	5,490,000.00
Reserves and Surplus	4	191,278,586.74	27,371,731.60
Current liabilities			
Trade Payables	5	15,000.00	3,155,515.00
Short-Term Provisions	6	274,589.00	502,224.00
Total		221,045,225.74	36,519,470.60
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	7	6,299.00	7,691.00
Non-Current Investments	8	-	-
Long- term loan and advances	9	-	-
Capital & amortised expenses not w/off	10	138,295.40	-
Current Assets			
Current Investments	8	63,819,000.00	14,519,000.00
Inventories	11	3,665,430.00	-
Trade Receivables	12	1,011.29	-
Cash and Cash Equivalents	13	1,293,799.05	410,321.60
Short- term loan and advances	9	152,121,391.00	21,582,458.00
Total		221,045,225.74	36,519,470.60
Summary of significant accounting policies	2		

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

For Ishant Agarwal & Associates
Chartered Accountants

Ishant
AI

Ishant Agarwal
Proprietor
M.No.518876



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

Gopal Bansal

Gopal Bansal
Director

Deep Chand Singh

Deep Chand Singh
Director



Place : New Delhi
Date : 31.05.2012

SONAL MERCANTILE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2012**

	Notes	From 1st April 2011 to 31st March 2012 (Rupees)	From 1st April 2010 to 31st March 2011 (Rupees)
A. CONTINUING OPERATIONS			
Income			
Revenue from operations	14	90,893,199.86	1,145,976.00
Total Revenue (I)		90,893,199.86	1,145,976.00
Expenses			
Purchases	15	91,152,566.65	-
Changes in inventories	16	(3,665,430.00)	-
Employee benefit expenses	17	1,524,539.00	306,025.00
Depreciation & amortise expenses	18	50,843.80	1,700.00
Other administrative expenses	19	942,044.00	248,827.00
Total (II)		90,004,563.45	556,552.00
Profit/ (loss) before tax (I - II)		888,636.41	589,424.00
Tax expenses			
Current Tax		274,589.00	182,132.00
Total Tax Expenses		274,589.00	182,132.00
Profit/ (loss) for the year after tax		614,047.41	407,292.00
Less: amount transfer to General Reserve		122,809.00	81,458.00
Profit available for dividend distribution		491,238.41	325,834.00
Less: proposed dividend on equity		-	274,500.00
Less: provision for dividend distributors tax		-	45,592.00
Net profit transfer to appropriation		491,238.41	5,742.00
Earning per share (EPS)			
[nominal value of share Rs. 10/-]			
Basic		1.1185	0.7419
Diluted		1.1185	0.7419
Summary of significant accounting policies	2		

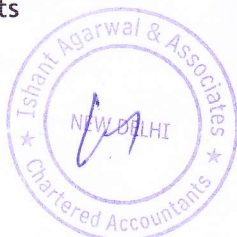
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ishant Agarwal & Associates
Chartered Accountants

Ishant
AI

Ishant Agarwal
Proprietor
M.No.518876



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

Gopal Bansal

Gopal Bansal
Director

Deep Chand Singhal

Deep Chand Singhal
Director



Place : New Delhi

Date : 31.05.2012

SONAL MERCANTILE LIMITED**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012**

	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	939,480.21	591,124.00
Adjustments for items not included	-	-
Operating Profit before working capital changes	939,480.21	591,124.00
Working capital adjustments: -		
(Increase)/ decrease in current loans and advances	(128,956,503.00)	(21,574,701.00)
(Increase)/ decrease in Trade receivables	(1,011.29)	-
(Increase)/ decrease in inventories	(3,665,430.00)	-
Increase/ (decrease) in current liabilities	(3,202,515.00)	3,127,940.00
Cash generated from operations	(134,885,979.08)	(17,855,637.00)
Direct Taxes Paid	(503,626.00)	(861.00)
Net cash flow from operating activities (A)	(135,389,605.08)	(17,856,498.00)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from sale of investments	135,085,400.00	(12,119,000.00)
Proceed from capital expenditure	(95,000.00)	-
Net cash flow from investing activities (B)	134,990,400.00	(12,119,000.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	30,000,000.00
Net cash flow from financing activities (C)	-	30,000,000.00
Net cash flow during the year (A + B + C)	(399,205.08)	24,502.00
Add: Opening cash and cash equivalents	1,693,004.13	385,819.60
Closing cash and cash equivalents	1,293,799.05	410,321.60
Components of cash and cash equivalents		
Cash in hand	69,177.60	338,277.60
Deposit with banks in current accounts	1,224,621.45	72,044.00
Toal cash and cash equivalents (note 8)	1,293,799.05	410,321.60
	(0.00)	-

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

As per our report of even date

For Ishant Agarwal & Associates
Chartered Accountants

Ishant
AS

Ishant Agarwal
Proprietor



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

Gopal Bansal
Gopal Bansal
Director

Deep Chand Singhal
Deep Chand Singhal
Director



Place : New Delhi
Date : 31.05.2012

SONAL MERCANTILE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1ST APRIL 2011 TO 31ST MARCH 2012

1. Basis of preparation

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

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

2. Summary of significant accounting policies

a. Changes in accounting policy

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

b. Revenue recognition

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

c. Fixed assets:

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

d. Inventories

Inventories include investments in shares of other companies. The company classifies such investments as inventory and valuation of them has been made at lower of cost or market value. However, unquoted investments are stated at cost.

e. Depreciation

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


f. Taxes on income

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Deferred Taxes has been recognised on timing differences between accounting income and taxable income subject to consideration of prudence.

For Sonal Mercantile Limited



For Sonal Mercantile Limited


Director


Director



SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2011 TO 31ST MARCH 2012

3. Share capital	As at 31st March 2012 (Rupees)	As at 31st March 2011 (Rupees)
Authorised shares		
2990600 (31 March 2011: 550000) Shares of Rs.10/- each	29,906,000.00	5,500,000.00
Issued, subscribed and fully paid- up shares		
549000 Equity Shares of Rs.10/- each fully paidup	5,490,000.00	5,490,000.00
Total issued, subscribed and fully paid- up share capital	5,490,000.00	5,490,000.00
Shares to be issued pursuant to the Scheme of Amalgamation		
2398705 Equity Shares of Rs.10/- each to be allotted for consideration otherthan cash	23,987,050.00	-
Total	23,987,050.00	-

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

	As at 31st March 2012		As at 31st March 2011	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	549,000	5,490,000.00	549,000	5,490,000.00
Issue during the period: -				
Equity share capital	-	-	-	-
Outstanding at the end of the period	549,000	5,490,000.00	549,000	5,490,000.00

b. Terms and rights attached to equity shares

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

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

c. Scheme of Amalgamation:

Since the Scheme of Amalgamation has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.

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

	As at 31st March 2012		As at 31st March 2011	
	Nos.	% holding	Nos.	% holding
Arise Infratech Pvt Ltd	45,000	8.20%	45,000	8.20%
Amethest Buildcon Pvt Ltd	45,000	8.20%	45,000	8.20%
Maharathi Steel Pvt Ltd	40,000	7.29%	40,000	7.29%
Rama Krishna Infratech Pvt Ltd	40,000	7.29%	40,000	7.29%
Radhey Infra Developers Pvt Ltd	45,000	8.20%	45,000	8.20%
Shri Ganesh Buildpro Pvt Ltd	40,000	7.29%	40,000	7.29%
Total	255,000	46.47%	255,000	46.47%



For Sonal Mercantile Limited

Director

For Sonal Mercantile Limited

Director



SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2011 TO 31ST MARCH 2012

4. Reserves and surplus

Reserves and surplus	As at 31st March 2012		As at 31st March 2011	
	(Rupees)		(Rupees)	
<u>Securities premium account</u>				
Opening balance	27,000,000.00		-	
Add: Premium on share capital (note 3)	177,872,900.00		27,000,000.00	
Less: Utilized/ transfer during the period	14,434,950.00		-	
Closing balance		190,437,950.00		27,000,000.00
<u>General reserve</u>				
Opening balance	99,291.00		17,833.00	
Add: transfer from P&L a/c during the year	122,809.00		81,458.00	
Less: Utilized/ transfer during the period	-		-	
Closing balance		222,100.00		99,291.00
<u>Surplus/ (deficit) in statement of profit & loss</u>				
Balance as per last financial statements	127,297.33		265,123.60	
Add: Profit/ (loss) for the year	491,238.41		5,742.00	
Less: Utilized/ transfer during the period	(1.00)		(1,575.00)	
Net (deficit) in statement of profit and loss		618,536.74		272,440.60
		191,278,586.74		27,371,731.60

5. Trade Payable

	As at 31st March 2012		As at 31st March 2011	
	Current (Rupees)	Non- Current (Rupees)	Current (Rupees)	Non- Current (Rupees)
Audit fees payable	15,000.00	-	5,515.00	-
Advance against sale of investments	-	-	3,150,000.00	-
	<u>15,000.00</u>	<u>-</u>	<u>3,155,515.00</u>	<u>-</u>

6. Provisions

	As at 31st March 2012		As at 31st March 2011	
	Current (Rupees)	Non- Current (Rupees)	Current (Rupees)	Non- Current (Rupees)
Provision for income tax	274,589.00	-	182,132.00	-
Proposed dividend on equity	-	-	274,500.00	-
Provision for dividend distribution tax	-	-	45,592.00	-
	<u>274,589.00</u>	<u>-</u>	<u>502,224.00</u>	<u>-</u>

For Sonal Mercantile Limited

For Sonal Mercantile Limited

Director



Director



SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2011 TO 31ST MARCH 2012

Note - 07 (Fixed Assets)

(Amount in Rupees)

Tangible assets	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1 April, 2011	Additions / Deletion	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation during the year	Balance as at 31 March, 2012	W.D.V. as on 31.03.12	W.D.V. as on 31.03.2011
Tangible Assets									
(a) Furniture and Fixtures	18.10%	14,000.00	-	14,000.00	6,309.00	1,392.00	7,701.00	6,299.00	7,691.00
Total		14,000.00	-	14,000.00	6,309.00	1,392.00	7,701.00	6,299.00	7,691.00
Previous year		14,000.00	-	14,000.00	4,609.00	1,700.00	6,309.00	7,691.00	9,391.00

For Sonal Mercantile Limited

For Sonal Mercantile Limited

Director

Director



SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2011 TO 31ST MARCH 2012

8. Investments

	As at 31st March 2012		As at 31st March 2011	
	Current (Rupees)	Non- Current (Rupees)	Current (Rupees)	Non- Current (Rupees)
Investment in unquoted equity shares	63,819,000.00	-	14,519,000.00	-
	<u>63,819,000.00</u>	<u>-</u>	<u>14,519,000.00</u>	<u>-</u>

9. Loans and advances

	As at 31st March 2012		As at 31st March 2011	
	Current (Rupees)	Non- Current (Rupees)	Current (Rupees)	Non- Current (Rupees)
Advances recoverable in cash or kind				
Unsecured, considered good	151,812,298.00	-	21,505,112.00	-
(A)	<u>151,812,298.00</u>	<u>-</u>	<u>21,505,112.00</u>	<u>-</u>
Balance with government authorities				
Tax Deducted at Sources	309,093.00	-	77,346.00	-
(B)	<u>309,093.00</u>	<u>-</u>	<u>77,346.00</u>	<u>-</u>
Total (A + B)	<u>152,121,391.00</u>	<u>-</u>	<u>21,582,458.00</u>	<u>-</u>

10. Capital & amortised expenses not w/off

	As at 31st March 2012 (Rupees)	As at 31st March 2011 (Rupees)
Preliminary Expenses		
Opening Balance	-	-
Add: addition during the year	26,960.00	-
Less: written off during the year	9,520.00	-
(A)	<u>17,440.00</u>	<u>-</u>
Deferred revenue expenses		
Opening Balance	-	-
Add: addition during the year	160,787.20	-
Less: written off during the year	39,931.80	-
(B)	<u>120,855.40</u>	<u>-</u>
Total (A + B)	<u>138,295.40</u>	<u>-</u>

11. Inventories

	As at 31st March 2012 (Rupees)	As at 31st March 2011 (Rupees)
Stock in trade	3,665,430.00	-
	<u>3,665,430.00</u>	<u>-</u>

12. Trade Receivables

	As at 31st March 2012		As at 31st March 2011	
	Current (Rupees)	Non- Current (Rupees)	Current (Rupees)	Non- Current (Rupees)
Sundry Debtors for goods	-	-	-	-
Sundry Debtors for others	1,011.29	-	-	-
	<u>1,011.29</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. Cash and Bank Balances

	As at 31st March 2012 (Rupees)	As at 31st March 2011 (Rupees)
Cash and cash equivalents		
Balances with banks	1,224,621.45	72,044.00
Cash on hand	69,177.60	338,277.60
	<u>1,293,799.05</u>	<u>410,321.60</u>



For Sonal Mercantile Limited

Director

For Sonal Mercantile Limited

Director

SONAL MERCANTILE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2011 TO 31ST MARCH 2012

14. Revenue from operations	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
Sales	87,262,027.86	-
Interest & other income	3,631,172.00	1,145,976.00
	<u>90,893,199.86</u>	<u>1,145,976.00</u>
15. Purchase of trade goods	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
Purchases	91,152,566.65	-
	<u>91,152,566.65</u>	<u>-</u>
16. Changes in inventories	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
<u>Inventories at the beginning of the year</u>		
Stock in trade	-	-
	<u>-</u>	<u>-</u>
<u>Inventories at the end of the year</u>		
Stock in trade	3,665,430.00	-
	<u>3,665,430.00</u>	<u>-</u>
	<u>(3,665,430.00)</u>	<u>-</u>
17. Employee benefit expenses	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
Salaries and wages	1,415,200.00	295,500.00
Staff welfare expenses	109,339.00	10,525.00
	<u>1,524,539.00</u>	<u>306,025.00</u>
18. Depreciation & amortise expenses	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
Depreciation charged	1,392.00	1,700.00
Preliminary expenditure w/off	9,520.00	-
Deferred revenue expenditure w/off	39,931.80	-
	<u>50,843.80</u>	<u>1,700.00</u>
19. Other administrative expenses	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
Advertisement & Publication Expenses	90,224.00	15,499.00
Annual Custodial Fee	28,810.00	-
Auditors Remuneration	15,000.00	5,515.00
Bank Charges	26,274.00	9,467.00
Books & Periodicals	9,050.00	3,860.00
Business Promotion	37,910.00	-
Conveyance Expenses	152,630.00	4,720.00
Diwali Expenses	27,500.00	-
Dmat Charges	1,000.00	-
Filing Fee	6,000.00	63,125.00
Interest on tax	9,862.00	-
Office Maintenance	3,980.00	4,140.00
Postage, Courier & Telegrams	4,785.00	1,570.00
Printing and Stationery	15,680.00	3,610.00
Professional Charges	354,693.00	113,055.00
Registration Fee (stock exchange)	22,034.00	24,266.00
Short & Excess	562.00	-
Telephone & Mobile Expenses	20,350.00	-
Tours & Travelling Expenses	115,700.00	-
	<u>942,044.00</u>	<u>248,827.00</u>

For Sonal Mercantile Limited



For Sonal Mercantile Limited

Director

Director

SONAL MERCANTILE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD

FROM 1ST APRIL 2011 TO 31ST MARCH 2012

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

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

21. Provisions of Accounting Standard (AS) - 17 issued by the ICAI on 'Segment Reporting' are not been applicable to the Company.
22. In view of present uncertainty regarding generation of sufficient future income, net deferred tax asset or liability has not been recognized in these accounts on prudent basis.
23. In the opinion of the management, the current assets, loans and advances have a realisable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

24. **Related party disclosures/ transactions**

There is no transaction entered with the related party covered by the Accounting Standard (AS) - 18 on 'Related Party Disclosure' during the period covered by these financial statements.

25. Balance shown under head Sundry Debtors, Creditors and Advances are subject to confirmation.

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

27. Quantitive Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the Companies Act, 1956 are mentioned hereunder: -

Particulars	For the Year Ended on 31/03/2012		For the Year Ended on 31/03/2011	
	Quantity (Nos.)	Value (Rs. In lakh)	Quantity (Nos.)	Value (Rs. In lakh)
Opening Stock	Nil	Nil	Nil	Nil
Purchases	40301	911.52	Nil	Nil
Sales	11001	872.62	Nil	Nil
Closing Stock	29300	36.65	Nil	Nil



For Sonal Mercantile Limited

For Sonal Mercantile Limited

Director

(Cont...)

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

29. Scheme of Amalgamation

- I. A Scheme of Amalgamation was framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, for amalgamation of Adonis Infosoft Pvt Ltd, Daisy Garments Pvt Ltd, Saroj Softtex Pvt Ltd and Shriram Buildmart Pvt Ltd (the Transferor Companies No. 1 to 4 respectively) with Sonal Mercantile Ltd (the Transferee Company).
- II. The aforesaid Scheme of Amalgamation was approved by the Hon'ble High Court of Delhi vide its order dated 21st March, 2012. The Appointed Date of the Scheme was 1st April, 2011. The Scheme became effective on 11.06.2012, being the date of filing of the Court Orders with the ROC. Since the Scheme is operative from the Appointed Date, 1st April, 2011, it has been given effect to in the present audited accounts. Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Companies No. 1 to 4 for the year ended 2012.
- III. Salient features of the Scheme of Amalgamation are as follows:
 - a. All assets and liabilities including Income Tax and all other statutory liabilities of the Transferor Companies No. 1 to 4 will be transferred to and vested in the Transferee Company.
 - b. All the employees of the Transferor Companies No. 1 to 4 in service, on the Effective Date, shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date.
 - c. The Appointed Date for Amalgamation is 1st day of April, 2011.
 - d. Share Exchange Ratio for the Amalgamation:
 - i. The Transferee Company will issue 3 (three) Equity Shares of Rs. 10 each, credited as fully paid up, for every 5 (five) Equity Shares of Re. 1 each held in the Transferor Company No. 1- Adonis Infosoft Pvt Ltd.
 - ii. The Transferee Company will issue 5 (five) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company No. 2- Daisy Garments Pvt Ltd.
 - iii. The Transferee Company will issue 5 (five) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company No. 3- Saroj Softtex Pvt Ltd.
 - iv. The Transferee Company will issue 4 (four) Equity Shares of Rs. 10 each, credited as fully paid up, for every 7 (seven) Equity Shares of Re. 1 each held in the Transferor Company No. 4- Shriram Buildmart Pvt Ltd.



For Sonal Mercantile Limited

[Signature]
Director

For Sonal Mercantile Limited

[Signature]

Director

(Cont...)

- e. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

IV. Prior to the Scheme of Amalgamation, these Companies were engaged in the following activities:

- a. The Transferor Company No. 1 was engaged in investments in shares and other securities; providing loan & advances and other related activities.
- b. The Transferor Company No. 2 was engaged in investments in shares, other securities; providing loan & advances and other related activities.
- c. The Transferor Company No. 3 was engaged in investments in shares, other securities; providing loan & advances and other related activities.
- d. The Transferor Company No. 4 was engaged in investments in shares, other securities and other related activities.
- e. The Transferee Company is engaged in investments in shares and other securities; providing loan & advances and other related activities

V. In terms of the Scheme, the Transferee Company has issued 10,39,800 Equity Shares of Rs. 10 each, credited as fully paid up, to the members of the Transferor Company No.1, 4,05,750 Equity Shares of Rs. 10 each, credited as fully paid up, to the members of the Transferor Company No.2, 4,64,813 Equity Shares of Rs. 10 each, credited as fully paid up, to the members of the Transferor Company No.3 and 4,88,342 Equity Shares of Rs. 10 each, credited as fully paid up, to the members of the Transferor Company No.4, in exchange of 100% share capital of these Companies after the cancellation of cross holding, if any.

Since these shares were issued after the Balance Sheet date, the same have been disclosed under the head "Shares to be issued pursuant to the Scheme of Amalgamation" in the Balance Sheet.

VI. Amalgamation of Transferor Companies with the Transferee Company has been accounted for under the Pooling of Interests Method as per Accounting Standard-14 (AS-14) as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, all the assets, liabilities and reserves of each of the Transferor Companies have been recorded in the Company's books at their existing carrying amounts and in the same form. Inter-company balances, if any, stand cancelled.

VII. Deficit of Rs. 1,44,34,950 arising out of amalgamation being difference between pre-merger paid up Share Capital of the Transferor Companies and paid-up value of new Equity Shares issued by the Transferee Company on amalgamation, has been debited to the Securities Premium Account in the books of the Transferee Company.

Since the Scheme of Amalgamation has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.



For Sonal Mercantile Limited

[Signature]
Director

For Sonal Mercantile Limited

[Signature]

Director

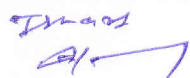
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30. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.
31. Figures have been rounded off to the nearest rupees.
32. Figures in brackets indicate negative (-) figures.

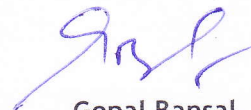
Signed for the purpose of Identification

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

For Ishant Agarwal & Associates
Chartered Accountants



Ishant Agarwal
Proprietor



Gopal Bansal
Director



Deep Chand Singhal
Director

Place : New Delhi
Date : 31.05.2012



5	Break-up of Investments :				
	Current Investments :				
	1. Quoted :				
	(i) Shares : (a) Equity		NIL		
	(b) Preference		NIL		
	(ii) Debenture and Bonds		NIL		
	(iii) Units of Mutual Funds		NIL		
	(iv) Governments Securities		NIL		
	(v) Others (please specify)		NIL		
	2. Unquoted :				
	(i) Shares : (a) Equity		NIL		
	(b) Preference		NIL		
	(ii) Debenture and Bonds		NIL		
	(iii) Units of Mutual Funds		NIL		
	(iv) Governemts Securities		NIL		
	(iii) Others (Please specify)		NIL		
		Long Term Investments :			
		Current Investments :			
		1. Quoted :			
(i) Shares : (a) Equity			NIL		
(b) Preference			NIL		
(ii) Debenture and Bonds			NIL		
(iii) Units of Mutual Funds			NIL		
(iv) Governments Securities			NIL		
(v) Others (please specify)			NIL		
2. Unquoted :					
(i) Shares : (a) Equity			638.19		
(b) Preference			NIL		
(ii) Debenture and Bonds			NIL		
(iii) Units of Mutual Funds			NIL		
(iv) Governemts Securities			NIL		
(iii) Others (Please specify)			NIL		
6		Borrower group-wise classification of all leased stock-on-hire and loans and advances :			
		Category	Amount net of provisions		
			Secured	Unsecured	Total
	1. Realtd Parties "	NIL	NIL	NIL	
	(a) Subsidiaries	NIL	NIL	NIL	
	(b) Companies in the same group	NIL	NIL	NIL	
	(c) Other related parties	NIL	NIL	NIL	
	2. Other than related parties	NIL	1521.21	1521.21	
	Total	NIL	1521.21	1521.21	

For Sonal Mercantile Limited

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
	Category	Market Value / Break-up or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties "	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	638.19	NIL
	Total	638.19	NIL

8 Other Information

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

Notes :

- 1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

For Ishant Agarwal & Associates
Chartered Accountants

Ishant Agarwal

Ishant Agarwal
Proprietor
M.No.518876



Place : New Delhi
Dated : 31.05.2012

For and on Behalf of the Board
Sonal Mercantile Limited

Gopal Bansal
Gopal Bansal
Director

Deep Chand Singhal
Deep Chand Singhal
Director

