



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

CHARTERED ACCOUNTANTS

214, New Delhi House, 2nd Floor,  
27, Barakhamba Road,  
New Delhi – 110 001  
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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Sonal Mercantile Limited

3rd Floor, Vardhman Grand Plaza,  
365, Sector 3, Rohini,  
New Delhi, Delhi 110085  
CIN: L51221DL1985PLC022433

### Report on audit of Standalone Financial Results

#### Opinion

1. We have audited the accompanying standalone financial results of **Sonal Mercantile Limited** (hereinafter referred to as "the company") for the year ended March 31, 2020 and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('listing regulations').
2. In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (ii) give a true and fair view in conformity with recognition and measurement principles laid down in applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the net profit (including other comprehensive income) and other financial information of the company for the year ended March 31, 2020, and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of Standalone Financial Results' section of our report. We are independent of the company in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with the requirements with these requirements and the Code of Ethics. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our opinion.

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## **Board of Directors' Responsibilities for the Standalone Financial Results**

4. These standalone financial results have been prepared on the basis of the annual standalone financial statements. The company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the company and the standalone statement of assets and liabilities and standalone statement of cash flows in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant issues thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 accounting policies; making judgement 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 standalone financial statements that give true and fair view and are free for material misstatement, whether due to fraud and error.
5. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

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

7. Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from a fraud or error and consider material, if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
8. As part of an audit in accordance with the SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to our basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud involves collusions, forgery, intentional omissions, misrepresentations, or override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.

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- Evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on our audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences 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 financial results including the disclosures and whether the standalone financial results represent the underlying transactions and events in the manner that achieves fair presentation.
9. We communicate with those charged with governance of the company regarding, among other matters, the planned scope of timing of the audit and significant audit findings, including 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 our independence, and wherever applicable, related safeguards.

## Other Matters

10. We draw your attention to Note 9 of the standalone financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown/restrictions related to COVID-19 pandemic imposed by the Government for which definitive assessment of the impact is dependent upon the future economic conditions. Our opinion is not modified in respect of this matter.
11. The standalone financial results include the results for the quarter ended March 31, 2020 and March 31, 2019 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

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

**Chartered Accountants**

Firm Regn. No. 304040E

OMPRAKASH

PAREEK

**O. P. Pareek**

Partner

Membership No. 014238

**UDIN: 20014238AAAAEE1598**

Date: 31<sup>st</sup> July, 2020

Place: New Delhi



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CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Sonal Mercantile Limited

3rd Floor, Vardhman Grand Plaza,  
365, Sector 3, Rohini,  
New Delhi, Delhi 110085  
CIN: L51221DL1985PLC022433

### Report on audit of Consolidated Financial Results

#### Opinion

1. We have audited the accompanying consolidated financial results of **Sonal Mercantile Limited** (hereinafter referred to as “the Company”) and its associate, for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('listing regulations').
2. In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results: -
  - (i) Includes the annual financial results of associate: -
    - a. M/s Rudraveera Developers Private Limited
  - (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
  - (ii) give a true and fair view in conformity with recognition and measurement principles laid down in applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) and other accounting principles generally accepted in India, of the consolidated **net profit** (including other comprehensive income) and other financial information for the year ended March 31, 2020, and the consolidated statement of assets and liabilities and consolidated statement of cash flows as at and for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the consolidated financial results under the provisions of the Act and Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with the requirements with these requirements and the Code of Ethics. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our opinion.

### **Board of Directors' Responsibilities for the Consolidated Financial Results**

4. These consolidated financial results have been prepared on the basis of the annual consolidated financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated **net profit** and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and consolidated statement of cash flows in accordance with recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant issues thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Company and its associate are responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the consolidated financial results. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of accounting policies; making judgement 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 consolidated financial statements that give true and fair view and are free for material misstatement, whether due to fraud and error.
5. In preparing the consolidated financial results, the Board of Directors of the Company are responsible for assessing the ability to continue as going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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6. The respective Board of Directors of the Company and its associate are responsible for overseeing the financial reporting process of the Group.

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

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from a fraud or error and consider 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 results.
8. As part of an audit in accordance with the SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to our basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud involves collusions, forgery, intentional omissions, misrepresentations, or override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company and its associate has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
  - Evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on our audit evidences 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences 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.
  - Evaluate the overall presentation, structure and content of consolidated financial results including the disclosures and whether the consolidated financial results represent the underlying transactions and events in the manner that achieves fair presentation.

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9. We communicate with those charged with governance of the Company, among other matters, the planned scope of timing of the audit and significant audit findings, including 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 wherever applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## Other Matters

10. We did not audit the annual financial statements of one associate included in the consolidated financial results, whose financial information reflects total net assets of Rs. 15,964.49 Lakhs as at 31<sup>st</sup> March 2020, total net profit after tax of Rs. 451.52 Lakhs, total comprehensive income of Rs. 656.06 Lakhs, and net cash flows of Rs. Nil for the year ended on that date, as considered in the statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate solely on such unaudited financial statements. Our opinion is not modified in respect of this matter.
11. We draw your attention to Note 9 of the consolidated financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown/restrictions related to COVID-19 pandemic imposed by the Government for which definitive assessment of the impact is dependent upon the future economic conditions. Our opinion is not modified in respect of this matter.
12. The financial results include the results for the quarter ended March 31, 2020 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

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

**Chartered Accountants**

Firm Regn. No. 304040E

OMPRAKASH PAREEK

SH PAREEK

**O. P. Pareek**

Partner

Membership No. 014238

UDIN: 20014238AAAAEC1116

Date: 31<sup>st</sup> July, 2020

Place: New Delhi

# SONAL MERCANTILE LIMITED

CIN : L51221DL1985PLC022433

Registered Office : 365, Vardhman Plaza, III Floor, Sector-3, Rohini, Delhi 110085, Tel. 011-49091417

Website : [www.sonalmercantile.in](http://www.sonalmercantile.in), E.mail id : [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

## STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2020

(Figures in Lakhs)

### Part -I

	Particulars	Three Months Ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Un-Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
I	<b>INCOME</b>					
A.	<b>Revenue From Operations</b>					
	Interest Income	330.39	347.01	186.97	1,308.44	413.16
	Sale of shares	-	-	-	-	-
	<b>Total Revenue from Operations</b>	<b>330.39</b>	<b>347.01</b>	<b>186.97</b>	<b>1,308.44</b>	<b>413.16</b>
B.	<b>Other Income</b>	<b>0.47</b>	<b>-</b>	<b>6.08</b>	<b>2.31</b>	<b>7.87</b>
	<b>Total Income</b>	<b>330.85</b>	<b>347.01</b>	<b>193.05</b>	<b>1,310.75</b>	<b>421.03</b>
II	<b>EXPENSES</b>					
	Finance Cost	250.40	278.03	118.52	934.48	223.12
	Fees and Commission expense	-	-	-	-	-
	Purchases of stock in trade	-	-	-	-	-
	Change in Inventory	-	-	-	-	-
	Employee benefits expense	21.12	22.95	21.52	87.77	71.52
	Depreciation and amortisation expense	0.00	0.00	0.37	0.30	1.45
	Other Expenses	13.21	2.06	19.08	22.77	30.76
	<b>Total Expenses</b>	<b>284.73</b>	<b>303.05</b>	<b>159.49</b>	<b>1,045.32</b>	<b>326.85</b>
III	<b>Profit/(Loss) Before Tax</b>	<b>46.13</b>	<b>43.97</b>	<b>33.56</b>	<b>265.43</b>	<b>94.18</b>
IV	<b>Tax Expense:</b>					
	(1) Current Tax	19.82	10.88	8.60	73.70	24.36
	(2) Deferred Tax	(1.94)	-	0.10	0.13	0.10
V	<b>Profit/(Loss) After Tax</b>	<b>28.25</b>	<b>33.09</b>	<b>24.86</b>	<b>191.60</b>	<b>69.72</b>
VI	<b>Other Comprehensive Income</b>					
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-
	(iii) items that will be reclassified to profit or loss	-	-	-	-	-
	(iv) income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
VII	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>28.25</b>	<b>33.09</b>	<b>24.86</b>	<b>191.60</b>	<b>69.72</b>
VIII	<b>Paid Up equity share capital(Face Value of Rs. 10/-)</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>
IX	<b>Reserves excluding Revaluation reserves as per balance sheet of previous accounting year</b>	<b>816.94</b>	<b>816.94</b>	<b>762.61</b>	<b>816.94</b>	<b>762.61</b>
X	<b>Earnings/(Loss) Per Equity Share</b>					
	Basic ( in Rupees)	0.19	0.22	0.17	1.30	0.47
	Diluted (in Rupees)	0.19	0.22	0.17	1.30	0.47



## Notes

- 1) The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2019 and the effective date of such transition is 1 April 2018, Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) (Collectively referred to as 'the previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding figures presented in these results have been restated/ reclassified.
- 2) The aforesaid Quarterly Financial Results are also being disseminated on the website of the Company i.e. (<https://www.sonalmmercantile.in/investors-information.php>).
- 3) The Company engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.
- 4) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31st July 2020.
- 5) As required by paragraph 32 of Ind AS 101, reconciliation between the figures reported under Previous GAAP and Ind AS is as under: -

### (a) Reconciliation of Net Profits: -

Particulars	Quarter ended March 31, 2019 (Rs. Lakhs)	Year ended March 31, 2019 (Rs. Lakhs)
Net profit / (Loss) after tax for the period as per Previous GAAP	24.86	69.72
Add/ Less: Adjustments for GAAP Differences	-	-
Net profit/ (Loss) after tax (before OCI) as per IND AS	24.86	69.72
Add/ Less: Other Comprehensive Income	-	-
<b>Total Comprehensive Income/Loss for the period under Ind AS</b>	<b>24.86</b>	<b>69.72</b>

### (b) Reconciliation of Total Equity: -

Particulars	As on March 31, 2019 (Rs. Lakhs)	As on April 1, 2018 (Rs. Lakhs)
Total Equity as per Previous GAAP	2,290.79	2,236.46
Add/ Less: Adjustments for GAAP Differences	-	-
<b>Total Equity as per Ind AS</b>	<b>2,290.79</b>	<b>2,236.46</b>

- 6) The Company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the profit for the period as compared to previous periods.
- 7) The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 8) Figures for the quarter ended on 31st March 2020 and 31st March 2019 are the balancing figures between the audited figures for the full financial year and the reviewed year to date figures for the quarter ended on 31st Dec 2019 and 31st Dec 2018, respectively.
- 9) The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability / carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.
- 10) Investor Complaints:  
 Pending at the beginning of the Half Year: 0  
 Received during the Half Year: 0  
 Disposed off during the Half Year: 0  
 Unresolved at the end of the Half Year : 0

Date : 31/07/2020

Place : New Delhi

FOR SONAL MERCANTILE LIMITED



*Vikram Goyal*  
 Vikram Goyal  
 Whole Time Director

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020**

(Rs. in Lacs)

PARTICULARS	As at 31/03/2020 (Audited)	As at 31/03/2019 (Audited)
<b>1. Assets</b>		
<b>(1) Financial Assets</b>		
(a) Cash and Cash Equivalent	13.17	569.22
(b) Loans	16,026.50	8,353.58
(c) Investments	386.60	2.50
(d) Other Financial Assets	0.25	0.24
<b>(2) Non Financial Assets</b>		
(a) Inventories	-	-
(b) Current Tax Assets (Net)	83.33	35.32
(c) Deferred Tax Assets	1.94	2.07
(d) Property Plant and Equipment	0.06	78.55
(e) Other Non financial Assets	180.81	0.42
<b>Total</b>	<b>16,692.67</b>	<b>9,041.91</b>
<b>2. Liability and Equity</b>		
<b>(1) Financial Liability</b>		
(a) Borrowings	13,417.50	6,709.30
(b) Other financial liabilities	680.87	-
<b>(2) Non Financial Liability</b>		
(a) Current tax liabilities (Net)	-	-
(a) Provisions	40.07	20.88
(b) Deferred Tax Liability	-	-
(c) Other Non Financial Liability	91.02	20.93
<b>(3) Equity</b>		
(a) Equity Share Capital	1,473.85	1,473.85
(b) Other Equity	989.36	816.94
<b>Total</b>	<b>16,692.67</b>	<b>9,041.91</b>

For and on behalf of board of directors of

Vikram Goyal  
DIRECTOR  
DIN: 00381115



Date: 31/07/2020  
Place: New Delhi

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020**

	<b>(Rs. In Lakhs)</b>	
	<b>For the period ended 31/03/2020</b>	<b>For the period ended 31/03/2019</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra-ordinary items (as per standalone statement of profit & loss)	265.43	94.18
Adjustments for :-		
Depreciation	0.30	1.45
Loss on Sale of Property, Plant & Equipment	0.49	
Interest on fixed deposits	(1.58)	(7.19)
Interest on borrowings	934.48	223.13
Operating Profit before working capital changes	1,199.14	311.56
Working capital adjustments:-		
(Increase)/ decrease in loans and advances	(7,672.92)	(6,153.14)
(Increase)/ decrease in other Financial Assets	(0.01)	
Increase/ (decrease) in other financial liabilities	675.38	
(Increase)/ decrease in other Non Financial Assets	(104.89)	(0.01)
Increase/ (decrease) in other non financial liabilities	75.57	20.42
Cash generated from operations	(5,827.73)	(5,821.17)
Direct Taxes Paid	(121.72)	(37.07)
<b>Net cash flow from operating activities (A)</b>	<b>(5,949.45)</b>	<b>(5,858.23)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Property, Plant & Equipment	2.25	
Purchase of Property, Plant & Equipment	(0.05)	
Purchase of investments	(384.10)	(75.50)
Interest on fixed deposits	1.58	7.19
<b>Net cash flow from investing activities (B)</b>	<b>(380.32)</b>	<b>(68.31)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from borrowings	6,708.20	6,709.30
Interest on borrowings	(934.48)	(223.13)
<b>Net cash flow from financing activities (B)</b>	<b>5,773.72</b>	<b>6,486.18</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(556.05)</b>	<b>559.63</b>
Add: Opening cash and cash equivalents	569.22	9.59
<b>Closing cash and cash equivalents</b>	<b>13.17</b>	<b>569.22</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.30	1.72
Balances with banks:-		
In current accounts	11.87	41.19
In fixed deposits		526.31
<b>Total cash and cash equivalents</b>	<b>13.17</b>	<b>569.22</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 to the tune of Rs. 1,308.44 Lakhs (Previous year Rs. 413.16 Lakhs) have been considered as part of "Cash flow from operating activities".

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



*Vijay Goyal*  
Wholtime Director

# SONAL MERCANTILE LIMITED

CIN : L51221DL1985PLC022433

Registered Office : 365, Vardhman Plaza, III Floor, Sector-3, Rohini, Delhi 110085, Tel. 011-49091417

Website : [www.sonalmercantile.in](http://www.sonalmercantile.in), E.mail id : [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

## CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED MARCH 31, 2020

(Figures in Lakhs)

### Part -I

	Particulars	Three Months Ended			Year ended	Year ended
		31.03.2020 (Audited)	31.12.2019 (Un-Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
I	<b>INCOME</b>					
	Revenue From Operations					
	Interest income	330.39	347.01	186.97	1,308.44	413.16
	Total Revenue From Operations	330.39	347.01	186.97	1,308.44	413.16
	Other Income	-	-	6.08	2.31	7.87
	<b>Total Income</b>	<b>330.39</b>	<b>347.01</b>	<b>193.05</b>	<b>1,310.75</b>	<b>421.03</b>
II	<b>EXPENSES</b>					
	Finance Cost	139.13	147.58	118.52	532.22	223.13
	Fees and Commission Expenses	-	-	0	0	0
	Purchases of stock in trade	-	-	0	0	0
	Changes in Inventory	-	-	0	0	0
	Employee benefits expense	20.90	22.95	21.52	87.55	71.52
	Depreciation and amortisation expense	0.00	0.00	0.37	0.30	1.45
	Other Expenses	13.42	2.06	19.08	22.98	30.76
	<b>Total Expenses</b>	<b>173.45</b>	<b>172.60</b>	<b>159.49</b>	<b>643.05</b>	<b>326.86</b>
III	<b>Profit/(Loss) Before Tax</b>	<b>156.93</b>	<b>174.42</b>	<b>33.56</b>	<b>667.71</b>	<b>94.17</b>
IV	Tax Expense:					
	(1) Current Tax	12.81	10.88	8.60	66.69	24.36
	(2) Deferred Tax	-	-	0.10	-	0.11
V	<b>Profit/(Loss) After Tax</b>	<b>144.12</b>	<b>163.53</b>	<b>24.86</b>	<b>601.02</b>	<b>69.70</b>
VI	<b>Share of Profit of Associate (Net)</b>	<b>446.26</b>	<b>146.17</b>	<b>151.62</b>	<b>49.25</b>	<b>394.68</b>
VII	Other Comprehensive Income					
	(i) items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-
	(iii) items that will be reclassified to profit or loss	-	-	-	-	-
	(iv) income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
	(v) items that will be reclassified to profit or loss of associate (Net)	(14.21)	(609.49)	185.07	204.54	113.97
	Total other comprehensive income	(14.21)	(609.49)	(185.07)	204.54	113.97
VIII	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>576.17</b>	<b>(299.79)</b>	<b>(8.59)</b>	<b>854.81</b>	<b>578.35</b>
IX	<b>Paid Up equity share capital(Face Value of Rs. 10/-)</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>	<b>1,473.85</b>
X	<b>Reserves excluding Revaluation reserves as per balance sheet of previous accounting year</b>	<b>1,273.26</b>	<b>1,273.26</b>	<b>762.61</b>	<b>1,273.26</b>	<b>1,273.26</b>
XI	<b>Earnings/ (Loss) Per Equity Share</b>					
	Basic	3.03	0.99	1.03	0.33	2.68
	Diluted	3.03	0.99	1.03	0.33	2.68

#### Notes

- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from 1 April 2019 and the effective date of such transition is 1 April 2018, Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) (Collectively referred to as 'the previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018 and the corresponding figures presented in these results have been restated/ reclassified.
- The aforesaid Quarterly Financial Results are also being disseminated on the website of the Company i.e. (<https://www.sonalmercantile.in/investors-information.php>).
- The Company engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31st July 2020.



- 5) As required by paragraph 32 of Ind AS 101, reconciliation between the figures reported under Previous GAAP and Ind AS is as under: -

**(a) Reconciliation of Net Profits: -**

Particulars	Year ended March 31, 2019 (Rs. Lakhs)
Net profit / (Loss) after tax for the period as per Previous GAAP	526.03
Add/ Less: Adjustments for GAAP Differences	
Adjustment on account of consolidated Share in Post Acquisition profits of the Associate	(61.63)
Net profit/ (Loss) after tax (before OCI) as per IND AS	464.40
Add: Share in Other Comprehensive Income of the Associate	113.97
<b>Total Comprehensive Income/Loss for the period under Ind AS</b>	<b>578.37</b>

**(b) Reconciliation of Total Equity: -**

Particulars	As on March 31, 2019 (Rs. Lakhs)
Total Equity as per Previous GAAP	2,747.11
Add/ Less: Adjustments for GAAP Differences	
Adjustment on account of consolidated Share in Post Acquisition profits of the Associate	14,738.15
On account of Other Comprehensive Income of the Associate	113.97
<b>Total Equity as per Ind AS</b>	<b>17,599.23</b>

\*The company has consolidated its financial statements first time in the year ended 31st March 2019. In the year prior to that, the investment was held as current investment held with an intention for disposal. Now the management by adopting Indian Accounting Standard, has decided to restate the consolidation with effect from the transition date i.e. 1st April 2018. Hence, the impact of post acquisition share in net asset of the associate is amounting to Rs. 14,799.78 Lakhs as on 1st April 2018 in the total equity and (-) Rs. 61.63 Lakhs in the profits during the year ended on 31st March 2019.

- 6) The Company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the profit for the period as compared to previous periods.
- 7) The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
- 8) Figures for the quarter ended on 31st March 2020 and 31st March 2019 are the balancing figures between the audited figures for the full financial year and the reviewed year to date figures for the quarter ended on 31st Dec 2019 and 31st Dec 2018, respectively.
- 9) The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability / carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.
- 10) Investor Complaints:  
 Pending at the beginning of the Half Year: 0  
 Received during the Half Year: 0  
 Disposed off during the Half Year: 0  
 Unresolved at the end of the Half Year : 0

Date :31/07/2020  
 Place : Delhi

For and on Behalf of Board of Directors of  
**SONAL MERCANTILE LIMITED**  
  
**Vikram Goyal**  
 Whole Time Director

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020**

(Rs. in Lacs)

PARTICULARS	As at 31/03/2020 (Audited)	As at 31/03/2019 (Audited)
<b>1. Assets</b>		
<b>(1) Financial Assets</b>		
(a) Cash and Cash Equivalent	13.17	569.22
(b) Loans	16,026.50	8,353.58
(c) Investments	16,351.09	15,310.94
(d) Other Financial Assets	0.25	0.24
<b>(2) Non Financial Assets</b>		
(a) Inventories	-	-
(b) Current Tax Assets (Net)	83.33	35.32
(c) Deferred Tax Assets	1.94	2.07
(d) Property Plant and Equipment	0.06	3.05
(e) Other Non financial Assets	180.81	75.92
<b>Total</b>	<b>32,657.16</b>	<b>24,350.35</b>
<b>2. Liability and Equity</b>		
<b>(1) Financial Liability</b>		
(a) Borrowings	13,417.50	6,709.30
(b) Other financial liabilities	680.87	5.48
<b>(2) Non Financial Liability</b>		
(a) Current tax liabilities (Net)	-	-
(a) Provisions	40.07	20.88
(b) Deferred Tax Liability	-	-
(c) Other Non Financial Liability	91.02	15.45
<b>(3) Equity</b>		
(a) Equity Share Capital	1,473.85	1,473.85
(b) Other Equity	16,953.86	16,125.38
<b>Total</b>	<b>32,657.16</b>	<b>24,350.35</b>

For and on behalf of board of directors of

Vikram Goyal  
DIRECTOR  
DIN: 00381115



Date: 31/07/2020  
Place: New Delhi

**SONAL MERCANTILE LIMITED**

CIN : L51221DL1985PLC022433

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020**

	(Rs. In Lakhs)	
	For the period ended 31/03/2020	For the period ended 31/03/2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra- ordinary items (as per standalone statement of profit & loss)	265.43	94.18
Adjustments for : -		
Depreciation	0.30	1.45
Loss on Sale of Property, Plant & Equipment	0.49	
Interest on fixed deposits	(1.58)	(7.19)
Interest on borrowings	-	223.13
Operating Profit before working capital changes	264.66	311.56
Working capital adjustments: -		
(Increase)/ decrease in loans and advances	(7,672.68)	(6,153.14)
(Increase)/ decrease in other Financial Assets	(121.97)	-
Increase/ (decrease) in other financial liabilities	680.87	
(Increase)/ decrease in other Non Financial Assets	(180.39)	(0.01)
Increase/ (decrease) in other non financial liabilities	136.78	20.42
Cash generated from operations	(6,892.74)	(5,821.17)
Direct Taxes Paid	(66.69)	(37.07)
<b>Net cash flow from operating activities (A)</b>	<b>(6,959.43)</b>	<b>(5,858.23)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Property, Plant & Equipment	2.25	
Purchase of Property, Plant & Equipment	(308.65)	
Purchase of investments	-	(75.50)
Interest on fixed deposits	1.58	7.19
<b>Net cash flow from investing activities (B)</b>	<b>(304.82)</b>	<b>(68.31)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from borrowings	6,708.20	6,709.30
Interest on borrowings	-	(223.13)
<b>Net cash flow from financing activities (B)</b>	<b>6,708.20</b>	<b>6,486.18</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>(556.05)</b>	<b>559.63</b>
Add: Opening cash and cash equivalents	569.22	9.59
<b>Closing cash and cash equivalents</b>	<b>13.17</b>	<b>569.22</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.30	1.72
Balances with banks: -		
In current accounts	11.87	41.19
In fixed deposits	-	526.31
<b>Total cash and cash equivalents</b>	<b>13.17</b>	<b>569.22</b>

**Notes:-**

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- Direct taxes paid is treated as arising from operating activities and is not bifurcated between investing and financing activities.
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For and on behalf of the Board of Directors of  
Sonal Mercantile Limited



*Vikram Goyal*  
Vikram Goyal  
Wholtime Director



# SONAR

MERCANTILE LIMITED

Registered Office: 365, Vardhman Plaza, III  
Floor, Sector-3, Rohini, New Delhi-110085  
CIN: L51221DL1985PLC022433  
E-mail Id: sonalmercantile@yahoo.in  
Website: www.sonalmercantile.in  
Contact No. 011-49091417

Date: 31.07.2020

To

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

**BSE Scrip Code – 538943**

**Sub: Declaration in terms of Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, We, the Board of Directors of Sonar Mercantile Limited ("the Company") hereby declare that M/s V. N. Purohit & Co., Chartered Accountants, (Firm Registration No.304040E), the Statutory Auditors of the Company have issued a Report with unmodified opinion on the Standalone & Consolidated Audited Financial Results of the Company for the quarter and year ended **31.03.2020**.

Kindly take this declaration in your record.

Thanking you,

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

  
**Vikram Goyal**  
Whole Time Director★

