

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.

For Ishant Agarwal & Associates
Chartered Accountants



Ishant
AI

(Ishant Agarwal)
Proprietor
M.No.518876

Place : New Delhi
Date : 31.05.2012



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

A handwritten signature in blue ink, appearing to read "Ishant".

(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

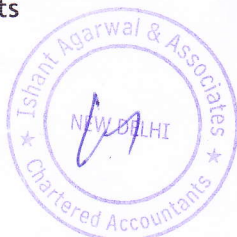
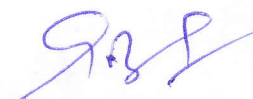
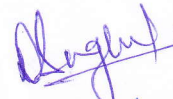
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2012

	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 polices	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 Agarwal
Proprietor
M.No.518876For and on behalf of the Board of Directors of
Sonal Mercantile Limited

Gopal Bansal
Director

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
AG

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		As at 31st March 2011	
	(Rupees)		(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	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
		<u>191,278,586.74</u>		<u>27,371,731.60</u>

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

AD

Director

9/3/12
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



[Signature]
Director

[Signature]

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	As at 31st March 2011
	(Rupees)	(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	As at 31st March 2011
	(Rupees)	(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	As at 31st March 2011
	(Rupees)	(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

	For the year ended 31st March 2012 (Rupees)	For the year ended 31st March 2011 (Rupees)
14. Revenue from operations		
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		
Purchases	91,152,566.65	-
	<u>91,152,566.65</u>	<u>-</u>
16. Changes in inventories		
<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		
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		
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		
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



[Signature]
Director

[Signature]

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 reliable 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

[Signature]

[Signature]

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 Softttx 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 Softttx 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

 Director

For Sonal Mercantile Limited

 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:
- The Transferor Company No. 1 was engaged in investments in shares and other securities; providing loan & advances and other related activities.
 - The Transferor Company No. 2 was engaged in investments in shares, other securities; providing loan & advances and other related activities.
 - The Transferor Company No. 3 was engaged in investments in shares, other securities; providing loan & advances and other related activities.
 - The Transferor Company No. 4 was engaged in investments in shares, other securities and other related activities.
 - 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

(Cont...)

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
AG

Ishant Agarwal
Proprietor



Gopal Bansal

Gopal Bansal
Director

Deep Chand Singhal

Deep Chand Singhal
Director

Place : New Delhi
Date : 31.05.2012



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

SONAL MERCANTILE LIMITED

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

(Rs.in lakhs)

Particulars		31.03.2012	
Liabilities side :			
1	Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :	Amount Outstanding	Amount overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans (specify nature)	NIL	NIL
	*Please see Note I below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of Interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
Assets side :			
		Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables[other than those Included in (4) below] :		
	(a) Secured		Nil
	(b) Unsecured		1521.21
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP Activities		
	(i) Lease assets including lease rentals under sundry debtors :		NIL
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL



For Sonal Mercantile Limited

Director

For Sonal Mercantile Limited

Director

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. Related Parties "		NIL	NIL	NIL
(a) Subsidiaries		NIL	NIL	NIL
(b) Companies in the same group		NIL	NIL	NIL
(c) Other related parties		NIL	NIL	NIL
2. Other than related parties		NIL	1521.21	1521.21
Total		NIL	1521.21	1521.21



For Sonal Mercantile Limited

For Sonal Mercantile Limited

Director

Director



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

