



# SONAL MERCANTILE LIMITED

31<sup>st</sup> ANNUAL REPORT  
FOR THE FINANCIAL YEAR 2015-16  
CIN: L51221DL1985PLC022433

S.NO.	CONTENTS	PAGE NO.
1.	Company Information	2
2.	Welcome Message by the Chairman	4
3.	Notice of Annual General Meeting (AGM) and Annexure	5
4.	Directors' Report and Annexures	13
5.	Management Discussion and Analysis Report	36
6.	Corporate Governance Report and Annexures	38
7.	Auditors' Report and Annexures	52
8.	Balance Sheet	58
9.	Statement of Profit & Loss Account	59
11.	Cash Flow Statement	60
12.	Notes to Financial Statements	61
13.	Schedule as per NBFC Prudential Norms (RBI) Directions	70
14.	AGM Venue Route Map	72
15.	Attendance Slip & Proxy Form	73

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has incurred circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far as requested to register their e-mail addresses, with the Registrar & Share Transfer Agent of the Company.

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

**Mr. Vikram Sharma**

Chairman & Independent Director  
(DIN: 00243482)

**Mr. Sunil Kumar**

Whole Time Director  
(DIN: 00243057)

**Mr. Deep Chand Singhal**

Non Executive Director  
(DIN: 00815681)

**Ms. Rukhsana**

Independent Director  
(DIN: 05151168)

**Ms. Anjali Aggarwal**

Chief Financial Officer

**Ms. Deepika Rathore**

Company Secretary & Compliance Officer

### **STATUTORY AUDITORS**

**M/s V.N. Purohit & Co.**

Chartered Accountants  
FRN: 304040E  
214, New Delhi House  
2<sup>nd</sup> Floor, 27, Barakhamba Road  
New Delhi-110001  
Email: [vnpsdelhi@vnpsaudit.com](mailto:vnpsdelhi@vnpsaudit.com)  
Web: [www.vnpsaudit.com](http://www.vnpsaudit.com)

### **SECRETARIAL AUDITOR**

**Ms. Rachna Bhasin**

Practicing Company Secretary  
M-3/21, First Floor,  
Model Town , Phase – III  
New Delhi - 110009  
Email: [csrachna@gmail.com](mailto:csrachna@gmail.com)

### **REGISTERED OFFICE**

105/33, Vardhman Golden Plaza  
Road No. 44, Pitampura  
Delhi – 110034  
Tel no.: +91-11-65656577  
Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)  
Email Id: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

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

**Skyline Financial Services Private Limited**

D-153 A, 1st Floor, Okhla Industrial Area,  
Phase – I, New Delhi – 110 020  
Tel No.: 011-26812682,83  
Fax: +91-11-30857562  
Email Id: [admin@skylinerta.com](mailto:admin@skylinerta.com)

### **BANKERS OF THE COMPANY**

Punjab National Bank  
Pitampura, Delhi

### **LISTED AT**

BSE Limited, Mumbai (Scrip Code: 538943)  
Delhi Stock Exchange, Delhi (Scrip Code: 5053)  
(DSE is an Inoperative Stock Exchange)

### **CIN**

**L51221DL1985PLC022433**

## **COMMITTEES OF BOARD OF DIRECTORS**

### **AUDIT COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Deep Chand Singhal Non Executive Director	Member
Ms. Deepika Rathore Company Secretary	Secretary & Advisor

### **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Deep Chand Singhal Non Executive Director	Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Ms. Rukhsana Independent Director	Member
Mr. Deep Chand Singhal Non Executive Director	Member

### **RISK MANAGEMENT COMMITTEE**

Mr. Vikram Sharma Independent Director	Chairman & Member
Mr. Sunl Kumar Executive Director	Member
Mr. Deep Chand Singhal Non Executive Director	Member

**Date: 08<sup>th</sup> August, 2016**

Dear Members,

You are cordially invited to attend the 31<sup>st</sup> Annual General Meeting of the members of Sonal Mercantile Limited ('the Company') to be held on Friday, 30<sup>th</sup> September, 2016 at 10:00 a.m. at the registered office of the Company at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034.

The notice of the meeting, containing the business to be transacted, is enclosed herewith. As per section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed.

Thanking You

**By Order of the Board of Directors**

**Sd/-  
Vikram Sharma  
(Chairman)**

**Registered Office:**

105/33, Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi – 110034

CIN: L51221DL1985PLC022433

Website: [www.sonalmercantile.com](http://www.sonalmercantile.com)

Email: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)

Tel. No.: +91-11-65656577

## **NOTICE**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Friday, 30<sup>th</sup> September, 2016 at 10:00 a.m. at the Registered Office of the Company at 105/33, Vardhman Golden Plaza, Road No. 44, Pitampura, Delhi - 110034 to transact the following business:

### **Ordinary Business:**

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

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 along with the reports of the Board of Directors and the Auditors thereon.

#### **2. Appointment of Director Retire by Rotation**

To appoint a Director in place of Mr. Deep Chand Singhal (DIN: 00815681) who retires by rotation & being eligible offers himself for reappointment as a Director of the Company.

#### **3. Ratification of Appointment of Auditors**

To ratify the appointment of the Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s V.N. Purohit & Co., Chartered Accountants, New Delhi (Firm's Registration No. 304040E) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company to be held in year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Statutory Auditors."

### **Special Business:**

#### **4. Re-Appointment of Mr. Sunil Kumar (DIN 00243057), as Whole-time Director of the Company.**

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

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sunil Kumar, as Whole-time Director of the Company with effect from 25<sup>th</sup> February, 2017 to 24<sup>th</sup> February, 2020, as well as the payment of salary, commission, allowances and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Sunil Kumar.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Sunil Kumar, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

**Registered Office:**

105/33, Vardhman Golden Plaza,  
Road No. 44, Pitampura,  
Delhi - 110034

*By order of the Board of Director  
For Sonal Mercantile Limited*

**Sd/-**

**Deepika Rathore  
Company Secretary &  
Compliance Officer  
M.No. A34331**

**Date: 08<sup>th</sup> August, 2016**

**Place: New Delhi**

**NOTES:**

- A. APPOINTMENT OF PROXY:** 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. PROXY FORM IS ENCLOSED WITH THE ANNUAL REPORT. PROXY FORMS SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 days of notice in writing is to be given to the Company.

In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

- B.** Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting.
- C.** An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts relating to the Business stated under item no. 4 is annexed hereto.
- D. Corporate Members:** Pursuant to Section 113 of the Companies Act, 2013, the 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.
- E. Queries at the AGM:** In case you have any query relating to the enclosed annual accounts and queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office on email Id sonalmercantile@yahoo.in 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.

F. Members are requested to notify any change in their address immediately to the share transfer Agent of the Company- M/s Skyline Financial Services Pvt Ltd., ("Skyline")D-153A, Okhla Industrial Area, Phase-I, New Delhi- 110 020. If shares are held in electronic form, intimate any change in their addresses/bank details to the concerned Depository Participant.

G. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).

**H. CUT OFF DATE:**

- a. This Notice is being sent to all the members whose name appears as on 26<sup>th</sup> August, 2016 in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent of the Company.
- b. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 23<sup>rd</sup> September, 2016 (the "Cut- Off Date") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

I. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Skyline.

J. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company's Registrar and Share Transfer Agent for consolidation into a single folio.

K. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Nomination forms can be obtained from Company's Registrar and Share Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

L. **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 and Sundays between 11:00 A.M. to 1:00 P.M. up to the date of Annual General Meeting.

**M. Communication to Members**

- a. **Dispatch of Annual Report:** The Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
- b. Members may also note that the Notice of the 31<sup>st</sup> AGM and the Annual Report 2015-16 will be available on the company's website, [www.sonalmercantile.com](http://www.sonalmercantile.com). The Physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [sonalmercantile@yahoo.in](mailto:sonalmercantile@yahoo.in)
- c. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section-170 of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays and Sunday, between 11:00 a.m. to 1:00 p.m. and will also be available for inspection by the members at the Annual General Meeting.



- d. The register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Companies Act, 2013, are open for inspection at the registered office of the Company on all working days except Saturdays and Sundays, between 11:00 a.m. to 1:00 p.m. and will also be available for inspection by the members at the Annual General Meeting.
  - e. For convenience of the members and proper conduct of the meeting entry to the meeting venue will be regulated by attendance slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip along with a valid identity proof such as the PAN Card, Passport, Aadhar Card, Driving License etc and hand it over at the registration counter at the venue.
  - f. Only bonafide members of the Company whose name appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members for attending the meeting.
  - g. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.
- N.** Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking Re-Appointment at the AGM, is provided in Annexure to the Notice.
- O. Important Communication to Members:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.

## **P. VOTING BY MEMBERS**

The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

### **VOTING THROUGH ELECTRONIC MEANS AND PROCEDURE THEREOF**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, September 27, 2016 (9:00 am) and ends on Thursday, September 29, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 23, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**V. The process and manner for remote e-voting are as under:**

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "sonalmercantile e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Sonal Mercantile Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csrachna@gmail.com](mailto:csrachna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>	<b><u>PASSWORD/PIN</u></b>
---	-----------------------	----------------------------

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, September 23, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 23, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [admin@skylinerta.com](mailto:admin@skylinerta.com).