

**ANNUAL REPORT**  
**NIDHI MERCANTILES LIMITED**

**FINANCIAL YEAR**  
**2020-2021**

**FORWARD- LOOKING STATEMENTS:**

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’ or any other similar expressions as they relate to company or its business are intended to identify such forward-looking statements. Forward Looking statements are based on certain assumptions and expectations of future events. The Company’s actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

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## **CORPORATE INFORMATION**

**CIN: L51909MH1985PLC138577**

### **BOARD OF DIRECTORS**

Mrs. Sejal Sagar Modi	Managing Director
Mr. Ladhu Lal Soni	Director
Mr. Shiv Raj Sharma	Independent Director
Mr. Ramesh Chandra Banger	Independent Director

### **COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Ms. Vishakha Pandya

### **STATUTORY AUDITORS**

M/s. S. S. Rathi & Co.  
Chartered Accountants  
502, Shree Shiv Dutta Apartment,  
Near Lalit Restaurant, Station Road,  
Goregaon (West), Mumbai - 400062

### **BANKER'S NAME**

Union Bank  
HDFC Bank  
The A. P. Mahesh Co. Op. Urban Bank Ltd.  
Maharashtra Gramin Bank

### **REGISTRAR & SHARE TRANSFER AGENT**

BIGSHARE SERVICES PRIVATE LIMITED  
Bharat Tin Works Building, 1<sup>st</sup> Floor,  
Opp. Vasant Oasis  
Makwana Road, Marol,  
Andheri - East, Mumbai - 400069  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### **REGISTERED OFFICE ADDRESS**

B/306-309, Dynasty Business Park,  
Opp. Sangam Cinema, A.K. Road,  
Andheri (E), Mumbai - 400059  
Phone No: 022 - 61115214  
Fax No: 022 - 28227865  
Email id: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com)  
Web Site : [www.nidhi.net.in](http://www.nidhi.net.in)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **35<sup>th</sup> (Thirty Fifth)** Annual General Meeting of the members of **NIDHI MERCANTILES LIMITED** will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) on **Thursday, the 30<sup>th</sup> September, 2021** at **03:30 p.m.** to transact, with or without modification(s) the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended **March 31<sup>st</sup>, 2021**, including the audited Balance Sheet as at **March 31<sup>st</sup>, 2021**, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Ladhu Lal Soni, (DIN: 00131787)** who retires by rotation and being eligible, offers himself for re-appointment.

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date : 04<sup>th</sup> September, 2021**  
**Place: Mumbai**

**Sd/-  
Ladhu Lal Soni  
Chairman  
DIN: 00131787**

**CIN: L51909MH1985PLC138577**

### REGISTERED OFFICE:

B/306-309, Dynasty Business Park,

Opp. Sangam cinema, A.K. Road,

Andheri (E), Mumbai - 400059

Email id: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com), Website : [www.nidhi.net.in](http://www.nidhi.net.in)

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has allowed the Company to conduct Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”). In this regard, MCA issued Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020 and Circular No.02/2021 dated January 13, 2021 (“MCA Circulars”), prescribing the procedure and manner of conducting the Annual General Meeting through VC/ OAVM. Further, the Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (“SEBI Circulars”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) due to the COVID-19 pandemic. In compliance with the applicable provisions of the Companies Act 2013 (“Act”), MCA Circulars and SEBI Circulars / Listing Regulations and keeping in view with Government advisories on COVID-19, the Board of Directors has approved conducting of the 35th Annual General Meeting (AGM) of the Company through VC / OAVM. The deemed venue for the Annual General Meeting (AGM) shall be the Registered Office of the Company i.e. B/306-309, Dynasty Business Park, Opp. Sangam cinema, Andheri (E), Mumbai – 400059.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Notice calling the AGM has been uploaded on the website of the Company at [www.nidhi.net.in](http://www.nidhi.net.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. The Calcutta Stock Exchange Limited at [www.cse-india.com](http://www.cse-india.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No.20/2020 dated May 05, 2020 and Circular No.02/2021 dated January 13, 2021.

In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

8. The Companies Statutory Auditor, M/s. S. S. Rathi & Co., Chartered Accountants (Firm Registration No. 108726W), were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on 28<sup>th</sup> September, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7<sup>th</sup> May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

9. **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 20. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
11. A statement giving the details of the Directors seeking appointed / reappointed, nature of their expertise in specific functional areas, names of the Companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing obligation and Disclosure Requirements), 2015 are provided in the Annexure.
12. Pursuant to Regulation 42 of the SEBI (Listing obligation and Disclosure Requirements), 2015, The Register of Members & Share Transfer Books will be closed from **Friday, 24th September, 2021 to Thursday, the 30th September, 2021** (both days inclusive).
13. 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 the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
14. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
15. The Company's shares are listed on **The Calcutta Stock Exchange Ltd.**
16. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/S. BIGSHARE SERVICES PRIVATE LIMITED**

Bharat Tin Works Building, 1<sup>st</sup> Floor,  
Opp. Vasant Oasis,  
Makwana Road, Marol,  
Andheri – East, Mumbai – 400059  
**Tel No.:** 022-62638205  
**Email:** [info@bigshareonline.com](mailto:info@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

17. Members who are holding shares in Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
18. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in Demat form, they must quote their DP ID and Client ID Number.
19. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April, 2018 read with SEBI press release PR No.: 51/2018 dated 3 December, 2018, effective from 1 April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.
20. Process for those Shareholders Whose Email Addresses are not Registered With the Depositories for Obtaining Login Credentials for e-voting for the Resolutions Proposed in this notice:
  1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
  2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
21. **VOTING THROUGH ELECTRONIC MEANS:**
  - 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 of the SEBI (Listing Obligations and 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 Central Depository Services (India) Limited (CDSL).
  - II. **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**
    - (i) The voting period begins on **27<sup>th</sup> September, 2021 at 9:00 a.m. (IST)** and ends on **29<sup>th</sup> September, 2021 at 5:00 p.m. (IST)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23<sup>rd</sup> September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.**

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers</p>



Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company name i.e. **NIDHI MERCANTILES LIMITED**. on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**III. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

22. Institutional Members/ Bodies corporate (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 through e-mail at [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) without which the vote shall not be treated as valid.
23. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **23<sup>rd</sup> September, 2021**. A person who is not a member as on cut off date should treat this notice for information purpose only.
24. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / register of beneficial owners maintained by depositories as at closing hours of business on **Friday, 27<sup>th</sup> August, 2021**.
25. The shareholders shall have one vote per equity share held by them as on the cut-off date of **23<sup>rd</sup> September, 2021**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
26. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **23<sup>rd</sup> September, 2021** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
27. Investors who became members of the Company subsequent to the dispatch/E-mail of the Notice and holds the shares as on cut-off date i.e. **23<sup>rd</sup> September, 2021** are requested to send the written/email communication to the Company at [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com) by mentioning their Folio No./DP ID and Client ID to obtain the Login-ID and Password for e-voting.

28. **M/s. R. Mahadeshwar & Co., (C.P. No. 13797)** Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer for providing facility to the member of the Company to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and remote e-voting, will not later than 48 hours of conclusion of the Meeting, makes a consolidated scrutinizer's report and submit the same to the chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of the CDSL. The results shall also be immediately forwarded to The Calcutta Stock Exchange Ltd.
29. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.nidhi.net.in](http://www.nidhi.net.in) and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. The Calcutta Stock Exchange Ltd (CSE).
30. The Company has listed its shares on:  
  
**The Calcutta Stock Exchange Ltd, 07, Lyons Range, Kolkata-700001.**
31. The Listing Fees of these Exchanges have been paid regularly.
32. Since the AGM will be held through VC / OAVM, the Route Map is not being annexed to the notice.

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date : 04<sup>th</sup> September, 2021  
Place: Mumbai**

**Sd/-  
Ladhu Lal Soni  
Chairman  
DIN: 00131787**

**CIN: L51909MH1985PLC138577**

**REGISTERED OFFICE:**

B/306-309, Dynasty Business Park,

Opp. Sangam cinema, A.K. Road,

Andheri (E), Mumbai - 400059

Email id: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com), Website : [www.nidhi.net.in](http://www.nidhi.net.in)

**ANNEXURE TO THE NOTICE**

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and of Secretarial Standard - 2 (SS-2) issued by ICSI on General Meetings, the particulars of the aforesaid Directors seeking appointment/ re-appointment at the AGM are given below:

<b>Name</b>	Mr. Ladhu Lal Soni
<b>Directors Identification Number (DIN)</b>	00131787
<b>Age</b>	50
<b>Qualification</b>	Chartered Accountants
<b>Expertise in Specific Area</b>	Audit Accounts, Treasury, Capital Markets, Corporate & Project Finance & Taxation.
<b>Date of first Appointment on the Board of the Company</b>	20 <sup>th</sup> January, 2007
<b>Shareholding in Nidhi Mercantiles Ltd.</b>	NIL
<b>List of Directorship held in other Companies</b>	1. Taanusiya Infrastructure Pvt. Ltd. 2. Raghini Infrastructure Pvt. Ltd. 3. Sonmod Marketing Pvt. Ltd. 4. Sangam Capital Services Ltd. 5. Dharia Frams Pvt. Ltd. 6. Tap Infrastructure Private Limited
<b>Membership/Chairmanships of Audit and Stakeholders Remuneration Committee</b>	Refer to Report on Corporate Governance

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date: 04<sup>th</sup> September, 2021**

**Place: Mumbai**

**Sd/-  
Ladhu Lal Soni  
Chairman  
DIN: 00131787**

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended **31<sup>st</sup> March, 2021**.

**FINANCIAL RESULTS:**

The Company's financial performance for the financial year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year ended 31<sup>st</sup> March, 2020 is summarized below:

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue from operations	998.75	164.20
Other Income	381.67	410.15
<b>Total Revenue</b>	<b>1380.42</b>	<b>574.35</b>
Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	<b>1013.61</b>	<b>440.72</b>
<b>Less:</b> Depreciation and Amortization Expenses	(4.72)	(5.35)
Finance Cost	(61.78)	(95.06)
<b>Profit/Loss before Tax</b>	<b>947.10</b>	<b>340.32</b>
<b>Less:</b> Provision for Tax	(235.27)	(65.20)
<b>Profit/(Loss) after Tax</b>	<b>711.84</b>	<b>275.12</b>
Other Comprehensive Income	1955.85	(1468.42)
<b>Total Comprehensive Income</b>	<b>2667.69</b>	<b>(1193.30)</b>

**Note:** The above figures are extracted from the financial statements for the financial year ended on 31<sup>st</sup> March, 2021.

**REVIEW OF OPERATIONS:**

During the year under review, the Company has registered revenue of Rs. 998.75/- lakhs (Previous year Rs. 164.20/- lakhs) and Net Profit after tax of Rs. 711.84/- lakhs (Previous year Rs. 275.12/- lakhs). The Company continued to operate in the same business and there was no change in business activity. No material changes of the Company occurred between end of the financial year and the date of this report.

**PANDEMIC COVID-19:**

The COVID-19 pandemic and consequent lockdown imposed in March 2020 impacted a whole range of economic activities adversely. The business operations were shut down and adversely impacted. While the situation looked quite upbeat in Jan-Feb 2021, due to the onset of the 'second wave', things have deteriorated quickly since then. An accelerated increase in the number of COVID-19 cases has necessitated imposition of restrictions which may once again inhibit economic activity and affect markets. The extent to which the second wave of COVID-19 pandemic will impact the Company's financial statements will depend on ongoing as well as future developments, which at this juncture are highly uncertain.

While it is expected that economic activity will improve once restrictions are eased and vaccinations pick up speed, the situation will have to be closely monitored till the pandemic is put to rest. The management does not, at this juncture, believe that the impact of the pandemic on the functioning of the Company on a medium to long term is likely to be material.

The Company continues to closely monitor changes in economic conditions, markets and in the Finance industry.

**DIVIDEND:**

Given the growth requirements of the business, your Directors think it prudent to plough back the profits and therefore do not recommend any dividend on equity shares for the financial year 2020-2021.

**DIRECTOR:**

In accordance with the Articles of Association of the Company and in view of the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, **Mr. Ladhu Lal Soni (DIN: 00131787)**, director of the Company retire at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

**KEY MANAGERIAL PERSONNEL:**

During the year under review, the Company has the following persons as the Key Managerial Personnel:

Sr. No.	Name of the Person	Designation
1.	Mrs. Sejal Sagar Modi	Managing Director
2.	Ms. Vishakha Pandya	Company Secretary & Chief Financial Officer

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independent Director prescribed both under section 149 (6) of the Companies Act, 2013 and as per SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**SUBSIDIARIES & ASSOCIATE COMPANIES:**

The Company does not have any subsidiary or associate Companies.

**SEGMENT REPORTING:**

1. Trading Segment includes sale & purchase of traded items mainly TMT Bars & Plots.
2. Real Estate development segment includes the business of development and sale of real estate.
3. Unallocable amount includes expenditure incurred & income received for Company as a whole.



4. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investment, Tax, related assets & other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**SHARE CAPITAL OF THE COMPANY:**

The Paid up Equity Share Capital, as at **31<sup>st</sup> March, 2021** was **Rs. 1,25,60,910/-** divided into **62,80,455** Equity Shares, having face Value of Rs. 2/- each fully paid - up. During the Year under review, the Company has not issued any shares with differential voting rights nor granted any stock options nor sweat equity.

**CHANGE IN NATURE OF BUSINESS:**

There was no change in the nature of business activities during the Financial Year 2020-2021.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on the financial year ended March 31, 2021 is placed on the Company's website at [www.nidhi.net.in](http://www.nidhi.net.in).

**SECRETARIAL AUDIT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed **M/s. Reena S. Modi & Associates** (Membership No. 25346), a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

In addition to the above and pursuant to SEBI circular dated 8<sup>th</sup> February 2019, a report on secretarial compliance by **M/s. Reena S. Modi & Associates** (Membership No. 25346), a firm of Company Secretaries in Practice for the FY 2020-2021 has been submitted with Stock exchanges.

**LISTING OF SHARES:**

The Shares of the Company are listed on The Calcutta Stock Exchange Limited.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of the Loans, guarantees and investments, if any are covered under the provisions of section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators or Courts that would impact the going status of the Company and its future operations.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of our knowledge and belief and according to the information and explanations obtained, Directors make the following statement in terms of Section 134 (3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their meeting held on **13<sup>th</sup> February, 2021**. The Board of Directors expressed their satisfaction with the evaluation process.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The details of the number of meetings of the Board held during the **Financial Year 2020-2021** forms a part of the Corporate Governance Report.

**CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has Constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of **Mrs. Sejal Sagar Modi**. The other members of the Committee are **Mr. Ladhu Lal Soni** and **Mr. Shiv Raj Sharma** .

A detailed CSR Policy has been framed which is placed on the Company's Website. As a part of its initiative under the CSR drive, the company has undertaken CSR activities by giving contribution to various permitted entities.

These CSR Projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. Details of the CSR activities as required under Section 135 of the Companies Act, 2013 and rules framed thereunder are given in the CSR Report framed thereunder are given in the CSR Report as **Annexure 'C'** forming part of this Report.

**COMMITTEES OF THE BOARD:**

Currently there are (5) Five Committee which are as follows:

1. Audit Committee
2. Stakeholders Relationship committee
3. Nomination and Remuneration Committee
4. Share Transfer Committee
5. Corporate Responsibility Committee

Details of all the committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, forming part of this Annual Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has established a Vigil Mechanism, also called the Whistle Blower Policy, which has been adopted by the Board of Directors and employees to report concerns about unethical behavior, actual or suspected fraud or Violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate

safeguards against Victimization of persons who use such mechanism and makes provision for direct access to the chairperson of Audit Committee in appropriate or exceptional cases. Confidentiality of Whistle Blower shall be maintained to the greatest extent possible. Details of the Vigil mechanism are posted on the company's Website ([www.nidhi.net.in](http://www.nidhi.net.in)).

**PREVENTION OF SEXUAL HARASSMENT:**

The Company has complied with the provision of sexual Harassment of Women at workplace (Prevention, prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the Year under review, no Complaints were reported.

**RISK MANAGEMENT:**

The Company has been addressing Various risks impacting the Company like competition, Government policies, price Fluctuation Risk etc. and management of your Company has planned to manage them by best Management Practices.

The Management of the company had evaluated the existing Risk Management Policy of the Company. The Risk Management Policy has been reviewed and found adequate and sufficient to the requirement of the Company. The Management has evaluated various Risks, and there is no element of risk identified that may threaten the existence of the company.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into were on arm's length basis and were in the ordinary course of the business and as per the provision of Section 188 of the Companies Act, 2013 and Listing Regulations. Thus the disclosure in AOC-2 is not required. Further, there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All related Party transactions are placed before the Audit Committee and also before the board for their approval in accordance with the policy on Related party Transactions formulated by the Board of Directors of the Company and has been posted on the Website of the company [www.nidhi.net.in](http://www.nidhi.net.in).

**DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted New ISIN : INE380R01020 after Sub-division of Shares of the Company from Face Value 10/- each to 2/- each.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

**INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and Completeness of the accounting records, and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of financial Control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company and strives to maintain the standard in Internal Financial Control.

**CASH FLOW STATEMENT:**

As required under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015 with the Stock Exchange, the cash Flow Statement is attached to the Balance Sheet.

**CODE OF CONDUCT:**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website [www.nidhi.net.in](http://www.nidhi.net.in).

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

The Company has established a code of conduct for Prevention of Insider Trading. The necessary preventive actions, including closure of trading window around the time of any price sensitive events informations are taken care. The detailed policy is uploaded on Company's website [www.nidhi.net.in](http://www.nidhi.net.in).

**STATUTORY AUDITOR:**

**M/s. S. S. Rathi & Co., Chartered Accountants (Firm Regn No : 108726W)** were appointed as Statutory Auditors of your Company at the **31<sup>st</sup> Annual General Meeting** held on **28<sup>th</sup> September, 2017**, for a term of five consecutive years. The auditors confirmed that their appointment shall be in compliance with Section 139 and 141 of the Companies Act, 2013 subject to ratification at the ensuing AGM by the shareholders.

The Company had received certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment pursuant to Section 139(1) of the Act.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting and M/s. S. S. Rathi & Co., Chartered Accountants, will Continue to act as auditor of the Company till **financial Year 2021-2022**.

The Report given by the Auditors on the Financial Statement of the company is part of this report.

**INTERNAL AUDIT:**

Pursuant to the provision of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit committee re-appointed **M/s. Kavita Birla & Co., (M. No. 405577), Practicing Chartered Accountant**, Mumbai as an Internal Auditor of the Company. The Internal Auditor submits his reports to the Audit Committee.

Based on the report of Internal Audit, Management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and Corrective actions thereon are presented to the Audit Committee of the Board.

**AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts which are self explanatory.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate policies and procedures for ensuring the orderly business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as a separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulation, 2015.

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to section 197 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 'D'** of this report.

None of the employees have drawn remuneration more than Rs. 10,00,000/- p.m. , if employed for the part of the year and Rs. 120,00,000/- p.a. if employed throughout the year.

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT:**

There were no material Changes and Commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements related and date of the report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING:**

The information on conservation of energy, technology absorption pursuant to section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Account) Rule, 2014 are not applicable to the Company as the Company is not engaged in manufacturing activities.

The Company has no foreign exchange inflow or outflow during the year under review.

**ACKNOWLEDGEMENT:**

The Board of Directors wish to place on record their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government, and Local Authorities for their strong support and valuable guidance. The Directors are thankful to the shareholders for their continued support to the Company.

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date: 30<sup>th</sup> June, 2021**

**Place: Mumbai**

**CIN: L51909MH1985PLC138577**

**REGISTERED OFFICE:**

B/306-309, Dynasty Business Park,

Opp. Sangam cinema, Andheri (E),

Mumbai - 400059

Email id: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com), Website: [www.nidhi.net.in](http://www.nidhi.net.in)

Sd/-

**Ladhu Lal Soni**

**Director**

**DIN: 00131787**

**Annexure 'B'**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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To,

The Members,

**Nidhi Mercantiles Limited,  
B/306-309, Dynasty Business Park,  
Opp: sangam Cinema Road, Andheri (E),  
Mumbai-400069**

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

Based on my verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **NIDHI MERCANTILES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2021, according to the provisions of:

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

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during Audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and the same has been complied.  
(ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange,

I further report that :The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors that took place during the period under review with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines.

**For Reena S Modi & Associates  
Practicing Company Secretary**

**Sd/-  
Reena Modi  
ACS No: A25346  
CP No: 12621**

**Place : Mumbai  
Date : 30<sup>th</sup> June, 2021  
UDIN: A025346C000547736**

**Note:**

1. This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

**Annexure A to the Secretarial Audit Report**

To,

The Members,

**Nidhi Mercantiles Limited,  
B/306-309, Dynasty Business Park,  
Opp: sangam Cinema Road, Andheri (E),  
Mumbai-400069**

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

**For Reena S Modi & Associates  
Practicing Company Secretary**

**Sd/-  
Reena Modi  
ACS No: A25346  
CP No: 12621**

**Place : Mumbai  
Date : 30<sup>th</sup> June, 2021  
UDIN: A025346C000547736**



**Annexure 'C'****Annual Report on Corporate Social Responsibility Activities**

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

**1. Brief outline on CSR Policy of the Company.**

The Company carries its Corporate Social Responsibility (CSR) activities through various implementing agencies. The details of the Company's CSR Initiatives project/programmes and activities are provided in this annexure.

The CSR Policy of the Company is uploaded on its website and can be viewed at [www.nidhi.net.in](http://www.nidhi.net.in).

**2. Composition of CSR Committee:**

As on March 31, 2021, the CSR Committee comprises of following members of the Board –

1. Mrs. Sejal Modi (Managing Director),
2. Mr. Ladhu Lal Soni (Director)
3. Mr. Shiv Raj Sharma. (Independent Director)

Details related to number of CSR Committee meetings held during the year and attendance is mentioned in the Corporate Governance Report forming part of the Board's Report.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.nidhi.net.in](http://www.nidhi.net.in)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	FY 2017-18	Nil	Nil
2	FY 2018-19	Nil	Nil
3	FY 2019-20	Nil	Nil
	<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

6. Average net profit of the company as per section 135(5): **Rs. 4,19,51,038/-**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 8,39,021**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs.8,39,021

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
<b>Rs. 8,40,000</b>	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation	Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District							Name	CSR Registration number
NA													

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Medical/Health Care	Promoting preventive health care	No	Rajasthan	Bhilwara	8,40,000	No	Kesarbai Soni Charitable Trust	CSR00002118

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.8,40,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	8,39,021
(ii)	Total amount spent for the Financial Year	8,40,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	979
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	979

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred	Amount spent in reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1	FY 19-20	NIL	1339000	NIL	NIL	NIL	NIL
2	FY 18-19	NIL	41000	NIL	NIL	NIL	NIL
<b>TOTAL</b>			<b>13,80,000*</b>				

\* Rs. 13,80,000/- was unspent in FY 19-20 & FY 18-19 the same has spent in Current FY i.e 20-21

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project i	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NA								

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : NA

**(asset-wise details).**

- a) Date of creation or acquisition of the capital asset(s).
- b) Amount of CSR spent for creation or acquisition of capital asset.
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**11.** Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Sd/-  
Ladhu Lal Soni  
Director  
DIN: 00131787**

**Sd/-  
Sejal Sagar Modi  
Chairman of CSR Committe  
DIN: 06684211**

## Annexure 'D'

## Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Status
1	Ratio of the remuneration to each executive Director to the median remuneration of the employees of the Company for FY 2020-2021	NA
2	% increase in remuneration Executive Directors, CFO and CS during the FY 2020-2021	-
3	% increase in median remuneration of the employees for the FY 2020-2021	-
4	Total employees on role of Company as on 31.3.2021	2
5	Relationship between average increase in remuneration and Company's performance	-
6	Comparison of the remuneration of the KMPs against the performance of the Company	-
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	NA
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	-
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	-
10	The key parameters for any variable component of remuneration	NA
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
12	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

Your Directors's Present the Company's report on Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) for the Year ended 31<sup>st</sup> March, 2021.

**1. CORPORATE GOVERNANCE:**

Corporate Governance stands for commitment to values and ethical business conduct. It is an information to outsiders showing how an organization is managed. This includes its corporate Structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the company are integral parts of Corporate Governance. Adoption of good Corporate Governance Practices help to develop a good image of the Organization, attracts best talents and keeps the stakeholders satisfied.

Your Company has been practicing the principle of good Corporate Governance over the years and has been uploading fair and ethical business and corporate practice and transparency in its dealing, laying emphasis on scrupulous regulatory compliances.

**2. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Your Company believe that sound Corporate Governance is critical to enhance and retain investors' trust.

Accordingly, your Company seeks to achieve its goal with integrity and fairness. The Company's Philosophy is based on accountability, Ethical conduct, compliance with statues, Interest of all stakeholders, Interest of all Stakeholders, Transparency and Timely disclosure. The Objective is to institutionalize Corporate Governance practices that go beyond adherence to the regulatory framework.

**3. BOARD OF DIRECTORS:**

The Board of Directors provides strategic directions and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

**(a) COMPOSITION:**

The Board of Directors of the Company has an optimum combination of executive and non-executive and Independent Directors. There are 4 Directors on Board of the Company, comprising of 1 Managing Director (Executive Women Director), 2 Independent Directors and 1 Non - Executive Director as on **31<sup>st</sup> March, 2021**. The Chairman of the Board is Non-Executive Director. The directors have made necessary disclosures regarding positions occupied by them in other Companies.

The Composition of the Board of Directors of the Company as on **31<sup>st</sup> March, 2021** are as under with details of other directorships and committee memberships:-

Sr. No.	Name	Status	No. of other Directorships and Committee Memberships (Excluding Nidhi Mercantiles Limited)	
			Other Directorships	Committee Membership
1.	Mr. Ladhu Lal Soni	Chairman (Non – Executive Director)	06	-
2.	Mrs. Sejal Sagar Modi	Managing Director (Executive Director)	NIL	-
3.	Mr. Ramesh Chandra Banger	Non – Executive Independent Director	04	-
4.	Mr. Shiv Raj Sarma	Non – Executive Independent Director	NIL	-

Note 1: Other directorships include Private Limited Companies.

Note 2: Only Audit Committee, Nomination & Remuneration committee & Shareholders/Investors Grievance Committee are reckoned for the purpose of committee memberships.

Note 3: None of the directors hold the office in more than the permissible number of companies under the Companies Act, 2013. Also, the Committee Chairmanships/ Memberships are within the limits laid down in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

**(b) MEETINGS OF THE BOARD AND ATTENDANCE OF THE DIRECTORS:**

Attendance at Board meetings during the year and last Annual General Meetings are as follows:

10 (Ten) meetings of the Board are held on:

Sr. No.	Date of Board Meeting
1	01 <sup>st</sup> April, 2020
2	27 <sup>th</sup> July, 2020
3	05 <sup>th</sup> September, 2020
4	15 <sup>th</sup> September, 2020
5	06 <sup>th</sup> October, 2020
6	12 <sup>th</sup> November, 2020
7	10 <sup>th</sup> December, 2020
8	17 <sup>th</sup> December, 2020
9	24 <sup>th</sup> December, 2020
10	13 <sup>th</sup> February, 2021

The Last Annual General Meeting was held on 30<sup>th</sup> September, 2020:

Sr. No.	Name of the Director	No. of Board Meeting attended	Whether attended Last AGM
1.	Mr. Ladhu Lal Soni	10	Yes
2.	Mrs. Sejal Sagar Modi	10	Yes
3.	Mr. Ramesh Chandra Banger	10	No
4.	Mr. Shiv Raj Sharma	10	Yes

None of the above directors are related inter-se.

**(c) BOARD PROCEDURE:**

The annual calendar of board meetings is agreed upon at beginning of the year. The Agenda is circulated in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions.

**(d) CODE OF CONDUCT & DECLARATION:**

The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. Declaration from Mrs. Sejal Sagar Modi, Managing Director affirming compliance of the said code by all the Board Members and members of senior management of the company to whom the code is applicable is annexed separately to this report.

**(e) OBLIGATIONS OF INDEPENDENT DIRECTORS:**

As mandated by Regulation 25 of the Listing Regulations, the Independent Directors on the Company's Board held a meeting on **13<sup>th</sup> February, 2021** without the presence of Non-Independent Directors and Members of the management to:

(a) review the performance of non-independent Directors and the Board of Directors as a whole;

- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive Directors and non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairman & Managing Director and Whole-time Director was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**(f) FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company has in place a policy for Familiarization Programme for Independent Director and the same is disclosed on the website of the company i.e. [www.nidhi.net.in](http://www.nidhi.net.in).

**INFORMATION PLACED BEFORE BOARD OF DIRECTORS:**

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting:

- a. Annual operating plans and budgets and any updates.
- b. Quarterly results for the Company.
- c. Minutes of meetings of audit committee and other committees of the board.
- d. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- e. Show cause, demand, prosecution notices and penalty notices which are materially important.
- f. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- g. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- h. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed structures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- i. Details of any joint venture or collaboration agreement.
- j. Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- k. Sale of material, nature of investments, subsidiaries, assets, which is not in normal course of business.
- l. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

**4. BOARD COMMITTEES:**

The Board currently has 5 Committees:

- 1. Audit Committee
- 2. Nomination & Remuneration Committee.
- 3. Shareholders'/Investors' Grievance Committee
- 4. Share Transfer Committee
- 5. Corporate Social Responsibility



**(a) AUDIT COMMITTEE:****(i) TERMS OF REFERENCE:**

1. Oversight of the Company's financial reporting process, review of internal control system and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment of the Statutory Auditors and fixation of their remuneration.
3. Reviewing the major accounting policies and practices and adoption of applicable Accounting Standards.
4. Reviewing the management, the annual financial statements before submission to the board for approval.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval, with particular reference to:-
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major Accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
6. Discussion with the internal/statutory auditors on any significant finding and follow-up there on.
7. Reviewing the risk management mechanisms of the Company.
8. Approval of the appointment of the Chief Executive officer (CEO).

Minutes of the Audit Committee Meetings are circulated to the Members of the Board of Directors and taken care of.

**(ii) COMPOSITION:-**

The Composition of Audit Committee as on **31<sup>st</sup> March, 2021** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mr. Ramesh Chandra Banger	Chairman (Non-Executive, Independent Director)
2.	Mr. Shiv Raj Sharma	Member (Non-Executive, Independent Director)
3.	Mr. Ladhu Lal Soni	Member (Non-Executive Director)

**(iii) MEETING AND ATTENDANCE:**

The Committee met **4 (Four)** times during the year on **27<sup>th</sup> July, 2020, 15<sup>th</sup> September, 2020, 12<sup>th</sup> November, 2020 & 13<sup>th</sup> February, 2021**. The Attendances of the Members at the meetings were as follows:-

Name of the Director	Status	No. of Meetings during the year	No. of Meetings Attended
Mr. Ramesh Chandra Banger	Chairman	4	4
Mr. Shiv Raj Sharma	Member	4	4
Mr. Ladhu Lal Soni	Member	4	4

All the Members of the Audit Committee are financially literate and have Accounting or related financial management expertise.

**(b) NOMINATION & REMUNERATION COMMITTEE:**

The Company is having "Nomination and Remuneration Committee" constituted in accordance with section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR), Regulation, 2015.

**(i) TERMS OF REFERENCE:**

The Remuneration Committee is there to identify persons qualified to become directors & KMPs, formulate and recommend to the Board the compensation / remuneration structure for managing director/whole time directors & KMPs, their evaluation & removal.

**(ii) COMPOSITION:-**

The Composition of the Nomination & Remuneration Committee as on **31.03.2021** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mr. Ramesh Chandra Banger	Chairman (Non-Executive, Independent Director)
2.	Mr. Shiv Raj Sharma	Member (Non-Executive, Independent Director)
3.	Mr. Ladhu Lal Soni	Member (Non-Executive Director)

**(iii) MEETING AND ATTENDANCE:**

The Committee met **1 (One)** times during the year on **13<sup>th</sup> February, 2021**. The Attendances of the Members at the meetings were as follows:-

Name of the Director	Status	No. of Meetings during the year	No. of Meetings Attended
Mr. Ramesh Chandra Banger	Chairman	1	1
Mr. Shiv Raj Sharma	Member	1	1
Mr. Ladhu Lal Soni	Member	1	1

All the members of the Nomination & Remuneration Committee are financially literate and have Accounting or related financial management expertise.

**(c) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:****(i) TERMS OF REFERENCE:**

The Committee oversees redressal of shareholders/investors grievances, transfers of shares, non-receipt of balance sheets and related matters. It also reviews the system of dealing with and responding to correspondence from the Investors viz - shareholders and the reporting of the same to the Board periodically.

**(ii) COMPOSITION:**

The composition of the Shareholders/Investors Grievance Committee as on **31.03.2021** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mr. Ramesh Chandra Banger	Chairman (Non-Executive, Independent Director)
2.	Mr. Shiv Raj Sharma	Member (Non-Executive, Independent Director)
3.	Mr. Ladhu Lal Soni	Member (Non-Executive Director)

**(iii) MEETING AND ATTENDANCE:**

The Committee met **4 (Four)** times during the year on **27<sup>th</sup> July, 2020, 15<sup>th</sup> September, 2020, 12<sup>th</sup> November, 2020 & 13<sup>th</sup> February, 2021**.

The Attendances of the Members at the meetings were as follows:-

Name of the Director	Status	No. of Meetings during the year	No. of Meetings Attended
Mr. Ramesh Chandra Banger	Chairman	4	4
Mr. Shiv Raj Sharma	Member	4	4
Mr. Ladhu Lal Soni	Member	4	4

All the members of the Shareholders/Investors Grievance Committee are financially literate and have Accounting or related financial management expertise.

**(d) SHARE TRANSFER COMMITTEE:**

**(i) TERMS OF REFERENCE**

Share Transfer Committee is formed to look out the matters relating to transfer/transmission of shares, issue of duplicate share Certificate, dematerialization/ rematerialization of share etc.

**(ii) COMPOSITION:**

The Composition of the Share Transfer Committee as on **31.03.2021** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mrs. Sejal Sagar Modi	Chairman (Executive Director)
2.	Mr. Shiv Raj Sharma	Member (Non-Executive, Independent Director)
3.	Ms. Vishakha Pandya	Member (Company Secretary)

**(iii) MEETING AND ATTENDANCE:**

No meeting held during FY 2020-2021.

All the members of the Share Transfer Committee are financially literate and have Accounting or related financial management expertise.

**(e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**(i) TERMS OF REFERENCE:**

The Board of Directors of the Company had Constituted the Corporate Social Responsibility Committee in accordance with provision of section 135 of the companies Act, 2013 ("the Act").

The CSR Committee confirms that the implementation and monitoring of the CSR Activities of the Company are in Compliance with the CSR Objectives and CSR Policy of the Company.

**(ii) COMPOSITION:**

The Composition of the Corporate Social Responsibility Committee as on **31.03.2021** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mrs. Sejal Sagar Modi	Chairman (Executive Director)
2.	Mr. Ladhu Lal Soni	Member (Non – Executive Director)
3.	Mr. Shiv Raj Sharma	Member (Non – Executive, Independent Director)

**(iii) MEETING AND ATTENDANCE:**

The Committee met 1 (One) times during the year on **27<sup>th</sup> March, 2021**.

The Attendances of the Members at the meetings were as follows:-

Name of the Director	Status	No. of Meetings during the year	No. of Meetings Attended
Mrs. Sejal Sagar Modi	Chairman	1	1
Mr. Ladhu Lal Soni	Member	1	1
Mr. Shiv Raj Sharma	Member	1	1

All the members of the Corporate Social Responsibility Committee are financially literate and have Accounting or related financial management expertise.

**(f) RISK MANAGEMENT POLICY:**

During the Year, your Directors have formulated the Risk Management Policy at Board Meeting, which has been entrusted with the responsibility to assist the Board:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management and
2. To establish a framework for the Company's risk management process and to ensure its implementation
3. To enable compliance with appropriate regulations, wherever applicable.
4. To assure business growth with financial stability.

**5. SHAREHOLDERS MEETINGS:**

The date, time and venue of the Annual General Meetings for last three years are given below:

Financial Year	Date	Time	Venue
2017-2018 (Annual General Meeting)	28.09.2018	01:00 p.m.	Registered Office
2018-2019 (Annual General Meeting)	30.09.2019	01:00 p.m.	Registered Office
2019-2020 (Annual General Meeting)	30.09.2020	03:30 p.m.	Registered Office

All resolutions moved at the Last Annual General Meeting were passed with Requisite Majority.

**6. SECRETARIAL AUDIT:**

Secretarial Audit is being carried out by Company Secretary in practice to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) & Central Depository Services Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number in physical form and total number of dematerialized shares held with NSDL & CDSL.

**7. CERTIFICATE FROM PRACTISING COMPANY SECRETARY:**

A certificate from M/s. Akanksha & Associates, Practising Company Secretary (Membership No.: 49658, CP No.: 19341) to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms a part of this Report.

**8. DISCLOSURES:**

- i) The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large.

ii) The financial statements have been prepared in accordance with the Accounting Standards and policies generally accepted in India.

iii) There was no non-compliance by the Company on any matter related to the Capital Markets, resulting in disciplinary action against the Company by the Stock Exchanges or SEBI or any other statutory authority, during the last three years.

iv) The Company has implemented the mandatory requirements of Corporate Governance as set out in SEBI (LODR) Regulation, 2015. The annual financial results are published in English and Marathi newspapers.

v) The Company has a Risk Management Policy Framework for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

**vi) Vigil Mechanism/ Whistle Blower Policy:**

Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulation, 2015 the Company has adopted a Vigil Mechanism/ Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behavior and had thus 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No employee of the Company has been denied access to the Audit Committee of the Board of Directors. The same is also posted on the website of the Company.

**vii) Proceeds From Public Issue:**

The Company has not made any Public issue during the financial year **March 31<sup>st</sup>, 2021**.

**viii) CEO/CFO Certification:**

As required under Regulation 17(8) of the SEBI (LODR) Regulation, 2015, the CEO/CFO certification is annexed.

**ix) COMPLIANCE CERTIFICATE OF THE AUDITORS ON CORPORATE GOVERNANCE:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance laid down in the Listing Regulations. This certificate is annexed to the Report.

**9. MEANS OF COMMUNICATION:**

i.) The quarterly/annual financial results are regularly submitted to the Stock Exchanges and published in one English daily and one Marathi daily.

ii) The Management Discussion and Analysis Report, in compliance with requirements of SEBI (LODR) Regulation, 2015 is annexed to the Directors' Report and forms part of the Annual Report being sent to all the members of the Company.

iii) Website of the Company: [www.nidhi.net.in](http://www.nidhi.net.in)

**10. DISCLOSURE OF EVENTS OR INFORMATION:**

In accordance with Regulation 30(4)(ii) of Listing Regulation, the Company has framed a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by the Board of Directors, which shall be disclosed on the Company's Website [www.nidhi.net.in](http://www.nidhi.net.in)

Further, the Company has authorized KMP'S for the purpose of determining the materiality of an event or information and for the purpose of making disclosure to stock exchange(s) under the said Regulation and the contact details of such personnel has been disclosed to the stock exchange(s) and as well is placed on the Company's Website [www.nidhi.net.in](http://www.nidhi.net.in).

**11. DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSE (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON 'CORPORATE GOVERNANCE OF THE ANNUAL REPORT:**

Company has complied with the corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of SEBI (LODR) Regulation, 2015 required information has been hosted on the Company's website [www.nidhi.net.in](http://www.nidhi.net.in).

**12. GENERAL SHAREHOLDER INFORMATION:**

1.	35 <sup>th</sup> Annual General Meeting	
	- Date & Time	30 <sup>th</sup> September, 2021 & 03:30 p.m.
	- Venue	Through Video Conferencing
4.	The listing fees has been paid up to the date to all the stock exchanges	Yes
5.	<b>Scrip Code:</b> Calcutta Stock Exchange Ltd. (CSE)	24132

**13. DISTRIBUTION OF EQUITY SHARE AS ON 31<sup>ST</sup> MARCH, 2021:**

Sr. No.	Category	Shareholder		Shareholding	
		Number	%	Number	%
1.	1-500	119	76.2821	37005	0.5892
2.	501-1000	4	2.5641	3300	0.0525
3.	1001-2000	1	0.6410	1500	0.0239
4.	3001 – 4000	2	1.2821	6650	0.1059
5.	4001 – 5000	2	1.2821	10000	0.1592
6.	5001 – 10000	7	4.4872	52000	0.8280
7.	10001- Above	21	13.4615	6170000	98.2413
	<b>Total</b>	<b>156</b>	<b>100</b>	<b>6280455</b>	<b>100.0000</b>

**14. PATTERN OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2021:**

Category	No. of shares held	% of Share holding
<b>PROMOTERS HOLDINGS</b>		
a) Individual	Nil	Nil
b) Body Corporate	1765000	28.10%
<b>PUBLIC HOLDINGS</b>		
a) Institutions	Nil	Nil
b) <u>Non Institutions</u>		
• Body Corporate	4478400	71.31%
• <u>Individual</u>		
a) Shareholders Nominal Share upto 2 lacs.	37055	0.59%
b) Shareholders Nominal Share more than	Nil	Nil

2 lacs.		
c) Any Other	NIL	Nil
<b>Total</b>	<b>6280455</b>	<b>100%</b>

**15. DETAILS OF DEMAT SHAREHOLDING:**

As on **31<sup>st</sup> March, 2021**, 62,27,000 Shares representing 99.15% of total Equity Share were held in dematerialized form with NSDL.

**16. REGISTRARS AND TRANSFER AGENTS:**

**M/s Bigshare Services Pvt. Ltd**  
 Bharat Tin Works Building, 1<sup>st</sup> Floor,  
 Opp. Vasant Oasis, Makwana Road, Marol,  
 Andheri – East, Mumbai – 400059  
 Tel: 022 - 62638200  
 Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

**17. ADDRESS FOR CORRESPONDENCE:**

Requests or complaints in other matters such as Unpaid/Unclaimed Dividend/Change of Address/Splitting of shares etc. be sent to:

**Nidhi Mercantiles Limited**  
 B/306-309, Dynasty Business Park,  
 Opp. Sangam Cinema, A.K. Road,  
 Andheri (E), Mumbai - 400059  
 Tel.: 022 61115222  
 Email: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com)  
 Website: [www.nidhi.net.in](http://www.nidhi.net.in)

**18. LISTING OF SHARES AND OTHER DETAILS:**

- The Equity Shares of the Company are listed on The Calcutta Stock Exchange Ltd. having Scrip Code : 24132
- ISIN Number of the Company : INE380R01020 (having Face Value of Rs. 2/- each)
- Corporate Identity Number (CIN) : L51909MH1985PLC138577
- The Company has paid Listing Fees upto 31<sup>st</sup> March, 2021 to The Calcutta Stock Exchange Ltd.

**19. DECLARATION:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of the SEBI (LODR), Regulation, 2015 with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended **31<sup>st</sup> March, 2021**.

**By order of the Board of Directors  
 For Nidhi Mercantiles Limited**

**Date: 30<sup>th</sup> June,2021  
 Place: Mumbai**

**Sd/-  
 Ladhu Lal Soni  
 Chairman  
 DIN: 00131787**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **BUSINESS REVIEW:**

The Company was incorporated mainly for dealing and trading in cotton product, fibrous material, engineering goods & cast iron items. In order to augment its resource, the company has diversified its business and has entered into the business of purchase or acquisition of land, building and to carry on the business of builders and estate agents as empowered by the Memorandum of Association.

### **INDUSTRY STRUCTURE AND REVIEW:**

The Economic fundamentals of the Indian economy has improved during the year under review, supported by the Government Policy reforms, thereby improving the business outlook.

The year 2017-18 witnessed implementation of two major regulatory reforms – GST and RERA. The rollout of the GST was a landmark accomplishment despite of initial glitches and will enhance efficiency, create a common national market, and improve tax buoyancy.

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

The Company is consolidating its resources to build a market presence in the national area. The results are reflected in steady growth in the last years as also continuing in the current year.

### **HEALTH SEAFY AND PADNEMIC RISK:**

In addition to serious implications for people's health and the healthcare services, corona virus (COVID-19) is having a significant impact on the world-wide economy including India in terms of business growth and business models. The disruption has pushed the financial sector to adopt digital model for sustenance and growth. The company has been proactive enough to switch over to fully digital mode since the Covid-19 ensuring employees the best health safety measures and uninterrupted service to the stakeholders. However, the performance of the company may be impacted in future because of the lasting effect of this disruption on the economy. While the current recovery momentum is well supported by ongoing vaccination Drive.

The vaccination process has begun at a rapid pace and by end of 2021; it is likely that most advanced economies would have vaccinated a critical mass of their population. This is likely to go a long way in preventing a resurgence of the virus in those countries and aid a rebound of the global economy at a robust pace.

### **OUR RESPONSE TO THE LOCKDOWN:**

We facilitated work-from-home for our employees during the year. We created a safe environment with necessary protocols in place for our essential employees and those who needed to work from the office/branches whenever required.

### **OPPORTUNITIES/THREATS/RISKS/CONCERNS:**

However, the growth is expected to revive gradually in the next fiscal year. This expectation would ride on the back of increase in investments in a favorable interest rate regime, normal monsoons and gradual recovery in industrial production. Above all, it is assumed that the government will expedite the capital projects, there system of approval of project, increasing construction cost etc that have been held up on account of fiscal constraints.

### **OPERATING & FINANCIAL PERFORMANCE:**

- Company's Gross Revenue from operation as on 31<sup>st</sup> March, 2021 stand at Rs. 9,98,75,000/- against Rs. 1,64,20,000/- recorded in the previous year.



- The Company has been able to post Net Profit of Rs. 7,11,83,558/- as against Net Profit of Rs. 2,75,11,977/- of previous year.

**DEBT STRUCTURE:**

The Company has taken Secured Bank Loan from Bank for its commercial project and repayment during the year.

**OUTLOOK:**

The Company has plans to continue Goods trading Business and construct residential units and commercial shops which will be sold out. The revenue from these operations is expected by the end of the next financial year.

**SEGMENT WISE PERFORMANCE:**

- a) Trading Segment includes sale & purchase of Plots.
- b) Real Estate development segment includes the business of development and sale of real estate.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**HUMAN RESOURCES:**

Your Company recognizes the employees as the real assets of the organization and lays due emphasis on all round development of its human resources. Various HR initiatives are taken to align the HR Policies according to the emerging requirement including training programmes to upgrade their professional, inter-personal and management skills. Our relationship with the employees continues to remain cordial throughout the year.

**CAUTIONARY NOTE:**

Certain Statements in the “Management Discussion and Analysis” section may be forward looking and are stated as required by the applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis, of any subsequent developments, events or information.

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date: 30<sup>th</sup> June, 2021  
Place: Mumbai**

**Sd/-  
Ladhu Lal Soni  
Chairman  
DIN: 00131787**

**CIN: L51909MH1985PLC138577**

**REGISTERED OFFICE:**

B/306-309, Dynasty Business Park,  
Opp. Sangam cinema, Andheri(E),  
Mumbai - 400059

Email id: [nml.mumbai@gmail.com](mailto:nml.mumbai@gmail.com), Website: [www.nidhi.net.in](http://www.nidhi.net.in)

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

**CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT**

In accordance with Regulation 34(3) of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 code of Conduct as approved by the Board of Directors of the Company had been displayed at the Company's Website. All the members of the Board and Management personnel affirmed compliance with the code for the year ending **31<sup>st</sup> March, 2021**.

**By order of the Board of Directors  
For Nidhi Mercantiles Limited**

**Date: 30<sup>th</sup> June, 2021  
Place: Mumbai**

**Sd/-  
Sejal Sagar Modi  
Managing Director  
DIN: 06684211**

**CERTIFICATE**

**BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER**

**To,**  
The Board of Directors,  
**Nidhi Mercantile Limited**  
B/306-309, Dynasty Business Park,  
Opp. Sangam Cinema, A.K. Road,  
Andheri (E), Mumbai - 400059

We, **Sejal Sagar Modi, Managing Director & Vishakha Pandya, Chief Finance Officer of Nidhi Mercantile Limited**, to the best of our knowledge and belief, certify that:

- a) We have reviewed the attached Financial statements and the Cash Flow statement of the company for the year ended **31<sup>st</sup> March, 2021** and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
- II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) These are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Internal Control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate Internal Controls over financial reporting.
- d) We have indicated to the auditors and the Audit committee:-
- (i) Significant changes, if any in internal controls over financial reporting during the year.
- (ii) Significant changes, if any in Accounting Policies during the year and that the same have also been disclosed in the notes to the accounts to the Financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the Involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Director  
For Nidhi Mercantile Limited**

**Date: 30<sup>th</sup> June, 2021**  
**Place: Mumbai**

Sd/-	Sd/-
<b>Sejal Sagar Modi</b> <b>Managing Director</b> <b>DIN: 06684211</b>	<b>Vishakha Pandya</b> <b>Chief Financial</b> <b>Officer (CFO)</b>

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To,  
The Board of Directors,  
**Nidhi Mercantile Limited**  
B/306-309, Dynasty Business Park,  
Opp. Sangam Cinema, A.K. Road,  
Andheri (E), Mumbai - 400059

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of “**NIDHI MERCANTILE LIMITED**” having CIN L51909MH1985PLC138577 and having registered office at B/ 306-309, DYNASTY BUSINESS PARK, OPP. SANGAM CINEMA, A. K. ROAD, ANDHERI (E) MUMBAI, Mumbai City MH 400059 IN. (hereinafter referred to as ‘the Company’), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	DATE OF APPOINTMENT IN COMPANY
1.	MR. LADHU LAL SONI	00131787	20/01/2007
2.	MRS. SEJAL SAGAR MODI	06684211	12/02/2015
3.	MR. RAMESH CHANDRA BANGER	01269363	02/02/2009
4.	MR. SHIV RAJ SHARMA	08416019	15/04/2019

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

**For and on behalf of**  
**Akanksha J & Associates**

Sd/-

**Akanksha Jain**

**Address: 7, Shashtri Circle,**  
**Bhupalpura Road, Udaipur**

**Rajasthan-313001**

**UDIN: A049658C000821132**

**Dated: 23/08/2021**

**Place: Udaipur**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members,  
**NIDHI MERCANTILES LIMITED**

We have examined the Compliance of Corporate Governance by **Nidhi Mercantiles Limited** for the year ended **31<sup>st</sup> March, 2021**, as stipulated in regulation 17 to 27 , clauses (b) to (i) of sub-section (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015")

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and the implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulation as applicable.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn No: 108726W)**

**Sd/-**  
**D. P. Rathi**  
**Partner**  
**M.No: 042068**

**Place: Mumbai**  
**Date : 30<sup>th</sup> June, 2021**  
**UDIN: 21042068AAAAJH6012**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NIDHI MERCANTILES LIMITED

#### **Opinion**

We have audited the accompanying financial statements of Nidhi Mercantiles Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to financial statements and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis of Opinion**

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

#### **Key Audit Matters**

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

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b><u>Accounting for investments</u></b></p> <p>The Company has investments in equity shares listed and unlisted. These investments are measured either at Fair Value through Profit and Loss ('FVTPL') or Fair Value through Other Comprehensive Income ('FVTOCI') based on fulfilment of required criteria which involve management judgment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Read the minutes of the meetings authorising the investment.</li><li>• Performed test of controls on the operating effectiveness of internal controls on investments.</li><li>• Obtained management representations on the judgments exercised for classification of investments, including indicative yields and maturity periods considered for amortised cost workings.</li><li>• Tested the disclosures made by the Company.</li></ul>

## **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibilities for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the financial statements**

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such sums does not arise.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**Firm Regn. No.: 108726W**

**Sd/-**  
**D. P. Rathi**  
**Partner**  
**M.No. 042068**  
**UDIN: 21042068AAAAIQ4988**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> June, 2021**

## ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements section of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the Management has physically verified fixed assets during the year and no discrepancies have been noticed. In our opinion, the frequency of physical verification of fixed assets is reasonable.  
  
(c) According to the information and explanations given to us and the records of the Company examined by us, we report that, the title deeds of immovable properties are held in the name of the Company.
2. (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals. 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 verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company & the nature of its business.  
  
(c) The Company is maintaining proper records of inventory. No discrepancies have been noticed on reconciliation of physical inventories with the book records.
3. As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii)(a),(iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Further, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the loans given or investments made and guarantees or security provided by it.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for certain products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues applicable to it with the appropriate authorities though there has been minor delay in some cases.

No undisputed amounts payable in respect of statutory dues applicable to the Company were in arrears as at 31<sup>st</sup> March, 2021 for period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institution or government and has not issued any debentures.
9. In our opinion and according to the information and explanations given to us, majority of the term loans were applied by the Company for the purpose other than the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company (as defined under Companies Act, 2013 and Companies (Nidhi Companies) Rules, 2014). Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**Firm Regn. No.: 108726W**

Sd/-  
**D. P. Rathi**  
**Partner**  
**M.No. 042068**  
**UDIN: 21042068AAAAIQ4988**

**Place : Mumbai**  
**Dated : 30<sup>th</sup> June, 2021**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Nidhi Mercantiles Ltd. (“the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for the Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over financial reporting with reference to these financial statements**

A Company’s internal financial control over financial reporting with reference to these financial statements is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial

statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over financial reporting with reference to these financial statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31<sup>st</sup> March, 2021, based on the criteria for internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. S. Rathi & Co  
Chartered Accountants  
Firm Regn. No.: 108726W**

**Sd/-  
D. P. Rathi  
Partner  
M.No. 042068  
UDIN: 21042068AAAAIQ4988**

**Place : Mumbai  
Dated : 30<sup>th</sup> June, 2021**

**NIDHI MERCANTILES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

	Note	As at 31.03.2021 Amt. (Rs)	As at 31.03.2020 Amt. (Rs)
<b>ASSETS</b>			
<b>Non- current Assets</b>			
(a) Property, Plant & Equipment	2	80,96,271	85,67,346
(b) Investment Property	3	16,648	17,791
(c) Financial Assets			
(i) Investments	4	47,75,37,496	27,89,92,116
(d) Other Non-current Assets	5	28,000	28,000
<b>Sub-total - Non-current Assets</b>		<b>48,56,78,415</b>	<b>28,76,05,253</b>
<b>Current Assets</b>			
(a) Inventories	6	6,37,26,738	8,96,30,321
(b) Financial Assets			
(i) Trade Receivables	7	11,46,23,959	9,00,59,353
(ii) Cash and Cash Equivalents	8	58,81,998	40,57,821
(iii) Other Balances with Bank	9	8,50,000	3,25,000
(iv) Loans	10	29,60,69,433	26,71,65,386
(v) Other Financial Assets	11	6,33,677	8,95,575
(c) Other Current Assets	12	72,386	45,698
<b>Sub-total - Current Assets</b>		<b>48,18,58,191</b>	<b>45,21,79,154</b>
<b>TOTAL ASSETS</b>		<b>96,75,36,606</b>	<b>73,97,84,408</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1,25,60,910	1,25,60,910
(b) Other Equity	14	87,05,89,607	60,38,20,571
<b>Sub-total -Shareholders' Funds</b>		<b>88,31,50,517</b>	<b>61,63,81,481</b>
<b>Non- current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	NIL	35,88,698
(ii) Other Financial Liabilities	16	34,27,443	31,30,085
(b) Deferred Tax Liability	17	9,89,731	9,81,736
(c) Other Non-current Liabilities	18	8,09,769	10,79,693
<b>Sub-total - Non-current Liabilities</b>		<b>52,26,944</b>	<b>87,80,212</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	19		
- Due to Micro Enterprises & Small Enterprises		Nil	Nil
- Due to Others		51,41,798	51,41,798
(ii) Other Financial Liabilities	20	4,07,718	4,03,18,697
(b) Other Current Liabilities	21	5,14,65,245	6,55,16,725
(c) Current Tax Liabilities (Net)	22	2,21,44,385	36,45,496
<b>Sub-total - Current Liabilities</b>		<b>7,91,59,146</b>	<b>11,46,22,715</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96,75,36,606</b>	<b>73,97,84,408</b>
Basis of preparation, measurement and significant accounting policies	1		
The accompanying notes form an integral part of the Financial Statements.			
As per our report of even date <b>For S. S. Rathi &amp; Co</b> <b>Chartered Accountants</b> <b>(Firm Regn. No.108726W)</b>		<b>For and on behalf of the board</b>	
<b>Sd/-</b> <b>D. P. Rathi</b> <b>Partner</b> <b>M. No. 042068</b>		<b>Sd/-</b> <b>Sejal Sagar Modi</b> <b>Managing Director</b> <b>DIN: 06684211</b>	<b>Sd/-</b> <b>Vishakha Pandya</b> <b>Company Secretary &amp; CFO</b>
<b>Place : Mumbai</b> <b>Dated : 30th June, 2021</b>		<b>Sd/-</b> <b>Ladhu Lal Soni</b> <b>Director</b> <b>DIN: 00131787</b>	<b>Sd/-</b> <b>Shiv Raj Sharma</b> <b>Director</b> <b>DIN: 08416019</b>

**NIDHI MERCANTILES LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note	Year ended	Year ended
		31.03.2021	31.03.2020
		Amt (Rs.)	Amt (Rs.)
<b>Revenue</b>			
Revenue from Operations	24	9,98,75,000	1,64,20,000
Other Income	25	3,81,66,603	4,10,15,243
<b>Total Revenue</b>		<b>13,80,41,603</b>	<b>5,74,35,243</b>
<b>Expenses</b>			
Cost of Sales	26	23,27,760	NIL
Changes-in-Inventories	27	2,84,27,249	77,27,839
Employee Benefits Expense	28	17,16,113	24,34,275
Financial Costs	29	61,78,290	95,05,761
Depreciation	30	4,72,219	5,34,853
Other Expenses	31	42,09,573	32,00,882
<b>Total Expenses</b>		<b>4,33,31,205</b>	<b>2,34,03,610</b>
<b>Profit Before Tax</b>		<b>9,47,10,398</b>	<b>3,40,31,633</b>
Tax Expense:	17		
- Current Tax		2,35,18,844	66,14,074
- Deferred Tax		7,996	-94,418
<b>Profit For the Year (A)</b>		<b>7,11,83,558</b>	<b>2,75,11,977</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit &amp; loss</b>			
Net fair value gain/(loss) on investments in equity instruments through OCI		19,55,85,478	-14,68,42,217
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b>19,55,85,478</b>	<b>(14,68,42,217)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>26,67,69,036</b>	<b>(11,93,30,239)</b>
Earnings per equity share of face value of Rs. 2/-each			
Basic and Diluted (Rs.)	36	11.33	4.38
Basis of preparation, measurement and significant accounting policies	1		
The accompanying notes form an integral part of the Financial Statements.			
As per our report of even date			
<b>For S. S. Rathi &amp; Co</b>		<b>For and on behalf of the board</b>	
<b>Chartered Accountants</b>			
<b>(Firm Regn. No.108726W)</b>			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>D. P. Rathi</b>		<b>Sejal Sagar Modi</b>	<b>Vishakha Pandya</b>
<b>Partner</b>		<b>Managing Director ompany</b>	<b>Secretary &amp; CFO</b>
<b>M. No. 042068</b>		<b>DIN: 06684211</b>	
<b>Place : Mumbai</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>Dated : 30th June, 2021</b>		<b>Ladhu Lal Soni</b>	<b>Shiv Raj Sharma</b>
		<b>Director</b>	<b>Director</b>
		<b>DIN: 00131787</b>	<b>DIN: 08416019</b>

**NIDHI MERCANTILES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

	As At 31.03.2021 Amt (Rs.)	As At 31.03.2020 Amt (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
a) Net Profit before Taxes	9,47,10,398	3,40,31,633
Adjustments for		
Interest Received	(2,43,64,018)	(2,74,19,888)
Fair value (gain)/loss on investments	(30,59,903)	(27,94,432)
Rent on amortisation of Security Deposits	(2,69,924)	(2,69,924)
Interest on deferment of advance tax	19,11,227	6,47,476
Interest Paid (including fair value change in financial instrumen	42,50,427	88,58,285
Dividend	(48,98,833)	(49,18,833)
Depreciation	4,72,219	5,34,853
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,87,51,594	86,69,171
Adjustments for		
Decrease/(Increase) in Inventories	2,59,03,583	77,27,839
Increase/(Decrease) in Trade Payables	NIL	(16,99,198)
Decrease/(Increase) in Trade Receivables	(2,45,64,606)	83,28,396
Decrease/(Increase) in Other Current Financial Assets	2,61,898	(2,21,834)
Decrease/(Increase) in Other Current Assets	(26,688)	(23,961)
Increase/(Decrease) in Other Current Financial Liabilities	89,021	(11,35,576)
Increase/(Decrease) in Other Current Liabilities	(1,40,51,480)	(45,94,785)
CASH GENERATED FROM OPERATIONS	5,63,63,322	1,70,50,052
Direct Tax (Paid)/Refund	(69,31,181)	(1,01,83,436)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>4,94,32,140</b>	<b>68,66,617</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Investments	1,00,000	NIL
Interest Received	2,43,64,018	2,74,19,888
Dividend Received	48,98,833	49,18,833
Maturity of/(Investment in) Bank Deposits	(5,25,000)	(1,25,000)
Movement in Loans and Advances	(2,89,04,047)	76,12,359
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(66,196)</b>	<b>3,98,26,080</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(4,35,88,698)	(3,51,73,784)
Interest Paid	(39,53,069)	(85,86,725)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(4,75,41,767)</b>	<b>(4,37,60,509)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,24,178</b>	<b>29,32,188</b>
CASH AND CASH EQUIVALENTS (At the beginning of the year)	40,57,821	11,25,633
CASH AND CASH EQUIVALENTS (At the end of the year)	58,81,998	40,57,821

Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- Previous Year's figure have been regrouped/ rearranged, wherever necessary, to correspond with the current year's classification / disclosure.

As per our Report of even date

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

For and on behalf of the board

Sd/-  
**D. P. Rathi**  
**Partner**  
**M. No. 042068**

Sd/-  
**Sejal Sagar Modi**  
**Managing Director**  
**DIN: 06684211**

Sd/-  
**Vishakha Pandya**  
**Company Secretary & CFO**

Place : Mumbai  
Dated : 30th June, 2021

Sd/-  
**Ladhu Lal Soni**  
**Director**  
**DIN: 00131787**

Sd/-  
**Shiv Raj Sharma**  
**Director**  
**DIN: 08416019**



**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021**

**Statement of Changes in Equity for the year ended 31st March, 2021**

**A. EQUITY SHARE CAPITAL**

	As at 31st March, 2021 Amt (Rs.)	As at 31st March, 2020 Amt (Rs.)
Balance at the beginning of the reporting year		
Equity shares of Rs.2/- each issued, subscribed and paid-up	1,25,60,910	1,25,60,910
Changes in Equity Share capital during the year	Nil	Nil
<b>Balance at the end of the reporting year</b>	<b>1,25,60,910</b>	<b>1,25,60,910</b>

**B. OTHER EQUITY**

	Reserves and Surplus		Items of Other Comprehensive Income (OCI)	Total
	General Reserve	Retained Earnings	Equity instruments through OCI	
<b>Balance as at 1st April, 2019</b>	9,08,59,225	1,54,36,90,815	(91,13,99,231)	72,31,50,810
Profit for the year		2,75,11,977		2,75,11,977
Other comprehensive income for the year			(14,68,42,217)	(14,68,42,217)
<b>Total comprehensive income for the year</b>				<b>(11,93,30,239)</b>
<b>Balance as at 31st March, 2020</b>	<b>9,08,59,225</b>	<b>1,57,12,02,793</b>	<b>(1,05,82,41,447)</b>	<b>60,38,20,571</b>
<b>Balance as at 1st April, 2020</b>	9,08,59,225	1,57,12,02,793	(1,05,82,41,447)	60,38,20,571
Profit for the year		7,11,83,558		7,11,83,558
Other comprehensive income for the year			19,55,85,478	<b>19,55,85,478</b>
<b>Total comprehensive income for the year</b>				<b>26,67,69,036</b>
<b>Balance as at 31st March, 2021</b>	<b>9,08,59,225</b>	<b>1,64,23,86,351</b>	<b>(86,26,55,969)</b>	<b>87,05,89,607</b>

As per our Report of even date

**For S. S. Rathi & Co**  
**Chartered Accountants**  
**(Firm Regn. No.108726W)**

**For and on behalf of the board**

Sd/-  
**D. P. Rathi**  
Partner  
M. No. 042068

Sd/-  
**Sejal Sagar Modi**  
Managing Director  
DIN: 06684211

Sd/-  
**Vishakha Pandya**  
Company Secretary & CFO

Place : Mumbai  
Dated : 30th June, 2021

Sd/-  
**Ladhu Lal Soni**  
Director  
DIN: 00131787

Sd/-  
**Shiv Raj Sharma**  
Director  
DIN: 08416019

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**(1)**  
**COMPANY INFORMATION**

Nidhi Mercantiles Limited was incorporated as a public limited company on 6th February, 1985 for the purpose of dealing and trading in cotton products, fibrous material, engineering goods & cast iron items. In order to augment its resource, the Company has diversified its business and has entered into the business of purchase or acquisition of land, building and to carry on the business of builders and estate agents as empowered by the Memorandum of Association. The securities of the Company are listed on the Calcutta Stock Exchange (CSE).

**BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation of Financial Statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The Company's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects and Trading business is based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

**(b) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised.

The following are significant management judgments, estimates & assumptions in applying the accounting policies of the Company that have a significant effect on the financial statements:

- i Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Company recognises revenue when the Company satisfies its performance obligation.
- ii The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.
- iii Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.
- iv The carrying amounts of trade receivables, trade payables, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. The fair values for security deposits is calculated based on cash flows discounted using a current lending rate. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**NIDHI MERCANTILES LIMITED**

**Notes to the financial statements for the year ended 31st March, 2021**

- v Inventory is stated at the lower of cost & net realisable value (NRV). NRV for completed inventory property is assessed including but not limited to market conditions and prices existing at the reporting date and is determined by the Company based on net amount that it expects to realise from the sale of inventory in the ordinary course of business. NRV in respect of inventories under construction is assessed with reference to market prices (reference to the recent selling prices) at the reporting date less estimated costs to complete the construction, and estimated cost necessary to make the sale. The costs to complete the construction are estimated by management.
- vi The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

**(c) SIGNIFICANT ACCOUNTING POLICIES**

**i Property, Plant and Equipment**

A new item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

**Depreciation**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013. Useful life considered for calculation of depreciation for various assets class are as follows:

Non- factory Building -60 years

Vehicles- 8 years

Computers-3 years

Office Equipments-5 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**ii Investment Property**

Property that is held for capital appreciation and that is not occupied by the Company is classified as investment property. Investment property is measured at its cost, including related transaction costs and, where applicable, borrowing costs less depreciation and impairment, if any. Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013.

**iii Inventories**

Inventory comprises Trading Stocks, Plots, property under construction (work-in-progress) and completed flats/units.

- a. Inventories of Trading Stocks, Plots and completed unsold flats/units are valued at lower of cost & net realisable value after providing for obsolescence & other losses, wherever considered necessary. In respect of plots, the cost includes cost of development of the same.
- b. Work-in-progress in respect of property under construction is valued at cost till major portion of the job is completed and thereafter at net realisable value. Cost comprises cost of land (including leasehold & development rights), materials, services, overheads related to projects under construction and borrowing costs.
- c. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**iv Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

▼ Financial Instruments:

**Financial Assets**

**Initial recognition :-**

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at the transaction price.

**Subsequent measurement:**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- (a) the company's business model for managing the financial assets, and
- (b) the contractual cash flow characteristics of the financial assets.

**(a) Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**(b) Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

**(c) Measured at fair value through profit & loss:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**Derecognition :**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Impairment of Financial Asset :**

Expected credit losses are recognized for all financial assets subsequent to initial recognition.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in the Statement of Profit and Loss.

**Financial Liabilities:**

**Initial recognition and measurement :-**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. Transaction costs that are directly attributable to the financial liabilities (other than financial liability at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability.

The Company's financial liabilities includes trade and other payables, loans and borrowings.

**Subsequent measurement :-**

Financial liabilities are subsequently measured at amortised cost using the EIR method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

**Derecognition:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

**FAIR VALUE MEASUREMENT:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**vi Income Taxes:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**vii Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

**viii Revenue recognition:**

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflects the consideration Company expect to receive in exchange for those product or service, regardless of when the payment is received. Revenue is measured at the transaction price, excluding amounts collected on behalf of the third parties.

The specific recognition criteria for the various types of the Company's activities are described below:

- a. Revenue from sale of goods is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, GST etc.
- b. Revenue from sale of land is recognised upon transfer of all significant risks and rewards of ownership of such real estate as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

c. Revenue from property under construction

In accordance with the principles of Ind AS 115 revenue in respect of real estate project is recognised on satisfaction of Performance obligation at a point in time by transferring a promised good or services (i.e. an asset) to a customer and the customer obtains control of that asset.

To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the Company considers following indicators of the transfer of control to customers:

- (a) the Company has a present right to payment for the asset.
- (b) the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (c) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (d) the amount of revenue can be measured reliably;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably
- (f) the customer has accepted the asset.

The satisfaction of performance obligation and the control thereof is transferred from the Company to the buyer upon possession or upon issuance of letter for offer of possession ("deemed date of possession"), whichever is earlier, subject to realisation/ certainty of realisation.

d. Dividend income on investments is recognised when the right to receive dividend is established.

e. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method to the net carrying amount of the financial assets.

f. Rental Income is recognised on a time proportion basis as per the contractual obligations agreed with the respective tenant.

**ix Borrowing costs :**

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**x Expenditure:**

Expenses are accounted on accrual basis.

**xi Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**xii Segment Reporting:** Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**xiii Earnings Per Share:**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**xiv Cash flows Statement**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**NIDHI MERCANTILES LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2021**

**xv Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**Note-2 Property, Plant & Equipment**

**Amt. (Rs.)**

Description	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	AS AT 01/04/2020	ADDITIONS/ (DELETIONS)	AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR 31/03/2021	AS AT 31/03/2021	AS AT 31/03/2020
Office Premises	1,63,62,960	NIL	1,63,62,960	80,25,123	4,04,384	84,29,507	83,37,837
Office Equipments	3,13,178	NIL	3,13,178	2,95,632	1,887	2,97,519	17,546
Computer	89,250	NIL	89,250	84,787	NIL	84,787	4,463
Motor Car	13,06,889	NIL	13,06,889	10,99,389	64,804	11,64,193	2,07,500
<b>Total</b>	<b>1,80,72,277</b>	<b>NIL</b>	<b>1,80,72,277</b>	<b>95,04,931</b>	<b>4,71,075</b>	<b>99,76,006</b>	<b>85,67,346</b>
<b>Previous Year</b>	<b>1,80,72,277</b>	<b>NIL</b>	<b>1,80,72,277</b>	<b>89,71,303</b>	<b>5,33,628</b>	<b>95,04,931</b>	<b>91,00,974</b>

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

	As At 31.03.2021	As At 31.03.2020
	Unit (Nos.)	Unit (Nos.)
	Amt (Rs.)	Amt (Rs.)
<b>(4) <u>Non-current Investments</u></b>		
<b><u>Investment in Equity Instruments</u></b>		
<b><u>Non-trade Investments</u></b>		
<b><u>Quoted Shares</u></b>		
Eq. Sh. of Rs. 10/- each of Sangam India Ltd.	48,98,833	48,98,833
<b>Sub Total</b>	<b>36,03,09,167</b>	<b>17,29,28,805</b>
<b><u>Unquoted Equity Shares</u></b>		
Eq. Sh. of Rs. 100/- each of Hawamahal Finance Pvt. Ltd.	30,000	30,000
Eq. Sh. of Rs. 100/- each of Finworth Investment Pvt. Ltd.	20,000	20,000
Eq. Sh. of Rs. 10/- each of Laddha Construction Company Pvt.Ltd.	1,800	1,800
Eq. Sh. of Rs. 10/- each of Kaliya Builders Pvt. Ltd.	1,800	1,800
Eq. Sh. of Rs. 10/- each of Parishray Elegancy Pvt. Ltd.	20,000	20,000
Eq. Sh. of Re. 10/- each of Rebeca Expo Investment Co. Pvt. Ltd.	29,500	29,500
Eq. Sh. of Rs. 100/- each of Sapatrishi Commercial Co. Ltd.	22,700	22,700
Eq. Sh. of Rs. 10/- each of Sangam Ananya Developers Pvt Ltd.	7,500	7,500
Eq. Sh. of Rs. 20/- each of The A P Mahesh Bank Co-op Bank Ltd.	NIL	5,000
Eq. Sh. of Rs. 10/- each of Marigold Investrade Pvt. Ltd.	5,08,012	5,08,012
	<b>8,19,58,923</b>	<b>7,38,53,807</b>
Pref. Sh. of Rs. 10/- each of Keti Sangam Infrastructure I Ltd.	3,86,200	3,86,200
<b>Total Non-current Investments</b>	<b>47,75,37,496</b>	<b>27,89,92,116</b>
<b>Aggregate book value of quoted investments</b>	<b>36,03,09,167</b>	<b>17,29,28,805</b>
<b>Market value of quoted investments</b>	<b>36,03,09,167</b>	<b>17,29,28,805</b>
<b>Aggregate book value of unquoted investments</b>	<b>11,72,28,329</b>	<b>10,60,63,311</b>

Investment are valued at Fair Value as per IND AS policy

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>As At 31.03.2021 Amt (Rs.)</b>	<b>As At 31.03.2020 Amt (Rs.)</b>
<b>(3) Non-current Investments</b>		
<u>Investment in Immovable Property</u>		
Office Building at Bhilwara, Rajasthan	23,220	23,220
<b>- Gross Value of Carrying Amount</b>	<b>23,220</b>	<b>23,220</b>
<b>Depreciation</b>		
Amount brought forward	5,429	4,204
Addition during the year	1,144	1,225
Accumulated Depreciation	6,572	5,429
<b>Net Carrying Value</b>	<b>16,648</b>	<b>17,791</b>
(a) The Company's investment property consists of a commercial property in India.		
(b) Fair Value of investment property is Rs.2,27,078/- (Previous Year Rs. 2,52,301/-)		
The fair value measurement is categorised in level 3 fair value hierarchy.		
<b>(5) Other Non-current Assets</b>		
Security deposits	28,000	28,000
	<b>28,000</b>	<b>28,000</b>
<b>(6) Inventories</b>		
Stock-in-trade		
--Plots	72,78,700	72,78,700
-- Finished Row Houses	29,42,273	63,24,746
-- Finished Shops - Commercial Complex-Plot No. 1	5,05,01,787	7,55,46,564
-- Finished Shops - Commercial Complex-Plot No. 2	30,03,978	NIL
Work-in- progress		
-- Commercial Complex under construction	NIL	4,80,312
	<b>6,37,26,738</b>	<b>8,96,30,321</b>
<b>(7) Trade Receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	8,17,74,083	8,46,61,353
Other Debts	3,28,49,876	53,98,000
	<b>11,46,23,959</b>	<b>9,00,59,353</b>
<b>(8) Cash and Cash Equivalents</b>		
Cash Balance		
Cash on Hand	53,634	71,955
Balance with Bank		
In Current Account	58,28,364	39,85,866
	<b>58,81,998</b>	<b>40,57,821</b>
<b>(9) Other Balances with Bank</b>		
Term Deposit Accounts	8,50,000	3,25,000
	<b>8,50,000</b>	<b>3,25,000</b>
<b>(10) Loans</b>		
(Unsecured, considered good)		
-- Loans to Others	29,60,69,433	26,71,65,386
	<b>29,60,69,433</b>	<b>26,71,65,386</b>
<b>(11) Other Financial Assets</b>		
Other Receivables	6,33,677	8,95,575
	<b>6,33,677</b>	<b>8,95,575</b>

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>As At 31.03.2021 Amt (Rs.)</b>	<b>As At 31.03.2020 Amt (Rs.)</b>
<b>(12) Other Current Assets</b>		
Interest accrued on Bank Deposits	72,386	45,698
	72,386	45,698
<b>(13) Equity Share capital</b>		
Authorized : 6300000(P.Y. 6300000) Equity Shares of Rs. 2/-(P.Y. Rs. 2/-) each	1,26,00,000	1,26,00,000
Issued, Subscribed and Paid-up: 6280455 (P.Y. 6280455) Equity Shares of Rs. 2/-(P.Y. Rs. 2/-) each	1,25,60,910	1,25,60,910
	1,25,60,910	1,25,60,910
<p>a. The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.</p> <p>b. The Company has only one class of equity shares having a par value of Rs. 2/- per share (P.Y. Rs. 2/- per share). Each holder of equity share is entitled to same rights based on the number of shares held.</p> <p>c. <b>Shareholding more than 5%</b> None of the Shareholders are holding more than 5% of the Share Capital.</p>		
<b>(14) Other Equity</b>		
Refer Statement of Changes in Equity for detailed movement in Equity balance.		
<b>A. Summary of Other Equity balance</b>		
a. General Reserve	9,08,59,225	9,08,59,225
b. Retained Earnings	1,64,23,86,351	1,57,12,02,793
c. Items of Other Comprehensive Income - Fair value of Equity Instruments through OCI	(86,26,55,969)	(1,05,82,41,447)
	87,05,89,607	60,38,20,571
<b>B Nature and purpose of reserves</b>		
<b>(a) General Reserve:</b> This represent Amalgamation Reserve		
<b>(b) Retained Earnings:</b> Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.		
<b>(c) Equity Instruments through Other Comprehensive Income:</b> This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.		
<b>(15) Non-current Borrowings</b>		
<b>Secured loans</b>		
<b>Term Loan</b>		
-From The A P Mahesh Co-op Bank Ltd	NIL	4,35,88,698
Less: Amount disclosed under the head Other Current Financial Liabilities (Refer Note 20)	NIL	4,00,00,000
	NIL	35,88,698
<p>a) The term loan is secured against First Charge on inventory of unsold commercial shops in basement &amp; ground floor and available FSI of 1st &amp; 2nd floor of "Nidhi Trade Centre" Complex on Plot No. 1, Sy. No.143PT, 144/2 PT, Hingoli District, Aurangabad, Maharashtra.</p> <p>b) The term loan is guaranteed by others. Terms of Repayment: 14 Equated Quarterly instalments starting from September, 2018. The inventory of unsold units given as security, when sold then the company has to remit Rs. 1500 per sq. ft. to the bank for obtaining NOC for release of each shop towards repayment of the term loan which amount will be adjusted against the respective installment.</p> <p>c) Current maturity of loan due and payable within a year is classified as other current financial liabilities (Refer Note 20).</p>		

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**(17) INCOME TAXES**

**A. The major components of income tax expense for the year are as under**

Particulars	Year ended 31.03.2021 Amt(Rs.)	Year ended 31.03.2020 Amt(Rs.)
<b>I. Income Tax Expenses recognised in the Statement of Profit and Loss</b>		
<b>Current tax</b>		
In respect of Current year	2,35,18,844	66,14,074
<b>Deferred tax</b>		
In respect of current year	7,996	(94,418)
<b>Income Tax Expenses recognised in the Statement of Profit and Loss</b>	<b>2,35,26,840</b>	<b>65,19,656</b>

**B. RECONCILIATION OF EFFECTIVE TAX RATE**

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Statutory income tax rate</b>	25.17%	25.17%
<b>Profit before tax</b>	9,47,10,398	3,40,31,633
<b>Income tax as per above rate</b>	2,38,36,713	85,65,081
Adjustments:		
Expenses not deductible for tax purposes	11,01,567	3,68,596
Tax effect due to exempt income	NIL	(12,37,972)
Tax benefits for income assessed under house property	(4,20,854)	(3,70,880)
Effect of Investment measured at FVTPL	(7,70,116)	(7,03,303)
Rental Income on a/c of measurement of lease deposits at fair value	(67,934)	(67,934)
Finance costs on a/c of measurement of lease deposit at fair value	74,839	68,346
Deduction for Education Cess	(2,27,662) NIL	
Others	288	(1,02,278)
<b>Income tax as per statement of profit and loss</b>	<b>2,35,26,840</b>	<b>65,19,656</b>
Adjustments in respect of current income tax of previous year	NIL	NIL
<b>Income tax as per statement of profit and loss</b>	<b>2,35,26,840</b>	<b>65,19,656</b>

**C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:**

**As at 31st March, 2021**

Particulars	Balance Sheet 1.4.2020 Amt (Rs.)	Profit and Loss Amt (Rs.)	Balance Sheet 31.03.2021 Amt (Rs.)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	(9,81,735)	(7,996)	(9,89,731)
Deferred Tax (Expense)/Benefit		(7,996)	
Deferred Tax (Liabilities)/Assets	<b>(9,81,735)</b>		<b>(9,89,731)</b>

**As at 31st March, 2020**

Particulars	Balance Sheet 1.4.2019 Amt (Rs.)	Profit and Loss Amt (Rs.)	Balance Sheet 31.03.2020 Amt (Rs.)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961.	(10,76,153)	94,418	(9,81,735)
Deferred Tax (Expense)/Benefit		94,418	
Deferred Tax (Liabilities)/Assets	<b>(10,76,153)</b>		<b>(9,81,735)</b>

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>As At 31.03.2021 Amt (Rs.)</b>	<b>As At 31.03.2020 Amt (Rs.)</b>
<b>(16) Other Non-current Financial Liabilities</b>		
Security Deposits	34,27,443	31,30,085
	<u>34,27,443</u>	<u>31,30,085</u>
<b>(18) Other Non-current Liabilities</b>		
Deferred Income	8,09,769	10,79,693
	<u>8,09,769</u>	<u>10,79,693</u>
<b>(19) Trade Payables</b>		
Due to Micro Enterprises & Small Enterprises	NIL	NIL
Due to Others	51,41,798	51,41,798
	<u>51,41,798</u>	<u>51,41,798</u>
<b>(20) Other Current Financial Liabilities</b>		
Current maturity of long-term borrowings (Refer Note 15)	NIL	4,00,00,000
Other Payables	4,07,718	3,18,697
	<u>4,07,718</u>	<u>4,03,18,697</u>
<b>(21) Other Current Liabilities</b>		
Statutory dues	1,01,165	1,25,959
Advance received from Customers	4,12,50,000	4,40,61,124
Other Payables	1,01,14,079	2,13,29,641
	<u>5,14,65,245</u>	<u>6,55,16,725</u>
<b>(22) Current Tax Liabilities (Net)</b>		
Provision for Tax (net of taxes paid)	2,21,44,385	36,45,496
	<u>2,21,44,385</u>	<u>36,45,496</u>
<b>(23) Contingent Liabilities and Commitments</b>		
a. Corporate guarantees issued-Rs. 313 Crs. (P.Y. Rs. 313 Crs.)		

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>Year ended 31.3.2021 Amt (Rs.)</b>	<b>Year ended 31.03.2020 Amt (Rs.)</b>
<b>(24) Revenue from Operations</b>		
Sales of Products		
<b>Real Estate:</b>		
--Shop Sales	5,81,75,000	1,49,00,000
--Row Houses	60,00,000	12,00,000
<b>Trading:</b>		
--Plots & allied Sales	3,57,00,000	3,20,000
	<u>9,98,75,000</u>	<u>1,64,20,000</u>
<b>(25) Other Income</b>		
Rent Income	55,73,925	49,12,056
Rent on amortisation of Security Deposits	2,69,924	2,69,924
Interest Income	2,43,64,018	2,74,19,888
Miscellaneous Income	NIL	7,00,111
Dividend - on Non-current Investments	48,98,833	49,18,833
Investments measured at fair value through profit & loss	30,59,903	27,94,432
	<u>3,81,66,603</u>	<u>4,10,15,243</u>
<b>(26) Cost of Sales</b>		
<b>Work in Progress</b>		
Opening work-in-progress		
- Commercial Complex under construction	4,80,312	4,80,312
	4,80,312	4,80,312
Add : Addition to work-in-progress during the year		
- Commercial Complex under construction	48,51,426	NIL
	48,51,426	4,80,312
Less : Closing Work in Progress		
- Commercial Complex under construction	NIL	4,80,312
-Transferred to Finished Shops - Commerical Complex - Plot 2	30,03,978	NIL
	30,03,978	4,80,312
	<u>23,27,760</u>	<u>NIL</u>
<b>(27) Changes-in-Inventories</b>		
<b>Finished Stock</b>		
Developed Plots		
Opening Stock:		
- Plots	72,78,700	72,78,700
- Row Houses	63,24,746	70,70,050
- Shops - Commerical Complex - Plot 1	7,55,46,564	8,25,29,099
	8,91,50,009	9,68,77,849
Add: Transferred from Work-in-Progress	30,03,978	NIL
	9,21,53,988	9,68,77,849
Closing Stock:		
- Plots	72,78,700	72,78,700
- Row Houses	29,42,273	63,24,746
- Shops - Commerical Complex - Plot 1	5,05,01,787	7,55,46,564
- Shops - Commerical Complex - Plot 2	30,03,978	NIL
	6,37,26,738	8,91,50,009
	<u>2,84,27,249</u>	<u>77,27,839</u>
<b>(28) Employee Benefits Expense</b>		
Salary	5,91,513	10,44,673
Director's Remuneration	11,23,200	13,80,000
Staff Welfare	1,400	9,602
	<u>17,16,113</u>	<u>24,34,275</u>

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>Year ended 31.03.2021 Amt (Rs.)</b>	<b>Year ended 31.03.2020 Amt (Rs.)</b>
<b>(29) Financial Costs</b>		
Interest on Borrowings	39,53,069	85,86,725
Interest on deferment of advance tax	19,11,227	6,47,476
Interest on delayed payment of statutory dues	16,636	NIL
Other Finance Costs	2,97,358	2,71,560
	<u>61,78,290</u>	<u>95,05,761</u>
<b>(30) Depreciation</b>		
- on Fixed Assets (Note 2)	4,71,075	5,33,628
- on Investment Property (Note 3)	1,144	1,225
	<u>4,72,219</u>	<u>5,34,853</u>
<b>(31) Other Expenses</b>		
Advertisement Expenses	29,232	25,262
Remuneration to Auditors'		
- For Audit	50,000	50,000
- For Tax Audit	10,000	10,000
- For Other Matters	28,320	NIL
Secretarial Audit Fees	38,600	38,600
Professional Fees	1,84,750	1,24,040
Society Maintenance Charges	3,21,690	3,22,012
Property tax	2,08,900	2,08,900
Property tax - NTC Shops	NIL	7,62,898
Electricity Charges	3,40,525	5,97,340
Depository Charges	57,501	42,480
Custodial Fees	39,436	38,940
Conveyance & Vehicle Running Expenses	28,600	92,934
Bank Charges	4,548	4,961
Telephone Expenses	90,000	90,000
Miscellaneous Expenses	1,65,716	1,61,914
Travelling Expenses	NIL	3,204
Listing Fees	29,500	29,500
Insurance	82,368	80,934
Computer Repairs & Maintenance	10,500	15,250
ROC Filing Fees	9,600	8,900
Repairs & Maintenance	79,836	93,784
Sales Tax/Service Tax / GST	1,68,953	3,99,029
Donation	11,000	NIL
Corporate Social Responsibility Expenses	22,20,000	NIL
	<u>42,09,573</u>	<u>32,00,882</u>



**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**(32) FINANCIAL INSTRUMENTS**

**ACCOUNTING CLASSIFICATIONS AND FAIR VALUES**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

	Carrying value /Fair value		Level
	As at 31st March, 2021 Amt.(Rs.)	As at 31st March, 2020 Amt.(Rs.)	
<b>FINANCIAL ASSETS</b>			
<b>Financial assets measured at fair value</b>			
Investments measured at			
i. Fair value through other income	44,22,68,090	24,67,82,612	Quoted Equity Investment-Level 1; Unquoted Equity investment- Level-3
<b>Financial assets measured at amortised cost/ carrying amount</b>			
Investments	3,52,69,407	3,22,09,504	
Trade Receivables	11,46,23,959	9,00,59,353	
Cash and Cash Equivalents	58,81,998	40,57,821	
Other Balances with Bank	8,50,000	3,25,000	
Loans	29,60,69,433	26,71,65,386	
Other Financial Assets	6,33,677	8,95,575	
	<b>89,55,96,563</b>	<b>64,14,95,251</b>	
<b>FINANCIAL LIABILITIES</b>			
<b>Financial Liabilities measured at amortised cost</b>			
Borrowings	NIL	35,88,698	
Trade Payables	51,41,798	51,41,798	
Security Deposits	34,27,443	31,30,085	
Other Financial Liabilities	4,07,718	4,03,18,697	
	<b>89,76,959</b>	<b>5,21,79,278</b>	

**NIDHI MERCANTILES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**(33) FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

- (i) **Credit Risk:** Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in securities, loan given to corporate parties, trade receivables, unbilled work-in-progress, and cash and cash equivalents.

The carrying amounts of financial assets represent the maximum credit exposure.

**Trade Receivables:**

Real Estate Business: The Company's trade receivables does not have any expected credit loss as registry of properties sold is generally carried out once the Company receives the entire payment. During the periods presented, the Company made no write-offs of trade receivables and there are no recoveries from receivables previously written off.

Trading Business: The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

Rental Business: Credit risk is almost negligible in case of rental business as Company holds security deposits equivalents ranging from three to six months rentals.

Based on the historical data, loss on collection of receivable is not material hence no additional provision is made.

Ageing of Account receivables :

Ageing of Account receivables :	31.03.2021	31.03.2020
	Amt (Rs.)	Amt (Rs.)
Outstanding for a period exceeding six months from the date they are due for payment	8,17,74,083	8,46,61,353
Other Debts	3,28,49,876	53,98,000
<b>TOTAL</b>	<b>11,46,23,959</b>	<b>9,00,59,353</b>

- (ii) **Liquidity Risk :** Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates.

Maturities of financial liabilities: The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities

31-Mar-21	Less than 1 year Amount (Rs.)	1-5 years Amount (Rs.)	Total Amount (Rs.)
Trade Payables	51,41,798	Nil	51,41,798
Other Financial Liabilities	4,07,718	34,27,443	38,35,161
<b>Total</b>	<b>55,49,516</b>	<b>34,27,443</b>	<b>89,76,959</b>
31-Mar-20	Less than 1 year Amount (Rs.)	1-5 years Amount (Rs.)	Total Amount (Rs.)
Borrowings	4,00,00,000	35,88,698	4,35,88,698
Trade Payables	51,41,798	Nil	51,41,798
Other Financial Liabilities	3,18,697	31,30,085	34,48,782
<b>Total</b>	<b>4,54,60,495</b>	<b>67,18,783</b>	<b>5,21,79,278</b>

**NIDHI MERCANTILES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**(33) FINANCIAL RISK MANAGEMENT**

**(iii) Market risk :** Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of certain commodities. Thus, Comapny's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure to these risks in Comapny's revenues and costs.

**a. Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk: The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31.03.2021	31.03.2020
	Amt (Rs.)	Amt (Rs.)
Fixed-rate instruments- Financial Liabilities	NIL	4,35,88,698

**c. Commodity Price Risk:**

The Company's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the Company's financial performance on account of such volatility.

**d. Equity Price Risks:**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

**(iv) Regulatory risk:**

The Company is exposed to risk attached to various statutes, laws and regulations including the Competition Act. The Company is mitigating these risk through regular review of legal compliances carried out through internal scrutiny as well as external compliance audits.

**(v) Capital management**

The Company's policy is to maintain a strong capital base so as to safeguard their ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	31.03.2021	31.03.2020
Net Debt	NIL	4,35,88,698
Total Equity	88,31,50,517	61,63,81,481
Net Debt to Equity ratio	0.00	0.07

\* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

**NIDHI MERCANTILES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**(34) Segment Reporting**

The Company has identified business segments as its primary segment and since Company only operates in India, geographic segments are not applicable. The Company has identified two reportable business segments viz. Trading & Real Estate Development Segments in line with Ind AS-108 'Operating Segement' issued by the Institute of Chartered Accountants of India, taking into account nature of products and services, the different risks and returns and internal organisation & management. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

**Primary Segment Information:**

Particulars	Trading		Real Estate Development		Unallocable		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>A. REVENUE</b>								
- External Sales	357.00	3.20	641.75	161.00	Nil	Nil	998.75	164.20
- Inter-segment Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Revenue</b>	357.00	3.20	641.75	161.00	Nil	Nil	998.75	164.20
<b>B. RESULTS</b>								
- Segment result before interest and tax	357.00	3.20	357.48	83.72	317.69	348.45	1032.16	435.37
- Finance Costs	Nil	Nil	Nil	Nil	(61.78)	(95.06)	(61.78)	(95.06)
<i>Profit before Tax</i>							970.38	340.31
- Taxes							(235.27)	(65.20)
<b>Net Profit</b>	357.00	3.20	357.48	83.72	255.90	253.39	735.11	275.12
<b>C. OTHER INFORMATION</b>								
- Segment Assets	282.10	118.64	1501.41	1678.26	7891.86	5600.95	9675.37	7397.85
- Segment Liabilities	332.61	444.61	232.45	375.19	278.80	414.23	843.86	1234.03
- Segment Depreciation	-	-	-	-	4.72	5.35	4.72	5.35

Notes :

- Trading Segment represents the purchase & sale of Plots etc.
- Real Estate Development Segment represents the business of development and sale of real estate.
- Unallocable amount includes expenditure incurred & income received for the Company as a whole.
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.
- Investment , Tax related assets & other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**(35) Related Party Transaction**

**i. List of Related Parties with whom transaction have taken place & Relationship:**

Name of the Related Parties	Relationship
Sejal Sagar Modi	Key Management Personnel
Riddhi Vakharia	Key Management Personnel
Vishakha Pandya	Key Management Personnel

**ii. Transaction with Related Parties during the year :-**

	Amt(Rs.) 2020-21	Amt(Rs.) 2019-20
Key Management Personnel-		
Salary	3,42,263	5,72,623
Director's Remuneration	11,23,200	13,80,000

**iii. Balance outstanding at the year end is as under :**

Key Management Personnel-		
Director's Remuneration Payable	94,800	67,500
Salary Payable	33,133	33,133
Conveyance Allowance Payable	17,000	17,000

**(36) Earnings Per Share (EPS)**

	2020-21	2019-20
a) Weighted Average Number of Equity Shares outstanding during the year.	6280455	6280455
b) Net Profit after tax available for Equity Shareholders (Rs.)	7,11,83,558	2,75,11,977
c) Basic and Diluted Earnings Per Share (Rs.)	11.33	4.38
d) Nominal Value per Share (Rs.)	2/-	2/-

The Company does not have any outstanding dilutive potential equity shares.

**(37) Revenue from Contracts with Customers**

<b>i) Revenue from Operations</b>	<b>Amt(Rs.)</b>	<b>Amt(Rs.)</b>
	<b><u>2020-21</u></b>	<b><u>2019-20</u></b>
Revenue from contract with customers	64175000/-	16100000/-

**ii) Contract Balances**

The table that provides information about receivables and contract liabilities from contract with customers is as follows:

	<b>Amt(Rs.)</b>
	<b><u>2020-21</u></b>
Trade Receivables	9,36,92,876
Contract Liabilities	1,93,50,000

Changes in the contract liabilities balances during the year is as follows:

	<b>Amt(Rs.)</b>
	<b><u>2020-21</u></b>
Opening Balance	2,20,61,124
Less : Revenue recognised during the year from balance at the beginning of the year	62,36,124
Add : Advance received during the year not recognised as revenue	35,25,000
	1,93,50,000

**(38) Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. 8.39 lakh (P.Y. Rs. 13.39 lakhs) on Corporate Social Responsibility (CSR) activities.

Amount spent during the year on:

	2020-21			2019-20		
	In Cash	Yet to be	Total	In Cash	Yet to be Paid in Cash	Total
Construction of Hostel for Higher Education	Nil	Nil	Nil	Nil	Nil	Nil
On purposes other than above	22,20,000	Nil	22,20,000	Nil	13,80,000	13,80,000
	Nil	Nil	Nil	Nil	Nil	Nil

**(39)** Since the closure of the financial year, there is several disruption caused by the lockdown announced by various State Governments consequent to Covid-19 second wave crisis. From the experience of the previous lock down, the Company has been adequately geared up to ensure the lock down do not severely affect the operations that are possible during this period as well as post lock down period. The Company expects the carrying amount of assets to be fully realisable.

**(40) Previous year figures**

Previous Year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosures.

**For S. S. Rathi & Co**  
Chartered Accountants  
(Firm Regn. No.108726W)

**For and on behalf of the board**

Sd/-  
D. P. Rathi  
Partner  
M. No. 042068

Sd/-  
Sejal Sagar Modi  
Managing Director  
DIN: 06684211

Sd/-  
Vishakha Pandya  
Company Secretary & CFO

Place : Mumbai  
Dated : 30th June, 2021

Sd/-  
Ladhu Lal Soni  
Director  
DIN: 00131787

Sd/-  
Shiv Raj Sharma  
Director  
DIN: 08416019