

ANNUAL REPORT
NIDHI MERCANTILES LIMITED

FINANCIAL YEAR
2021-2022

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 (Resigned w.e.f 12 th August,2022)
Mr. kapil Malpani	Independent Director (Appointed w.e.f 12 th August,2022)
Mr. Ramesh Chandra Banger	Independent Director

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Ms. Vishakha Pandya

STATUTORY AUDITORS

Till Conclusion of 36th AGM:

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

From Conclusion of 36th AGM:

M/s. SIGMAC & Co.
Chartered Accountants
204, Kalpataru Plaza, Chincholi Bunder Road,
Off. S V Road, Malad (W), Mumbai-400064

BANKER'S NAME

Union Bank
HDFC Bank
Maharashtra Gramin Bank

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Website: 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
Web Site : www.nidhi.net.in

Management

1. MRS. SEJAL SAGAR MODI

A fellow member of the Institute of Chartered Accountants of India. She has been appointed as Managing Director w.e.f. 30th May 2017. She possesses rich experience in Banking & Finance, Accounting & Taxation.

2. MR. LADHU LAL SONI

Mr. Ladhu Lal Soni is the Director of the company and a Fellow Member of the Institute of Chartered Accountants of India. He is also the Joint Secretary of Mewar Maheshwari Mandal besides Memberships in several esteemed organizations. He has experience in varied areas such as Audit, Accounts, Treasury, capital markets, Corporate & Project Finance & Taxation.

3. MR. KAPIL MALPANI

Mr. Kapil Malpani Commerce Graduate. He is a person of integrity and possesses relevant expertise and experience in various fields. He has experience in varied areas such as Accounts, Corporate & Project Finance & Taxation. Mr. Kapil Malpani has been appointed as Non-Executive Independent Director with effect from 12th August 2022.

4. MR. RAMESH C. BANGER

Mr. Ramesh C. Banger is the Independent Director of the company, a person of integrity, and possesses relevant expertise and experience in various fields.

5. Ms. VISHAKHA PANDYA

Ms. Vishakha Pandya is a Commerce Graduate and a member of the Institute of Company Secretaries of India, appointed as a Company Secretary, Compliance Officer & Chief Financial Officer of the Company w.e.f. 01st October 2019.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **36th (Thirty Sixth)** Annual General Meeting of the members of **NIDHI MERCANTILES LIMITED** will be held at its registered office of the Company at B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A. K. Road, Andheri (E), Mumbai (M.H.) – 400059 on **Friday, the 30th September, 2022 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 31st, 2022**, including the audited Balance Sheet as at **March 31st, 2022**, 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.
3. To consider the appointment of the **M/s. SIGMAC & CO., Chartered Accountants (Firm Registration No. 116351W)** as the Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. **To Consider and if thought Fit, to pass with or without modification (s) following resolution as a Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the Board be and is hereby accorded, to appoint **Mr. Kapil Malpani (DIN:07898719)** as an Additional Non-Executive Independent Director on the Board of the Company w.e.f. **12th August, 2022** to hold office till the conclusion of the next Annual General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director to hold office for a term upto 5 (Five) consecutive years from the date of ensuing generalmeeting.”

RESOLVED FURTHER THAT any of the Directors for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.”

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

Date : 05th September, 2022
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, Website : www.nidhi.net.in

NOTES:

1. A member entitled to attend and vote at the 36th annual general meeting is entitled to appoint one or more proxies to attend and vote instead of him/herself and such proxy need not be a member of the company. The instrument appointing proxy should however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

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

2. **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. 22**. 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.
3. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the Business referred to under Item No. 4 is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. 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 28th 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 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

M/s. S. S. Rathi & Co., Chartered Accountants (Firm Registration No. 108726W) are hereby appointed as Statutory Auditors of the Company will hold office till this conclusion of this 36th Annual General Meeting which will held on 30th September, 2022.

6. The Companies Statutory Auditor, **M/s. SIGMAC & CO., Chartered Accountants (Firm Registration No. 116351W)**, will 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 30th September, 2022 on a remuneration mutually agreed upon by the Board of Directors at its meeting held on 05th September, 2022 and the Statutory Auditors.

consent of the board be and is hereby accorded to recommend to the Shareholders of the Company to appoint, M/s. SIGMAC & CO., Chartered Accountants (Firm Registration No. 116351W), as the Statutory Auditors of the Company for a term of 5 years from 01st April, 2022 to 31st March 2027 and to hold office until the conclusion the 41st Annual General Meeting to be in the year 2027, on such remuneration plus tax, out-of-pocket expenses as may be mutually agreed between the Board of Directors of the Company.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
8. 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 to the AGM notice.
9. 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, 23rd September, 2022 to Friday, 30th September, 2022** (both days inclusive).
10. 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.
11. 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.
12. As per the mentioned circular General Circular No.14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020 and General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 (the "MCA Circulars") and Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
13. 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.
14. 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

Office No S6-2, 6th Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400093

Tel No.: 022-62638205

Email: info@bigshareonline.com

Website: www.bigshareonline.com

15. 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. 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 respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility i.e. www.evotingindia.com)

16. All equity shares of the company are available for dematerialization, Those shareholders who wish to hold the company's share in electronic form may approach their depository participants. Section 72 of the Companies Act, 2013, extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH-13, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participants for making nominations.

17. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.

18. Members/Proxies are requested to bring with the attendance slip duly filled in and hand it over at the entrance.

19. The Securities and Exchange Board of India (SEBI) has mandated the Furnishing of PAN, KYC details and Nomination by holders of physical securities Ref.: Circ. No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. Folios wherein any one of the above cited document / details are not available on or after April 01, 2023, shall be frozen by the Registrars and Transfer Agent of the Company (RTA) and you will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode.

20. 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.

21. 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.

22. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

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).

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **27th September, 2022 at 9:00 a.m. (IST)** and ends on **29th September, 2022 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 **22nd September, 2022** 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.

II. STEP 1: ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

- (v) 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 for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2.After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4.Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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 Depository	<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: https://eservices.nsdl.com 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.</p> <p>2.If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3.Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>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.</p>

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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

III. STEP 2: ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

(vi) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website 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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> • 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.
Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> • 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.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.

- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant **NIDHI MERCANTILES LIMITED** on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

IV. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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 or call at toll free no. 1800 22 55 33

23. 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 with a copy marked to helpdesk.evoting@cdslindia.com without which the vote shall not be treated as valid.

24. 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 **22nd September, 2022**. A person who is not a member as on cut off date should treat this notice for information purpose only.

25. 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, 26th August, 2022**.

26. The shareholders shall have one vote per equity share held by them as on the cut-off date of **22nd September, 2022**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

27. 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 **22nd September, 2022** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

28. 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. **22nd September, 2022** are requested to send the written/email communication to the Company at nml.mumbai@gmail.com by mentioning their Folio No./DP ID and Client ID to obtain the Login-ID and Password for e-voting.

29. M/s. Mukesh Purohit & Co. (C.P. No.:25204) 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.

30. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website 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).

31. The Company has listed its shares on:

The Calcutta Stock Exchange Ltd, 07, Lyons Range, Kolkata-700001.

32. The Listing Fees of these Exchanges have been paid regularly.

33. The route map showing directions to reach the venue of the AGM is annexed and forms part of the Notice.

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

**Date : 05th September, 2022
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, Website : www.nidhi.net.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

RESOLUTION NO. 4:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee has appointed **Mr. Kapil Malpani (DIN: 07898719)** as an Additional Non-Executive Independent Director of the Company, who Vacantes office at the Conclusion of the ensuring Annual General Meeting.

Mr. Kapil Malpani (DIN: 07898719) an eminent professional brings in rich and varied experience to the Board and is independent of the management. The Board proposes to appoint **Mr. Kapil Malpani** as an Independent Director of the Company to hold office upto the Conclusion of the 41st Annual General Meeting of the Company.

Mr. Kapil Malpani is not disqualified from being appointed as a Director in terms of Section 164 of the act and has given his consent to act as a Director. The Company has also received declaration from **Mr. Kapil Malpani** that he meets with the Criteria of Independence as prescribed both under section 149 (6) of the Act and under Regulation 25 of the Listing Regulations.

Except **Mr. Kapil Malpani** , no other Directors, Key Managerial Personnel of the Company and their relatives thereof interested or concerned financials or otherwise in the proposed resolution.

The Board recommends the Ordinary Resolution set out at item No. 4 of the Notice for approval by the Members.

**For and on behalf of Board of Directors
For Nidhi Mercantiles Limited**

Date : 05th September, 2022

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, Website : 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:

Name	Mr. Ladhu Lal Soni
Directors Identification Number (DIN)	00131787
Age	51
Qualification	Chartered Accountants
Expertise in Specific Area	Audit Accounts, Treasury, Capital Markets, Corporate & Project Finance & Taxation.
Date of first Appointment on the Board of the Company	20 th January, 2007
Shareholding in Nidhi Mercantiles Ltd.	NIL
List of Directorship held in other Companies	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.
Membership/Chairmanships of Audit and Stakeholders Remuneration Committee	Refer to Report on Corporate Governance

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

**Date: 05th September, 2022
Place: Mumbai**

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

NIDHI MERCANTILES LIMITED

Regd. Off: B/306-309, Dynasty Business Park, Opp. Sangam Cinema, Andheri (E), Mumbai - 400059.
CIN: L51909MH1985PLC138577, Tel. No. : 022- 61115222, Fax no.022-28227865. Email id: nml.mumbai@gmail.com

ATTENDANCE SLIP 36th ANNUAL GENERAL MEETING Friday, September 30th, 2022

Registered Folio/
DP ID and Client ID.

Name and address of the
Sole/ First Shareholder

Joint Holder 1

Joint Holder 2

I/ We hereby record my /our presence at the **36th ANNUAL GENERAL MEETING** of the Company on **Friday, September 30th, 2022** at B/306-309, Dynasty Business Park, Opp. Sangam Cinema, Andheri (E), Mumbai - 400059 at **03:30 p.m.**

Member's folio /DP ID client ID No.	Member's /Proxy name in Block Letters.	Members/Proxy Signature
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NOTES:

1. Please complete the folio /DP ID/ Client ID No. and the name of the Member/ Proxy, sign this Attendance slip and hand it over, duly signed, at the entrance of the Meeting Hall.
2. Shareholder/ Proxy holder desiring to attend the meeting should bring his/ her copy of the Annual Report for reference at the meeting.

NIDHI MERCANTILES LIMITED

Regd. Off: B/306-309, Dynasty Business Park, Opp. Sangam Cinema, Andheri (E), Mumbai - 400059.
CIN: L51909MH1985PLC138577, Tel. No. : 022- 61115222, Fax no.022-28227865. Email id: nml.mumbai@gmail.com

FORM MGT-11

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

36th ANNUAL GENERAL MEETING (Friday, September 30th, 2022)

Name of the member (s) :

Registered address:

Email id:

Folio No./DP. ID Client ID no.

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name _____

Address:

E mail id:

Signature: _____ or failing him/her

2. Name _____

Address:

E mail id:

Signature: _____ or failing him/her

As my/or proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the company, to be held on **Friday, September 30th, 2022 at 03:30 p.m.** at the registered office of the company and any adjournment thereof in respect of the resolutions as are indicated below:-

Resolution No.	Description of Resolution	For	Against
Ordinary Business			
01	To approve and adopt Audited Financial statement for the year ended 31st March, 2022 and reports of the Board of Directors and Auditors thereon.		
02	To Re-appoint Mr. Ladhu Lal Soni (DIN: 00131787) , who retires by rotation and being eligible, offers himself for re-appointment.		
03	To consider the appointment of the M/s. SIGMAC & CO., Chartered Accountants (Firm Registration No. 116351W) as the Statutory Auditors of the Company and to fix their remuneration		
Special Business			
04	To Regularisation of Mr. Kapil Malpani (DIN:07898719) as an Non-Executive Independent Director.		

Affixed
Revenue
Stamp of Rs. 1

Signed this _____ day of _____, 2022.

Signature of the shareholder: _____

Signature of the proxy holder

NOTE:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY WITHIN 48 HOURS FROM THE COMMENCEMENT OF THE MEETING.

FORM NO. MGT- 12**POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: NIDHI MERCANTILES LIMITED		
Registered Office:	B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A.K. Road, Andheri (E), Mumbai (M.H.) - 400059	
CIN:	L51909MH1985PLC138577	
BALLOT PAPER (To be returned to the Scrutinizer appointed by the Company)		
Sr. No.	Particulars	Details
1.	Name (s) of the Member(s)	
2.	Registered Address of the Members	
3.	Registered Folio No/ DP ID/ Client ID:	

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the **36th Annual General Meeting** of the Company to be held on **Friday, September 30th, 2022** at **03:30 p.m.** at B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A.K. Road, Andheri (E), Mumbai (M.H.) - 400059 in respect of the businesses as stated in the Notice dated **05th September , 2022** by conveying my / our assent or dissent to said resolution (s) by placing the tick (√) mark in the box against the respective matters.

Sr. No.	Resolutions	No. of Shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
Ordinary Business :				
1.	To approve and adopt Audited Financial statement for the year ended 31st March, 2022 and reports of the Board of Directors and Auditors thereon.			
2.	To Re-appoint Mr. Ladhu Lal Soni (DIN: 00131787) , who retires by rotation and being eligible, offers himself for re-appointment.			
36	To consider the appointment of the M/s. SIGMAC & CO., Chartered Accountants (Firm Registration No. 116351W) as the Statutory Auditors of the Company and to fix their remuneration			
Special Business:				
3.	To consider Regularisation of Mr. Kapil Malpani (DIN:07898719) as an Non-Executive Independent Director.			

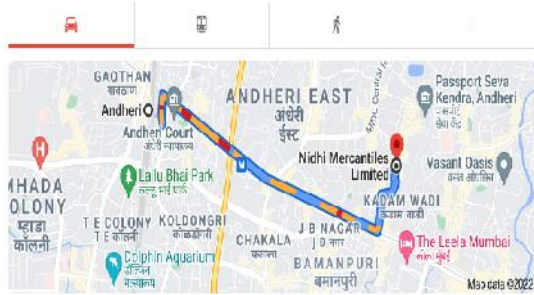
Place: Mumbai

Date:

Signature of the Member

Route Map

- Andheri Railway Colony, Andheri East, Mumbai, Maharashtra 400053
- Nishi Mercantiles Limited, B/306-309, Dynasty Business Park, J.B.Nagar, Andheri (E), c



13 min (3.5 km) via Andheri - Kuria Rd/Sir Methuradas VasANJI Rd



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 36th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2022.

FINANCIAL RESULTS:

The Company's financial performance for the financial year ended 31st March, 2022 as compared to the previous financial year ended 31st March, 2021 is summarized below:

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Revenue from operations	158.00	998.75
Other Income	415.20	381.67
Total Revenue	573.20	1380.42
Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	457.66	1013.61
Less: Depreciation and Amortization Expenses	(4.37)	(4.72)
Finance Cost	(27.47)	(61.78)
Profit/Loss before Tax	425.82	947.10
Less: Provision for Tax	(166.97)	(235.27)
Profit/(Loss) after Tax	258.79	711.84
Other Comprehensive Income	8750.15	1955.85
Total Comprehensive Income	9008.95	2667.69

Note: The above figures are extracted from the financial statements for the financial year ended on 31st March, 2022.

REVIEW OF OPERATIONS:

During the year under review, the Company has registered revenue of Rs. 158.00/- lakhs (Previous year Rs. 998.75/- lakhs) and Net Profit after tax of Rs. 258.79/- lakhs (Previous year Rs. 711.84/- 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 beginning of financial year 2021-22 (FY2022) was once again dominated by the COVID-19 pandemic as new waves of infection swept across the world. In India, the second wave (called 'Delta') proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunisation programme by the Indian Government and Governments across the world has been exemplary. It saved lives and livelihood.

This pandemic has inflicted enormous pain and suffering to individuals and corporate alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. COVID-19 was a real test of resilience and agility for every business. Corporations that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions. It was not just the corporate sector that has been forced to rapidly adapt. Public services organisations, regulators, governments, and local administrations have demonstrated their potential to adapt and overcome.

The Company continues its business activities, in line with the guidelines issued by the Government authorities and take steps to strengthen its liquidity.

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 2021-2022.

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 Regulation 16 (1)(b) of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015 and confirmation that they have complied with the Code of Independent Directors prescribed in the Schedule IV of the Companies Act, 2013. The terms and conditions for the appointment of the Independent Directors are disclosed on the website of the company.

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 Assests and Segment Liabilities represent Assets and Liabilities in respective segments. Investment, Tax, related assests & other assests 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 **31st March, 2022** 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 2021-2022.

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, 2022 is placed on the Company's website at www.nidhi.net.in.

SECRETARIAL AUDIT:

Your Company appointed **M/s. Reena S. Modi & Associates**, Practicing Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. A-25346, Certificate of Practice No. 12621) as the Secretarial Auditor of your Company to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit report is will be annexed as **Annexure 'B'** and forms an integral part to this Report.

In addition to the above and pursuant to SEBI circular dated 8th 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 2021-2022 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 **14th February, 2022**. 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 2021-2022** forms a part of the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time under the Chairmanship of **Mrs. Sejal Sagar Modi**. The other members of the Committee are **Mr. Ladhu Lal Soni** and **Mr. Shiv Raj Sharma**.

The details regarding composition, objectives powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

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 (6) Six 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
6. Independent Director 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:

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a vigil mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Vigil Mechanism / Whistle Blower policy has been posted on the website of the Company (www.nidhi.net.in).

PREVENTION OF SEXUAL HARASSMENT:

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 Company has a Risk Management Policy (a) 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 process (b) to establish a framework for the company's risk management process and to ensure its implementation (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices (d) to assure business growth with financial stability.

There are no risks which 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.

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.

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.

STATUTORY AUDITOR:

M/s. S. S. Rathi & Co., Chartered Accountants (Firm Regn No : 108726W) were appointed as Statutory Auditors of your Company at the **31st Annual General Meeting** held on **28th 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 7th 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 for FY 2021-2022. 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 Directors place on record their appreciation to all those people, who have so willingly placed their trust in the company & management and to all customers across all area, shareholders, Financial Institutions, Banks, Government, and Local Authorities under our operation, who have given the company an opportunity to serve them.

The entire Team of the Company deserves the appreciation for their sincere efforts and determination to excel. The core teams of the plays a pivotal role in articulating and implementing the strategic decisions and thus contributing to the development of the company. I take this opportunity to express my heartfelt appreciation for their continuous support, hard work and dedication.

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

Date: 30th May, 2022

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, Website: 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]

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, 2022 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 31st March, 2022, 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 : 28-05-2022**

**UDIN: A025346D000420202
Peer review no-1991/2022**

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 : 28/05/2022**

**UDIN-A025346D000420202
Peer review no-1991/2022**

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.

Company is committed to its stakeholders, government, investors, associates, community, environment, employees and their families to conduct its business in a responsible manner that creates a sustained positive impact. The CSR activities are carried out directly by the Company and also through trust/society. Our vision is to actively contribute to the social and economic development. The company aims to build a better, sustainable way of life for the weaker section of society and raise the country's human development index.

The details of the Company's CSR Initiatives project/programmes and activities are provided in this annexure. The focus areas of the Company under its CSR programme are promoting of education, Eradicating hunger, poverty and malnutrition, rural development, sanitation and environment and any other projects as defined in Schedule VII of the Companies Act, 2013.

The CSR Policy of the Company is uploaded on its website and can be viewed at www.nidhi.net.in.

2. Composition of CSR Committee:

As on March 31, 2022, 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
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 2018-19	Nil	Nil
2	FY 2019-20	Nil	Nil
3	FY 2020-21	979	Nil
	TOTAL	979	662

6. Average net profit of the company as per section 135(5): **Rs. 5,25,33,101/-**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 10,50,662/-**
(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: **Rs.662/-**

(d) Total CSR obligation for the financial year (7a+7b- 7c): **Rs.10,50,000/-**

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.
Rs. 10,50,000/-	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)	State	District	Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
								Name	CSR registration number
1.	Medical/Health Care	Promoting preventive health care	No	Rajasthan	Bhilwara	10,50,000	No	Badri lal 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.10,50,000/-

(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.	
NIL							

(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.	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 2021-2022	NA
2	% increase in remuneration Executive Directors, CFO and CS during the FY 2021-2022	15
3	% increase in median remuneration of the employees for the FY 2021-2022	15
4	Total employees on role of Company as on 31.3.2022	3
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 31ST MARCH, 2022

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 31st March, 2022.

1. CORPORATE GOVERNANCE:

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance.

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 statutes, 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, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualification and experience in diverse areas. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act"). The Board of Directors has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2022.

(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 **31st March, 2022**. 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 **31st March, 2022** 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)	04	-
2.	Mrs. Sejal Sagar Modi	Managing Director (Executive Director)	NIL	-
3.	Mr. Ramesh Chandra Banger	Non – Executive Independent Director	03	-
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:

9 (Nine) meetings of the Board are held on:

Sr. No.	Date of Board Meeting
1	01 st April , 2021
2	03 rd May, 2021
3	30 th June, 2021
4	14 th August, 2021
5	04 th September, 2021
6	13 th November, 2021
7	14 th February, 2022
8	15 th March, 2022
9	31 st March, 2022

The Last Annual General Meeting was held on 30th September, 2021 & Extra-Ordinary general Meeting Held on 10th March, 2022:

Sr. No.	Name of the Director	No. of Board Meeting attended	Whether attended Last AGM
1.	Mr. Ladhu Lal Soni	9	Yes
2.	Mrs. Sejal Sagar Modi	9	Yes
3.	Mr. Ramesh Chandra Banger	9	Yes
4.	Mr. Shiv Raj Sharma	9	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 **14th February, 2022** 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:

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Further, in accordance with the requirements of Listing Regulations, the Company also organizes Familiarization programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

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.

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 6 Committees:

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

(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;
6. Reviewing with the management, the annual financial statements and auditor's report thereon 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.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditor's adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions, submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee
6. Statement of deviations
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

(ii) COMPOSITION:-

The Composition of Audit Committee as on **31st March, 2022** 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 **30th June, 2021, 14th August, 2021, 13th November, 2021 & 14th February, 2022**. 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(3A) of the SEBI (LODR), Regulation, 2015.

(i) TERMS OF REFERENCE:

The Remuneration Committee is there to formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity.

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 **31.03.2022** 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 **14th February, 2022** . 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:**

Constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations 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 **31.03.2022** 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 30th June, 2021, 14th August, 2021, 13th November, 2021 & 14th February, 2022.

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 31.03.2022 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 2021-2022.

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 has constituted Corporate Social Responsibility Committee as required under Section 135 of the Act. The role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on activities and monitor CSR Policy.

(ii) COMPOSITION:

The Composition of the Corporate Social Responsibility Committee as on 31.03.2022 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 2 (Two) times during the year on 14th February, 2022 & 31st March, 2022.

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	2	2
Mr. Ladhu Lal Soni	Member	2	2
Mr. Shiv Raj Sharma	Member	2	2

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

(f) INDEPENDENT DIRECTOR COMMITTEE:**(i) TERMS OF REFERENCE:**

Clause VII of the Schedule IV of the Companies Act, 2013, the Independent Directors of the Company are required to hold at least one meeting in a year without the attendance of Non-Independent Directors and members of management. It was further informed that all the Independent Directors of the Company shall strive to be present at such meeting. The Independent Directors at the meeting shall, inter-alia review:

- i. The performance of Non-Independent Directors and the Board as a whole;
- ii. The performance of the Chairperson of the Company, taking into account the views of Executive Directors and non-executive Directors
- iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(ii) COMPOSITION:

The composition of the Independent Director Committee as on 31st March, 2022 is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mr. Ramesh C. Banger	Chairman
2.	Mr. Shiv Raj Sharma	Member

(iii) MEETING AND ATTENDANCE:

The Committee met 1 (One) time during the year on 14th February, 2022.

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 C. Banger	Chairman	1	1
Mr. Shiv Raj Sharma	Member	1	1

(g) 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
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.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at Registered Office
2020-2021 (Annual General Meeting)	30.09.2021	03:30 p.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at 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. Reena S. Modi & Associates (Membership No. 25346, CP No.: 12621)**, a firm of Company Secretaries in Practice 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 31st, 2022**.

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

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

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.

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.

12. GENERAL SHAREHOLDER INFORMATION:

1.	36 th Annual General Meeting	
	- Date & Time	30 th September, 2022 & 03:30 p.m.
	- Venue	B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A.K. Road, Andheri (E), Mumbai - 400059
4.	The listing fees has been paid up to the date to all the stock exchanges	Yes
5.	Scrip Code: Calcutta Stock Exchange Ltd. (CSE)	24132

13. DISTRIBUTION OF EQUITY SHARE AS ON 31ST MARCH, 2022:

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
	Total	156	100	6280455	100.0000

14. PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2022:

Category	No. of shares held	% of Share holding
PROMOTERS HOLDINGS		
a) Individual	Nil	Nil
b) Body Corporate	1765000	28.10%
PUBLIC HOLDINGS		
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 2 lacs.	Nil	Nil
c) Any Other	NIL	Nil
Total	6280455	100%

15. DETAILS OF DEMAT SHAREHOLDING:

As on 31st March, 2022, 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**

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Tel: 022 - 62638200

Email: 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

Website: 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 31st March, 2022 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 **31st March, 2022**.

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

Date: 30th May,2022

Place: Mumbai

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY OVERVIEW:

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors..

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21.

This pandemic has inflicted enormous pain and suffering to individuals and corporates alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. COVID-19 was a real test of resilience and agility for every business. Corporations that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions. It was not just the corporate sector that has been forced to rapidly adapt. Public services organisations, regulators, governments, and local administrations have demonstrated their potential to adapt and overcome.

India is presently known as one of the most important players in the global economic landscape. Over the years, India has emerged as one of the fastest-growing economies in the world and an attractive investment destination driven by economic reforms and a large consumption base.

THE COVID-19 PANDEMIC:

The beginning of financial year 2021-22 (FY2022) was once again dominated by the COVID-19 pandemic as new waves of infection swept across the world. In India, the second wave (called 'Delta') proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunisation programme by the Indian Government and Governments across the world has been exemplary. It saved lives and livelihood.

This pandemic has inflicted enormous pain and suffering to individuals and corporates alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. COVID-19 was a real test of resilience and agility for every business. Corporations that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions. It was not just the corporate sector that has been forced to rapidly adapt. Public services organisations, regulators, governments, and local administrations have demonstrated their potential to adapt and overcome.

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.

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 31st March, 2022 stand at Rs. 158/- Lakhs against Rs. 998.75/- lakhs recorded in the previous year.
- The Company has been able to post Net Profit of Rs.258.79/- Lakhs as against Net Profit of Rs. 711.84/- lakhs 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: 30th May, 2022

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, Website: www.nidhi.net.in

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

In terms of the requirements of Regulation 26(3) read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,. This is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended **31st March, 2022**.

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

**Date: 30th May, 2022
Place: Mumbai**

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

CERTIFICATE

**(Pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements),
Regulations, 2015 for the Financial Year ended 31st March, 2022**

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 **31st March, 2022** 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: 30th May, 2022
Place: Mumbai**

Sd/-

Sd/-

**Sejal Sagar Modi
Managing Director
DIN: 06684211**

**Vishakha Pandya
Chief Financial
Officer (CFO)**

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 Reena S Modi & Associates
Practicing Company Secretary

Date: 30-05-2022
Place: Mumbai

Sd/-
Proprietor
Membership No:A25346
CP No: 12621
UDIN:A025346D000434425
Peer review no-1991/2022

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 **31st March, 2022**, 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 refereed 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 Reena S Modi & Associates
Practicing Company Secretary**

**Date: 30-05-2022
Place: Mumbai**

**Sd/-
Proprietor
Membership No:A25346
CP No: 12621
UDIN:A025346D000434524
Peer review no-1991/2022**

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 March 31, 2022, 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 March 31, 2022, 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 standalone 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.

Key audit matters	How our audit addressed the key audit matter
<p><u>Accounting for investments</u></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"> • Read the minutes of the meetings authorising the investment. • Performed test of controls on the operating effectiveness of internal controls on investments. • Obtained management representations on the judgments exercised for classification of investments, including indicative yields and maturity periods considered for amortised cost workings. • Tested the disclosures made by the Company.

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

I. As required by the Companies (Auditor's Report) Order, 2020 (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.

II. 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 over financial reporting 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 was no amounts which were required to be transferred to the Investors Education and Protection Fund during the year.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Holding Company or its Subsidiary companies incorporated in India to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other person or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the funding parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and d(ii) contain any material mis-statement.
- v. The Company has not proposed or paid any dividend during the year. Thus, the following point is not commented on.

For S. S. Rathi & Co
Chartered Accountants
FRN: 108726W

Sd/-

D P Rathi
Partner
M No. :042068
UDIN: 22042068AKRRTO8977
Place: Mumbai
Date: May 30, 2022

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)

- i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The company does not have any intangible assets and hence reporting under clause 3(i)(a)(B) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period time. Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.
- (d) The company has not revalued its Property, plant and equipment during the year and hence reporting under clause 3(i)(d) of the order is not applicable.
- (e) There are no proceedings initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (45 of 1988) rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) The Company has not been sanctioned any working capital limits during the year from any persons including banks / financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. (a) (A) The Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any subsidiary, joint venture or associate hence reporting under clause 3(iii)(a) of the order is not applicable.
- (B) The Company has provided loans or advances in the nature of loans, or stood guarantee, or provided securities to parties other than subsidiaries, joint venture and associates, The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans and advances and guarantees or security to such parties are shown as under:

Particular	Guarantee(in lakh)	Loan(in lakh)
Aggregate amount Granted/ Provided during the year	-	3171.29
Balance outstanding as at balance sheet date in respect of above loans	31300.00	4582.15

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, as there is loan repayable on demand and in absence of specifying any terms or period of repayment. overdue amount for more than ninety days in respect of loans given is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Company has given loans repayable on demand without specifying any terms or period of repayment.

(Rs in Lakh)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on Demand (A)	4582.15	Nil	Nil
-Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	4582.15	Nil	Nil
Percentage of loans/advances in nature of loans to the total loans	100%	0%	0%

- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the order is not applicable to the company.
- v. The company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable to the company.
- vi. The company is not in the business of sale of any goods or provision of such services as prescribed under sub section (1) of Section 148 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the company.
- vii. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

- b) There are no dues of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the company
- ix. a) According to information and explanations given to us and on the basis of our examination of the records of the company, the company did not have any loans or borrowings from any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the order is not applicable to the company.
- b) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Accordingly, the requirement to report on clause 3(ix)(b) of the order is not applicable to the company.
- c) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has not obtained any term loans. Accordingly, the requirement to report on clause 3(ix)(c) of the order is not applicable to the company.
- d) According to information and explanations given to us and on the basis of our examination of the records of the company, the company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the order is not applicable to the company.
- e) According to information and explanations given to us and on the basis of overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(e) of the order is not applicable to the company.
- f) According to information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(f) of the order is not applicable to the company.
- x. (a)The company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the order is not applicable to the company
- (b)The company has not made any preferential allotment or private placement of the shares fully or partially or optionally convertible debentures during the year under the audit hence, the requirement to report on clause 3(x)(b) of the order is not applicable to the company
- xi. (a)According to information and explanations given to us and on the basis of our examination of the records of the company, no fraud by the company or no fraud on the company has been noticed or reported during the year.
- (b)During the year, no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c)As informed by the management, there are no whistle blower complaints received by the company during the year.

- xii. The company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the order is not applicable to the company.
- xiii. According to information and explanations given to us and on the basis of our examination of the records of the company, The Company has not entered into any transactions, of the nature specified under section 188 of the Act, with the related parties during the year. The provisions of section 177 are not applicable. Accordingly, the provisions of clause 3(xiii) of the Order are not applicable to the Company.
- xiv. (a)The company has implemented internal audit system on a voluntary basis which is commensurate with the size of the company and nature of its business.
- (b)The internal audit reports of the company issued till date of the audit report, for the period under audit have been considered by us.
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the order is not applicable to the company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the RBI Act, 1934. Accordingly, the requirement to report on clause 3(xvi)(a) & 3(xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) & 3(xvi)(d) of the order are not applicable to the Company.
- xvii. The company has not incurred any cash losses in the current financial year and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on clause 3(xviii) of the order is not applicable to the company.
- xix. According to information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, and based on our examinations of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as of the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section(5) section 135 of Companies Act, 2013 for CSR expenditure. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the order is not applicable to the company.
- xxi. The audit report and financials are of a standalone company and thus clause 3(xxi) is not applicable to the company.

xxii. This being the report on the independent financial statements, the reporting under Clause 3(xxi) of the Order is not applicable.

For S. S. Rathi & Co
Chartered Accountants
FRN: 108726W

Sd/-

D P Rathi
Partner
M No. :042068
UDIN: 22042068AKRRTO8977
Place: Mumbai
Date: May 30, 2022

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 March 31, 2022 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 were operating effectively as at 31st March, 2022, 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
FRN: 108726W

Sd/-

D P Rathi
Partner
M No. :042068
UDIN: 22042068AKRRTO8977
Place: Mumbai
Date: May 30, 2022

NIDHI MERCANTILES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

	Note	As at 31.03.2022 (Rs. in Lacs)	As at 31.03.2021 (Rs. in Lacs)
ASSETS			
Non- current Assets			
(a) Property, Plant & Equipment	2	77.38	80.96
(b) Investment Property	3	0.16	0.17
(c) Financial Assets			
(i) Investments	4	12399.40	4775.37
(d) Other Non-current Assets	5	0.28	0.28
Sub-total - Non-current Assets		12477.22	4856.78
Current Assets			
(a) Inventories	6	565.90	637.27
(b) Financial Assets			
(i) Trade Receivables	7	822.00	1146.24
(ii) Cash and Cash Equivalents	8	98.48	58.82
(iii) Other Balances with Bank	9	08.50	08.50
(iv) Loans	10	4582.15	2960.69
(v) Other Financial Assets	11	07.00	06.34
(c) Other Current Assets	12	01.20	0.72
Sub-total - Current Assets		6085.24	4818.58
TOTAL ASSETS		18562.45	9675.37
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	125.61	125.61
(b) Other Equity	14	17714.84	8705.90
Sub-total -Shareholders' Funds		17840.45	8831.51
Non- current Liabilities			
(a) Financial Liabilities			
(ii) Other Financial Liabilities	15	37.53	34.27
(b) Deferred Tax Liability	16	09.96	09.90
(c) Other Non-current Liabilities	17	09.13	08.10
Sub-total - Non-current Liabilities		56.62	52.27
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	18		
- Due to Micro Enterprises & Small Enterprises		-	-
- Due to Others		03.61	51.42
(ii) Other Financial Liabilities	19	03.49	04.08
(b) Other Current Liabilities	20	522.96	514.65
(c) Current Tax Liabilities (Net)	21	135.33	221.44
Sub-total - Current Liabilities		665.38	791.59
TOTAL EQUITY AND LIABILITIES		18562.45	9675.37
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		For and on behalf of the board	
For S. S. Rathi & Co			
Chartered Accountants			
(FRN 108726W)		Sd/-	Sd/-
Sd/-		Sejal Sagar Modi	Vishakha Pandya
		Managing Director	Company Secretary & CFO
D. P. Rathi		DIN: 06684211	
Partner			
M. No. 042068			
Place : Mumbai		Sd/-	Sd/-
Dated : 30th May, 2022		Ladhu Lal Soni	Shiv Raj Sharma
		Director	Director
		DIN: 00131787	DIN: 08416019

NIDHI MERCANTILES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note	Year ended	Year ended
		31.03.2022	31.03.2021
		(Rs. In Lacs)	(Rs. In Lacs)
Revenue			
Revenue from Operations	23	158.00	998.75
Other Income	24	415.20	381.67
Total Income		573.20	1380.42
Expenses			
Cost of Sales	25	-	23.28
Changes-in-Inventories	26	71.36	284.27
Employee Benefits Expense	27	27.55	17.16
Financial Costs	28	27.47	61.78
Depreciation	29	04.37	04.72
Other Expenses	30	16.62	42.10
Total Expenses		147.38	433.31
Profit Before Tax		425.82	947.10
Tax Expense:	16		
- Current Tax		166.97	235.19
- Deferred Tax		0.06	0.08
Profit For the Year (A)		258.79	711.84
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit & loss			
Net fair value gain/(loss) on investments in equity instruments through OCI		8750.15	1955.85
Other Comprehensive Income For The Year (B)		8750.15	1955.85
Total Comprehensive Income For The Year (A+B)		9008.95	2667.69
Earnings per equity share of face value of Rs. 2/-each			
Basic and Diluted (Rs.)	35	4.12	11.33
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		For and on behalf of the board	
For S. S. Rathi & Co			
Chartered Accountants			
(FRN 108726W)			
Sd/-		Sd/-	Sd/-
		Sejal Sagar Modi	Vishakha Pandya
		Managing Director	Company Secretary & CFO
D. P. Rathi		DIN: 06684211	
Partner			
M. No. 042068			
Place : Mumbai		Sd/-	Sd/-
Dated : 30th May, 2022		Ladhu Lal Soni	Shiv Raj Sharma
		Director	Director
		DIN: 00131787	DIN: 08416019

NIDHI MERCANTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	As At 31.03.2022 (Rs. in Lacs)	As At 31.03.2021 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit before Taxes	425.82	947.10
Adjustments for		
Interest Received	(273.26)	(243.64)
Fair value (gain)/loss on investments	(33.51)	(30.60)
Rent on amortisation of Security Deposits	(02.70)	(02.70)
Interest on deferment of advance tax	24.21	19.11
Interest Paid	03.26	42.50
Dividend	(48.99)	(48.99)
Depreciation	04.37	04.72
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	99.21	687.52
Adjustments for		
Decrease/(Increase) in Inventories	71.36	259.04
Increase/(Decrease) in Trade Payables	(47.81)	-
Decrease/(Increase) in Trade Receivables	324.24	(245.65)
Decrease/(Increase) in Other Current Financial Assets	(0.66)	02.62
Decrease/(Increase) in Other Current Assets	(0.48)	(0.27)
Increase/(Decrease) in Other Non-Current Financial Liabilities	-	-
Increase/(Decrease) in Other Non-Current Liabilities	03.73	-
Increase/(Decrease) in Other Current Financial Liabilities	(0.59)	0.89
Increase/(Decrease) in Other Current Liabilities	08.30	(140.51)
CASH GENERATED FROM OPERATIONS	457.31	563.63
Direct Tax (Paid)/Refund	(277.30)	(69.31)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	180.01	494.32
B. CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase) / Sale of Investments - Net	1159.64	01.00
Purchase of Investment	-	-
Profit on sale of Investment	-	-
Purchase of Fixed Assets	(0.78)	-
Interest Received	273.26	243.64
Dividend Received	48.99	48.99
Maturity of/(Investment in) Bank Deposits	-	(05.25)
Movement in Loans and Advances	(1621.46)	(289.04)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(140.35)	(0.66)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(435.89)
Interest Paid	-	(39.53)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	-	(475.42)
NET INCREASE IN CASH AND CASH EQUIVALENTS	39.66	18.24
CASH AND CASH EQUIVALENTS (At the beginning of the year)	58.82	40.58
CASH AND CASH EQUIVALENTS (At the end of the year)	98.48	58.82

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 reworked/ rearranged, wherever necessary, to correspond with the current year's classification

As per our Report of even date

For S. S. Rathi & Co
Chartered Accountants
(FRN 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 May, 2022

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, 2022

Statement of Changes in Equity for the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
Balance at the beginning of the reporting year		
Equity shares of Rs.2/- each issued, subscribed and paid-up	125.61	125.61
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	125.61	125.61

B. OTHER EQUITY

	Reserves and Surplus		Items of Other Comprehensive Income (OCI)	(Rs. In Lacs)
	General Reserve	Retained Earnings		
Balance as at 1st April, 2020	908.59	15712.03	(10582.41)	6038.21
Profit for the year		711.84		711.84
Other comprehensive income for the year			1955.85	1955.85
Total comprehensive income for the year				2667.69
Balance as at 31st March, 2021	908.59	16423.86	(8626.56)	8705.90
Balance as at 1st April, 2021	908.59	16423.86	(8626.56)	8705.90
Profit for the year	-	258.79		258.79
Other comprehensive income for the year	-		8750.15	8750.15
Realised gain transferred to retained earning on sale of investment in OCI	-	2192.64	(2192.64)	
Total comprehensive income for the year				9008.95
Balance as at 31st March, 2022	908.59	18875.30	(2069.05)	17714.84

As per our Report of even date

For S. S. Rathi & Co
Chartered Accountants
(FRN 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 May, 2022

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Shiv Raj Sharma
Director
DIN: 08416019

(1)

I 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).

II 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

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.

v 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

- 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. Liability of Gratuity is recognised on Actuarial basis, based on valuation report.

- 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, 2022

Note-2 Property, Plant & Equipment

(Rs. In Lacs)

Description	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 01/04/2021	ADDITIONS/ (DELETIONS)	AS AT 31/03/2022	AS AT 01/04/2021	AS AT 31/03/2022	AS AT 31/03/2021
Office Premises	163.63	-	163.63	84.30	88.14	79.33
Office Equipments	03.13	0.22	03.35	02.98	03.01	0.16
Computer	0.89	0.56	01.45	0.85	0.88	0.04
Motor Car	13.07	-	13.07	11.64	12.09	01.43
Total	180.72	0.78	181.51	99.76	104.12	80.96
Previous Year	180.72	-	180.72	95.05	99.76	85.67

NIDHI MERCANTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

	As At 31.03.2022 Unit (Nos.)	(Rs. In Lacs)	As At 31.03.2021 Unit (Nos.)	(Rs. In Lacs)
(4) Non-current Investments				
Investment in Equity Instruments				
Non-trade Investments				
Quoted Shares				
Eq. Sh. of Rs. 10/- each of Sangam India Ltd.	38,28,868	9895.71	48,98,833	3603.09
Sub Total		9895.71		3603.09
Unquoted Equity Shares				
Eq. Sh of Rs. 100/- each of Hawamahal Finance Pvt. Ltd.	30,000	147.37	30,000	147.00
Eq. Sh. of Rs. 100/- each of Finworth Investment Pvt. Ltd.	20,000	57.57	20,000	57.64
Eq. Sh. of Rs. 10/- each of Laddha Construction Company Pvt.Ltd.	1,800	181.19	1,800	27.43
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	04.06	20,000	05.74
Eq. Sh. of Re. 10/- each of Rebeca Expo Investment Co. Pvt. Ltd.	29,500	14.72	29,500	14.79
Eq. Sh. of Rs. 100/- each of Sapatrishhi Commercial Co. Ltd.	22,700	188.27	22,700	184.61
Eq. Sh. of Rs. 10/- each of Sangam Ananya Developers Pvt Ltd.	7,500	0.25	7,500	0.25
Eq. Sh. of Rs. 10/- each of Marigold Investrade Pvt. Ltd.	5,08,012	384.06	5,08,012	382.13
Eq. Sh. of Rs. 10/- each of Ketii Sangam Infrastructure I Ltd	11,40,000	1140.00	-	-
		2117.49		819.59
Pref. Sh. of Rs. 10/- each of Ketii Sangam Infrastructure I Ltd.	3,86,200	386.20	3,86,200	352.69
Total Non-current Investments		12399.40		4775.37
Aggregate book value of quoted investments		9895.71		3603.09
Market value of quoted investments		9895.71		3603.09
Aggregate book value of unquoted investments		2503.69		1172.28
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, 2022

	As At 31.03.2022 (Rs. in Lacs)	As At 31.03.2021 (Rs. in Lacs)
(3) Non-current Investments		
Investment in Immovable Property		
Office Building at Bhilwara, Rajasthan	0.23	0.23
- Gross Value of Carrying Amount	0.23	0.23
Depreciation		
Amount brought forward	0.07	0.05
Addition during the year	0.01	0.01
Accumulated Depreciation	0.08	0.07
Net Carrying Value	0.16	0.17

(a) Fair Value of investment property is Rs.3.24 lacs (Previous Year Rs.2.27 Lacs)
The fair value measurement is categorised in level 3 fair value hierarchy.

(5) Other Non-current Assets		
Security deposits	0.28	0.28
	0.28	0.28

(6) Inventories		
Stock-in-trade		
--Plots	59.78	72.79
-- Finished Row Houses	29.42	29.42
-- Finished Shops - Commercial Complex-Plot No. 1	446.66	505.02
-- Finished Shops - Commercial Complex-Plot No. 2	30.04	30.04
Work-in- progress		
-- Commercial Complex under construction	-	-
	565.90	637.27

(7) Trade Receivables		
(Unsecured, considered good)		
(i) Undisputed Trade receivables – considered good	822.00	1146.24
(ii) Undisputed Trade Receivables – considered doubtful		
(iii) Disputed Trade Receivables considered good		
(iv) Disputed Trade Receivables considered doubtful		
	822.00	1146.24

Trade Receivables Outstanding Ageing Schedule	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	03.00	-	429.05	50.00	339.95
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-
Total FY 2021-22	03.00	-	429.05	50.00	339.95

Trade Receivables Outstanding Ageing Schedule	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	77.00	416.05	60.00	593.19	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-
Total FY 2020-21	77.00	416.05	60.00	593.19	-

(8) Cash and Cash Equivalents		
Cash Balance		
Cash on Hand	0.35	0.54
Balance with Bank		
In Current Account	98.13	58.28
	98.48	58.82

NIDHI MERCANTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	As At 31.03.2022 (Rs. in Lacs)	As At 31.03.2021 (Rs. in Lacs)
(9) Other Balances with Bank		
Term Deposit Accounts	08.50	08.50
	08.50	08.50
(10) Loans		
(Unsecured, considered good)		
-- Loans to Others		
InterCorporate Loan	4582.15	2960.69
	4582.15	2960.69
(11) Other Financial Assets		
Other Receivables		
Less than 6 months	06.71	06.34
6 months - 1 years	0.29	-
	07.00	06.34
(12) Other Current Assets		
Interest accrued on Bank Deposits	01.20	0.72
	01.20	0.72
(13) Equity Share capital		
Authorized :		
6300000(P.Y. 6300000) Equity Shares of Rs. 2/-(P.Y. Rs. 2/-) each	126.00	126.00
Issued, Subscribed and Paid-up:		
6280455 (P.Y. 6280455) Equity Shares of Rs. 2/-(P.Y. Rs. 2/-) each	125.61	125.61
	125.61	125.61

- a. The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.
- 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.
- c. **Shareholding more than 5%**
None of the Shareholders are holding more than 5% of the Share Capital.
- d. Shareholding of Promoters at the end of the Year and Change during the year

Name of Promoters	FY 2021-22			FY 2020-21		
	No of shares	% of Total Shares	% change during the year	No of shares	% of Total Shares	% change during the year
SANGAM SUITING PVT LTD	300000	4.78	-	300000	4.78	-
SARVODAYA HOLDINGS PRIVATE LIMITED	290000	4.62	-	290000	4.62	-
FINWORTH INVESTMENT PVT LTD	300000	4.78	-	300000	4.78	-
SANGAM GRANITE PRIVATE LTD	300000	4.78	-	300000	4.78	-
HAWAMAHAL FINANCE PVT LTD	300000	4.78	-	300000	4.78	-
SONMOD MARKETING PRIVATE LIMITED	275000	4.38	-	275000	4.38	-

(14) Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of Other Equity balance

a. General Reserve	908.59	908.59
b. Retained Earnings	18875.30	16423.86
c. Items of Other Comprehensive Income		
- Fair value of Equity Instruments through OCI	-2069.05	-8626.56
	17714.84	8705.90

B Nature and purpose of reserves

- (a) **General Reserve:** This represent Amalgamation Reserve
- (b) **Retained Earnings:** 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.
- (c) **Equity Instruments through Other Comprehensive Income:** 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.

NIDHI MERCANTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	As At 31.03.2022 (Rs. in Lacs)	As At 31.03.2021 (Rs. in Lacs)
(15) Other Non-current Financial Liabilities		
Security Deposits	37.53	34.27
	<u>37.53</u>	<u>34.27</u>
(17) Other Non-current Liabilities		
Deferred Income	05.40	08.10
Gratuity (Long term) Provision	03.73	-
	<u>09.13</u>	<u>08.10</u>
(18) Trade Payables		
Due to Micro Enterprises & Small Enterprises	-	-
Due to Others	03.61	51.42
	<u>03.61</u>	<u>51.42</u>

Trade Payable Outstanding Ageing Schedule	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Due to Micro Enterprises & Small Enterprises	-	-	-	-	-
Due to Others	-	-	-	-	-
(i) Due to Others - UnDisputed	-	-	-	-	03.61
(ii) Due to Others - Disputed	-	-	-	-	-
Total FY 2021-22	-	-	-	-	03.61

Trade Payable Outstanding Ageing Schedule	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Due to Micro Enterprises & Small Enterprises	-	-	-	-	-
Due to Others	-	-	-	-	-
(i) Due to Others - UnDisputed	-	-	-	-	51.42
(ii) Due to Others - Disputed	-	-	-	-	-
Total FY 2020-21	-	-	-	-	51.42

(19) Other Current Financial Liabilities		
Current maturity of long-term borrowings	-	-
Other Pavables - Expenses		
Less than 6 months	03.49	04.08
6 months - 1 years		
	<u>03.49</u>	<u>04.08</u>

(20) Other Current Liabilities		
Statutory dues	01.35	01.01
Advance received from Customers	469.00	412.50
Gratuity (Liability)	0.30	-
Other Payables	52.30	101.14
	<u>522.96</u>	<u>514.65</u>

(21) Current Tax Liabilities (Net)		
Provision for Tax (net of taxes paid)	135.33	221.44
	<u>135.33</u>	<u>221.44</u>

(22) Contingent Liabilities and Commitments

a. Corporate guarantees issued for Rs. 31300 Lacs. (P.Y. Rs. 31300 Lacs.)

NIDHI MERCANTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	Year ended 31.3.2022 (Rs. in Lacs)	Year ended 31.3.2021 (Rs. in Lacs)
(23) Revenue from Operations		
Sales of Products		
Real Estate:		
--Shop Sales	126.00	581.75
--Row Houses	-	60.00
Trading:		
--Plots & allied Sales	32.00	357.00
	158.00	998.75
(24) Other Income		
Rent Income	56.74	55.74
Rent on amortisation of Security	02.70	02.70
Deposits		
Interest Income	273.26	243.64
Dividend - on Non-current	48.99	48.99
Investments		
Investments measured at fair value through profit & loss	33.51	30.60
	415.20	381.67
(25) Cost of Sales		
Work in Progress		
Opening work-in-progress		
- Commercial Complex under construction	-	04.80
	-	04.80
Add : Addition to work-in-progress during the year		
- Commercial Complex under construction	-	48.51
	-	48.51
Less : Closing Work in Progress		
-Transferred to Finished Shops - Commerical Complex - Plot 2	-	30.04
	-	30.04
Cost of Sale	-	23.28
(26) Changes-in-Inventories		
Finished Stock		
Developed Plots		
Opening Stock:		
- Plots	72.79	72.79
- Row Houses	29.42	63.25
- Shops - Commerical Complex - Plot 1	505.02	755.47
- Shops - Commerical Complex - Plot 2	30.04	-
	637.27	891.50
Add: Transferred from Work-in-Progress	-	30.04
	637.27	921.54
Closing Stock:		
- Plots	59.78	72.79
- Row Houses	29.42	29.42
- Shops - Commerical Complex - Plot 1	446.66	505.02
- Shops - Commerical Complex - Plot 2	30.04	30.04
	565.90	637.27
Cost of Finished Stock / Change in Inventories	71.36	284.27
(27) Employee Benefits Expense		
Salary	08.37	05.92
Director's Remuneration	15.11	11.23
Gratuity Exps	04.03	-
Staff Welfare	0.04	0.01
	27.55	17.16

NIDHI MERCANTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	Year ended 31.03.2022 (Rs. in Lacs)	Year ended 31.03.2021 (Rs. in Lacs)
(28) Financial Costs		
Interest on Borrowings	-	39.53
Interest on deferment of advance tax	24.21	19.11
Interest on delayed payment of statutory dues	-	0.17
Other Finance Costs	03.26	02.97
	27.47	61.78
(29) Depreciation		
- on Fixed Assets (Note 2)	04.36	04.71
- on Investment Property (Note 3)	0.01	0.01
	04.37	04.72
(30) Other Expenses		
Advertisement Expenses	0.32	0.29
Remuneration to Auditors'		
- For Audit	0.50	0.50
- For Tax Audit	-	0.10
- For Other Matters	0.23	0.28
Secretarial Audit Fees	0.39	0.39
Professional Fees	01.06	01.85
Society Maintenance Charges	03.19	03.22
Property tax	02.09	02.09
Electricity Charges	04.29	03.41
Depository Charges	0.57	0.58
Custodial Fees	0.46	0.39
Conveyance & Vehicle Running Expenses	0.31	0.29
Bank Charges	0.04	0.05
Telephone Expenses	0.90	0.90
Miscellaneous Expenses	01.44	01.66
Listing Fees	0.30	0.30
Insurance	0.41	0.82
Computer Repairs & Maintenance	0.17	0.11
ROC Filing Fees	0.15	0.10
Repairs & Maintenance	01.31	0.80
Sundry Write off	(14.83)	-
Sales Tax/Service Tax / GST	-	01.69
Donation	-	0.11
Corporate Social Responsibility Expenses (refer Note 37)	10.50	22.20
Shares Transaction Charges on Investment	02.25	-
STT on Investment	0.58	-
	16.62	42.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(16) INCOME TAXES

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

Particulars	Year ended 31.03.2022 (Rs. In Lacs)	Year ended 31.03.2021 (Rs. In Lacs)
I. Income Tax Expenses recognised in the Statement of Profit and Loss		
Current tax		
In respect of Current year	166.97	235.19
Deferred tax		
In respect of current year	0.06	0.08
Income Tax Expenses recognised in the Statement of Profit and Loss	167.03	235.27

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, 2022	Year ended 31st March, 2021
Statutory income tax rate	25.17%	25.17%
Profit before tax	425.82	947.10
Income tax as per above rate	107.17	238.37
Adjustments:		
Expenses not deductible for tax purposes	11.77	11.02
Tax effect due to exempt income	-	-
Tax benefits for income assessed under house property	(04.28)	(04.21)
Effect of Investment measured at FVTPL	(08.43)	(07.70)
Rental Income on a/c of measurement of lease deposits at fair value	(0.68)	(0.68)
Finance costs on a/c of measurement of lease deposit at fair value	0.82	0.75
Tax on LTGC	60.67	-
Deduction for Expense	-	(02.28)
Others	0.00	0.00
Income tax as per statement of profit and loss	167.03	235.27
Adjustments in respect of current income tax of previous year	-	-
Income tax as per statement of profit and loss	167.03	235.27

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

As at 31st March, 2022

Particulars	Balance as on 1.4.2021 (Rs. In Lacs)	Profit and Loss (Rs. In Lacs)	Balance as on 31.03.2022 (Rs. In Lacs)
Difference between written down value of fixed assets as per the books of accounts	(09.90)	(0.06)	(09.96)
Deferred Tax (Expense)/Benefit		(0.06)	
Deferred Tax (Liabilities)/Assets	(09.90)		(09.96)

As at 31st March, 2021

Particulars	Balance as on 1.4.2021 (Rs. In Lacs)	Profit and Loss (Rs. In Lacs)	Balance as on 31.03.2022 (Rs. In Lacs)
Difference between written down value of fixed assets as per the books of accounts	(09.82)	(0.08)	(09.90)
Deferred Tax (Expense)/Benefit		(0.08)	
Deferred Tax (Liabilities)/Assets	(09.82)		(09.90)

NIDHI MERCANTILES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****(31) 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	As at	
	31st March, 2022	31st March, 2021	
	(Rs. In lacs)	(Rs. In Lacs)	
FINANCIAL ASSETS			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other income	12013.20	4422.68	Quoted Equity Investment-Level 1; Unquoted Equity investment- Level-3
Financial assets measured at amortised cost/ carrying amount			
Investments	386.20	352.69	
Trade Receivables	822.00	1146.24	
Cash and Cash Equivalents	98.48	58.82	
Other Balances with Bank	08.50	08.50	
Loans	4582.15	2960.69	
Other Financial Assets	07.00	06.34	
	17917.53	8955.97	
FINANCIAL LIABILITIES			
Financial Liabilities measured at amortised cost			
Borrowings	-	-	
Trade Payables	03.61	51.42	
Security Deposits	37.53	34.27	
Other Financial Liabilities	03.49	04.08	
	44.63	89.77	

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(32) 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 :	31.03.2022	31.03.2021
	(Rs. In lacs)	(Rs. In lacs)
Outstanding for a period exceeding six months	819.00	817.74
from the date they are due for payment		
Other Debts	03.00	328.50
TOTAL	822.00	1146.24

- (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-22	Less than 1 year Amount (Rs. in Lacs)	1-5 years Amount (Rs. in Lacs)	Total Amount (Rs. in Lacs)
Trade Payables	-	03.61	03.61
Other Financial Liabilities	03.49	37.53	41.02
Total	03.49	41.14	44.63
31-Mar-21	Less than 1 year Amount (Rs. in Lacs)	1-5 years Amount (Rs. in Lacs)	Total Amount (Rs. in Lacs)
Borrowings	-	-	-
Trade Payables	51.42	-	51.42
Other Financial Liabilities	04.08	34.27	38.35
Total	55.50	34.27	89.77

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(32) 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, Company’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 Company’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	31.03.2022	31.03.2021
	(Rs. in lacs)	(Rs. in lacs)
Fixed-rate instruments- Financial Liabilities	-	-

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	31.03.2022	31.03.2021
Net Debt (Rs. in lacs)	-	-
Total Equity (Rs in lacs)	17840.45	8831.51
Net Debt to Equity ratio	0.00	0.00

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**(33) 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:**(Rs. in Lacs)**

Particulars	Trading		Real Estate Development		Unallocable		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
A. REVENUE								
- External Sales	32.00	357.00	126.00	641.75	-	-	158.00	998.75
- Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	32.00	357.00	126.00	641.75	-	-	158.00	998.75
B. RESULTS								
- Segment result before interest and tax	32.00	357.00	97.68	357.48	366.66	317.69	496.34	1032.16
- Finance Costs	-	-	-	-	(27.47)	(61.78)	(27.47)	(61.78)
<i>Profit before Tax</i>	-	-	-	-	-	-	468.87	970.38
- Taxes	-	-	-	-	-	-	(167.03)	(235.27)
Net Profit	32.00	357.00	97.68	357.48	339.19	255.90	301.84	735.11
C. OTHER INFORMATION								
- Segment Assets	269.09	282.10	1118.81	1501.41	17174.55	7891.86	18562.45	9675.37
- Segment Liabilities	253.61	332.61	232.45	232.45	235.94	278.80	722.00	843.86
- Capital Expenditure	-	-	-	-	-	-	-	-
- Segment Depreciation	-	-	-	-	4.37	4.72	4.37	4.72

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".

(34) 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
Vishakha Pandya	Key Management Personnel

ii. Transaction with Related Parties during the year :-**(Rs. in Lacs)****(Rs. in Lacs)**

	2021-22	2020-21
Key Management Personnel		
Salary	05.08	03.42
Director's Remuneration	15.11	11.23

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

Key Management Personnel		
Director's Remuneration Payable	0.68	0.95
Salary Payable	0.69	0.33
Conveyance Allowance Payable	0.17	0.17

(35) Earnings Per Share (EPS)**2021-22****2020-21**

a) Weighted Average Number of Equity Shares outstanding during the year.	62.80	62.80
b) Net Profit after tax available for Equity Shareholders (Rs.)	258.79	711.84
c) Basic and Diluted Earnings Per Share (Rs.)	4.12	11.33
d) Nominal Value per Share (Rs.)	2/-	2/-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**(36) Revenue from Contracts with Customers**

i) Revenue from Operations	(Rs. in Lacs)	(Rs. in Lacs)
	<u>2021-22</u>	<u>2020-21</u>
Revenue from contract with customers	126.00	641.75
ii) Contract Balances		
The table that provides information about receivables and contract liabilities from contract with customers is as follows:		
	(Rs. in Lacs)	(Rs. in Lacs)
	<u>2021-22</u>	<u>2020-21</u>
Trade Receivables	612.69	936.93
Contract Liabilities	262.00	193.50
Changes in the contract liabilities balances during the year is as follows:		
	(Rs. in Lacs)	(Rs. in Lacs)
	<u>2021-22</u>	<u>2020-21</u>
Opening Balance	193.50	220.61
Less : Revenue recognised during the year from balance at the	12.50	62.36
Add : Advance received during the year not recognised as revenue	81.00	35.25
	262.00	193.50

(37) Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. 10.50 lakh (P.Y. Rs. 8.39 lakhs) on Corporate Social Responsibility (CSR) activities.

Particulars	(Rs. in Lacs)	(Rs. in Lacs)
	<u>2021-22</u>	<u>2020-21</u>
Amount required to be spent by the company during the year	10.50	8.39
Amount of expenditure incurred	10.50	22.20
Shortfall at the end of the year	-	-0.01
Total of previous years shortfall	-	13.80
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting, Preventive & health Care	Promoting, Preventive & health Care
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA

(38) Financial Ratio

Particulars	Numerator Description	Denominator Description	As at 31st March 2022	As at 31st March 2021	Change %	Reasons for variance (if above 25%)
Current Ratio	Current Assets	Current Liabilities	9.15	6.09	50.25	Current Asset for C.Y. is increased due to loan given & C/L is Reduced due to less provision of tax
Debt-Equity Ratio	Total Debt	Shareholder's Equity	N.A	N.A	-	
Debt Service Coverage Ratio	Earning for Debt Service= Net Profit after Tax + Non cash operating expenses(Dep)	Debt Service= Interest & Lease Payments +Principal Repayments	N.A	N.A	-	
Return on Equity Ratio(in %)	Net Profit after Tax - Preference Dividend	Average Shareholder's Equity	2.00	9.0	(77.78)	net profit decreased due to less revenue
Inventory turnover Ratio	Cost of Goods Sold	Average Inventory	0.12	0.40	(70.00)	as stock is not sold much so change in inventory is decreased
Trade Receivables turnover Ratio	Net Credit Sales= Gross Credit Sales-Sales Return	Average Trade Receivables	0.16	0.98	(83.67)	Plot sale is decreased during the year
Trade payables turnover Ratio	Net Credit Purchases= Gross Credit Purchases-Purchase Return	Average Trade Payables	2.59	5.98	(56.69)	WIP is completed and transferred to inventory last year so there is no purchase during he year
Net capital turnover Ratio	Net Sales= Total sales - sales return	Working Capital = Current assets - Current liabilities	0.03	0.25	(88.00)	net sales is decreased due to covid
Net profit Ratio(in%)	Net Profit	Net Sales = Total sales - sales return	45.00	52.00	(13.46)	both net profit and sales is decreased
Return on capital employed(in %)	Earnings before interest and taxes	Capital Employed = tangible net worth + total debt + deferred tax liability	1.00	6.00	(83.33)	EBIT is decreased due to less revenue generated during the yaer
Return on investment(in %)	Interest (Finance Income)	Average Investment	103.00	54.00	90.74	Investment is increased in C.Y. and Net Gain in OCI is increased

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**(39) Additional Regulatory Information**

- i. The Company does not own Benami Properties. Further , there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
 - ii. During the current and previous year, the company has not traded or invested in Crypto currency or Virtual Currency.
 - iii. There were no Scheme of Arrangements entered by the Company during the current and previous, which required approval from the competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
 - iv. The Company does not have any subsidiary company.
 - v. The Company has not undertaken any transaction with Companies struck off under sec 248 of the Companies Act and does not have any relationship with any company which is struck off.
 - vi. The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961
- (40)** 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.

(41) Previous year figures

Previous Year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosures.
As per our report of even date

For S. S. Rathi & Co
Chartered Accountants
(FRN.108726W)

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

Place : Mumbai
Dated : 30th May 2022

For and on behalf of the board

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Vishakha Pandya
Company Secretary & CFO

Sd/-
Shiv Raj Sharma
Director
DIN: 08416019