

**ANNUAL REPORT
NIDHI MERCANTILES LIMITED**

**FINANCIAL YEAR
2023-2024**

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. Kapil Malpani	Independent Director
Mr. Ramesh Chandra Banger	Independent Director

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Ms. Neha Jagetia (From 17th May, 2023)

STATUTORY AUDITORS

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 and reappointed w.e.f. 05th December, 2022. 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 has vast experience of 30 years in the field of Corporate Banking & Finance and also in varied areas such as Audit, Accounts, Treasury, capital markets & 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.

He has been appointed as Non-Executive Independent Director with effect from 12th August 2022.

4. MR. RAMESH CHANDRA 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. NEHA JAGETIA

Ms. Neha Jagetia is a Commerce Graduate and a member of the Institute of Company Secretaries of India & the Institute of Chartered Accountants of India, appointed as a Company Secretary, Compliance Officer & Chief Financial Officer of the Company w.e.f. 17th May 2023.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 38th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2024.

FINANCIAL RESULTS:

The Company's financial performance for the financial year ended 31st March, 2024 as compared to the previous financial year ended 31st March, 2023 is summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2024	For the year ended 31.03.2023	For the year ended 31.03.2024	For the year ended 31.03.2023
Revenue from operations	596.50	86.00	596.50	86.00
Other Income	490.66	421.58	490.66	421.58
Total Revenue	1087.16	507.58	1087.16	507.58
Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	732.77	417.37	732.77	399.35
Less: Depreciation and Amortization Expenses	4.48	4.52	4.48	4.52
Finance Cost	19.77	4.49	19.77	4.49
Profit/Loss before Tax	708.52	408.36	708.52	408.36
Less: Provision for Tax	-176.21	-101.46	-176.21	-101.46
Profit/(Loss) after Tax	532.31	306.90	532.31	306.89
Share of Profit/(Loss) of Associates	-	-	958.65	858.42
Minority Interest	-	-	-	-
Profit after taxes, minority interest, Share of Profit/(Loss) of Associates	532.31	306.90	1490.96	1165.31
Other Comprehensive Income	7629.75	-1889.31	7629.75	-1889.32
Total Comprehensive Income	8162.06	-1582.41	9120.71	-724.00

Note:

- The above figures are extracted from the financial statements for the financial year ended on 31st March, 2024.

REVIEW OF OPERATIONS:

During the year under review, the Company has registered Standalone revenue of Rs. 596.50/- lakhs (Previous year Rs. 86.00/- lakhs) and Net Profit after tax of Rs. 532.31/- lakhs (Previous year Rs. 306.89/- lakhs).

The Consolidated revenues for the year was Rs. 596.50/- lakhs (Previous year Rs. 86.00/- lakhs) and Net Profit after tax of Rs. 1490.96/- lakhs (Previous year Rs. 1165.31/- 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.

CONSOLIDATED FINANCIAL STATEMENT:

As per Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013 and read with rules made there under (as amended from time to time), the Consolidated Financial Statement of the Company for the Financial Year 2023-24 have been prepared with the applicable Indian Accounting Standards and on the basis of the Audited Financial Statements of the Company and its associate as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Auditors' Report forming part of the Annual Report.

DIVIDEND:

Considering the business's growth needs, your directors believe it is prudent to reinvest the profits. Therefore, they do not recommend any dividend on equity shares for the financial year 2023-2024.

TRANSFER TO RESERVES:

The Board of your Company decided not to transfer any amount to the General Reserve and retain the entire amount of profit under Retained Earnings.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of the Annual Report.

DIRECTOR:

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an optimum combination of Executive, Non-Executive and Independent Directors.

During the year under review, there was no other change in the composition of the Board. The constitution of Board of Director is as follows:

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Ladhu Lal Soni	Director	00131787
2.	Mrs. Sejal Sagar Modi	Managing Director	06684211
3.	Mr. Ramesh Chandra Banger	Independent Director	01269363
4.	Mr. Kapil Malpani	Independent Director	07898719

Director(s) liable to retirement by rotation:

In accordance with Section 152 of the Act and the Articles of Association of the Company, **Mr. Ladhu Lal Soni (DIN: 00131787)** will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Based on the recommendation of the NRC, the Board recommends their re-appointment(s) for the approval of the Members of the Company.

The brief profile of **Mr. Ladhu Lal Soni (DIN: 00131787)** is included in the Notice of the AGM of the Company

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. Neha Jagetia	Company Secretary & Chief Financial Officer (from 17 th May, 2023)

(Note: On recommendation of the Nomination and Remuneration Committee, Ms. Neha Jagetia, Associate Company Secretary (having Membership No. A43586), appointed as Company Secretary, Chief Financial Officer (CFO) & Compliance officer of the Company w.e.f. Wednesday, 17th May, 2023.)

BOARD MEETINGS:

A notice of the Board Meeting is circulated well in advance with Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Twelve Board Meetings were held during the year ended 31st March 2024, the dates are as follows:

Sr. No.	Date of Board Meeting
1	01 st April, 2023
2	17 th May, 2023
3	30 th May, 2023
4	19 th July, 2023
5	10 th August, 2023
6	05 th September, 2023
7	30 th September, 2023
8	18 th October, 2023
9	09 th November, 2023
10.	06 th December, 2023
11.	13 th February, 2024
12.	20 th March, 2024

COMMITTEES OF THE BOARD:

Currently there are (6) Six Committee which are as follows:

Sr. No.	Name of Committees
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.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All Independent Directors of your Company have submitted their declaration of independence, as required, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and are not disqualified from continuing as Independent Directors of your Company. Further, veracity of the above declarations has been assessed by the Board, in accordance with Regulation 25(9) of the Listing Regulations.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have confirmed that they have registered themselves with databank maintained by the Indian Institute of Corporate Affairs ('IICA'). These declarations/confirmations have been placed before the Board.

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.

FAMILIARIZATION PROGRAMMES

In terms of the provisions of Regulation 25 of the Listing Regulations, the Company has framed a policy on 'Familiarisation Programme for Independent Directors'. Accordingly, upon appointment of an Independent Director, the appointee is given a formal Letter of Appointment, which inter alia explains the role, function, duties and responsibilities expected as a Director of the Company.

Further, Independent Directors are familiarized with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc. The Directors are also explained in detail the compliance required from them under the Act and Listing Regulations. Further, on an ongoing basis as a part of Agenda of the Board/ Committee Meetings, presentations are regularly made to Independent Directors on various matters inter alia covering the business strategies, management structure, management development, quarterly and annual results, budgets, review of internal audit, risk management framework, operations of the Subsidiaries.

The Policy on Familiarization Programmes for Independent Directors along with the details of the Familiarization Programmes are available on the Company's website at www.nidhi.net.in.

SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Companies.

The Company has an associate concern with effect from 11th April, 2022, details are as below:

1. Keti Sangam Infrastructure (India) Limited

During the year, the Company sold 8,06,000 equity shares (face value of Rs. 10 per share) of Keti Sangam Infrastructure (India) Ltd, resulting in a holding of 25% of the paid-up share capital of Keti Sangam Infrastructure (India) Ltd.

Further, a statement containing the salient features of the financial statements of our associate in the prescribed format AOC-1 is appended as Annexure D to the Board's report

SEGMENT REPORTING:

1. Trading Segment includes sale of 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. Investement, Tax, related assests & other assests and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

SHARE CAPITAL OF THE COMPANY:

The Authorised Share Capital of the Company as on **31st March, 2024** is **Rs. 1,26,00,000/-** divided into **63,00,000** Equity Shares of **Rs. 2/-** each.

The Paid up Equity Share Capital, as at **31st March, 2024** is **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 neither granted any stock options nor sweat equity.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been given in Management Discussion and Analysis Report forming part of the Annual Report.

CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of business activities during the Financial Year 2023-2024.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on the financial year ended March 31, 2024 is placed on the Company's website at **www.nidhi.net.in**.

SECRETARIAL AUDIT:

Your Company appointed **M/s. Mukesh Purohit & Company**, Practicing Company Secretary, holding membership of The Institute of Company Secretaries of India (Certificate of Practice No. 25204) 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 attached as **Annexure 'A'** 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. Mukesh Purohit & Company** (Membership No. 25204), a firm of Company Secretaries in Practice for the FY 2023-2024 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:

Particulars of loans given, investments made or guarantees or securities provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of loan or guarantee or security pursuant to Section 186 of the Act are given under Notes to Accounts annexed to the Financial Statements for the financial year ended March 31, 2024 and the same forms part of the Annual Report.

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 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.

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of Section 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria adopted for evaluation:

1. The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated.
2. The board shall also review the manner in which ID's follow guidelines of professional conduct.

3. Performance review of all the Non-Independent Directors of the Company on the basis of the activities undertaken by them, expectation of board and level of participation;
4. Performance review of the Chairman of the company in terms of level of competence of chairman in steering the Company;
5. The review and assessment of the flow of information by the company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
6. The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;
7. On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

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. Kapil Malpani**.

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 'B'** forming part of this 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 behavior, 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 OF WOMEN AT WORKPLACE:

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 indentified, 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.

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 information are taken care. The detailed policy is uploaded on Company's website www.nidhi.net.in.

STATUTORY AUDITOR:

M/s. SIGMAC & Co., Chartered Accountants (Firm Reg No : 116351W) were appointed as Statutory Auditors of your Company at the **36th Annual General Meeting** held on **30th September, 2022**, for a term of five consecutive years from 36th AGM till the conclusion of the 41st AGM of the company. The auditors confirmed that their appointment shall be in compliance with Section 139 and 141 of the Companies Act, 2013.

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.

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. ALRS & Co. (Firm Reg. No. 157946W), Practicing Chartered Accountant**, Mumbai as an Internal Auditor of the Company. The Internal Auditor submits his reports to the Audit Committee.

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

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

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

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

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

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

CFO CERTIFICATION:

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

SYSTEM DRIVEN DISCLOSURES (SDD)

Pursuant to the provisions of SEBI circular dated December 01, 2015, December 21, 2016, September 09, 2020, October 28, 2022, January 25, 2023 and March 16, 2023 with reference to Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 which inter alia required (System Driven Disclosures) SDD to be maintained by the company.

In this regard, Company has installed SDD software and is maintaining the same on regular basis as and when any such events occur as per the provisions of SEBI (PIT) Regulations, 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 'C'** 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.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has followed the applicable Secretarial Standards, (“SS”) i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively.

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, 2024

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 'A'

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management’s Responsibility

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records. Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Basis of Opinion

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on 31st March, 2024, 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. We 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, 2024, 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the listed entity during the Review Period)
 - c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the listed entity during the Review Period)
 - e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the listed entity during the Review Period)
 - f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the listed entity during the Review Period)
 - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the listed entity during the Review Period)
 - h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;
 - i. Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the listed entity during the Review Period)
- (vi) I have relied on the representation made by the Company & its Officer(s) and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws:
 - a. Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by the SEBI, Stock Exchanges & Depositories and applicable to Depository Participant & Registered Broker.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (“Listing Regulations”) and Listing Agreements entered into by the Company with Calcutta Stock Exchange,

II. During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned except delay in appointment of company secretary and compliance officer of the Company. However, company had filled the vacancy created by resignation of Ms. Vishakha Pandya as a qualified company secretary by appointing Ms. Neha Jagetia as a qualified company secretary and compliance officer with effect from 17th May, 2023 and complied with the requirements of the said regulation.

III. We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We also report that as regards the provisions of notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, they were sent at least seven days in advance to the directors by electronic means.

Majority decisions are carried through while the dissenting members’ views are captured and recorded as part of the minutes.

We further report that, we have relied upon statutory audit report as provided by management of the company for compliance under Income Tax and other Indirect Taxation act.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Mukesh Purohit & Company
Company Secretaries**

**Sd/-
Mukesh Purohit
Proprietor
FCS- 13005
CP No. 25204
Place: Mumbai
Date: 30th May, 2024
UDIN: F013005F000494411
Peer Review Certificate Number: 5705/2024**

Note:

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 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

Our report of even date is to be read along with this letter.

- a. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as applicable to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
- d. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. 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 Mukesh Purohit & Company
Company Secretaries

Sd/-
Mukesh Purohit
Proprietor
FCS- 13005
CP No. 25204
Place: Mumbai
Date: 30th May, 2024
UDIN: F013005F000494411
Peer Review Certificate Number: 5705/2024

**ANNEXURE 'B': 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, 2024, the CSR Committee comprises of following members of the Board –

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. Kapil Malpani	Member	2	2

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

i. 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

4. 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 2020-21	Nil	Nil
2	FY 2021-22	Nil	Nil
3	FY 2022-23	Nil	Nil

5. Average net profit of the company as per section 135(5): **Rs. 5,72,39,376 /-**
6. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 11,44,788 /-**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b- 7c): **NIL**

In accordance with Section 135(1) of the Companies Act, 2013, the Company is exempt from mandatory Corporate Social Responsibility (CSR) spending for the Financial Year 2023-24. This exemption is due to the fact that the Net Profit for the immediately preceding financial year, FY 2022-23, was less than Rs. 5 crore. Consequently, no CSR expenditure has been incurred during this Financial Year.

7. (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.
NIL	NA	NA	NA	NA	NA

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR registration number
NA									

(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): NIL

(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)	11,44,788
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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)]	NIL

8. (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								

9. 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).

10. 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**

Ladhu Lal Soni
Director
DIN: 00131787

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

Annexure 'C'

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

Sr. No.	Particulars	Details	
1	Ratio of the remuneration to each executive Director to the median remuneration of the employees of the Company for FY 2023-2024	NA	
2	% increase in remuneration Executive Directors, CFO and CS during the FY 2023-2024	KMP	% of Increase in remuneration
		Sejal Sagar Modi (Managing Director)	6% - 8%
		Neha Jagetia (CS & CFO)	
3	% increase in median remuneration of the employees for the FY 2023-2024	6% - 8%	
4	Number of permanent employees on the rolls of the company	3	
5	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	NA	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

By order of the Board of Directors
For Nidhi Mercantiles Limited

Date: 30th May, 2024

Place: Mumbai

Sd/-
Ladhu Lal Soni
Chairman
DIN: 00131787

**ANNEXURE D
Form AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate
companies or Joint ventures**

Part A Subsidiaries

Sr. No.	Particulars	Details
1.	NIL	Not Applicable

Part B Associates Company

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies
and Joint Ventures

(Rs. in Lacs)

Sr. No.	Particulars	Details
1	Name of Associate Company	Keti Sangam Infrastructure (India) Limited
2	Latest Audited Balance Sheet	31 st March, 2024
3	Date on which the Associate or Joint Venture was associated or acquired	11 th April, 2022
4	Reporting Period for the Associate Concerned, if different from the holding company's reporting period	The reporting period of the Associate Concern is similar as of holding company.
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
6	Shares of Associate or Joint Ventures held by the company on the year end :	
	a. Number of Shares	15,50,000
	b. Amount of Investment in Associates or Joint venture	1,550
	c. Extent of Holding (in percentage)	25%
6	Reason why the associate/Joint venture is not consolidated.	Not Applicable
7	Net worth attributable to shareholding as per latest audited Balance Sheet	26,330.43
8	Profit or Loss for the year	
	a. Considered in Consolidation	958.65
	b. Not Considered in Consolidation	NIL

For & on Behalf of Board

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Date: 30th May, 2024
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2024

[As per Regulation 34(3) read along with Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Your Directors 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, 2024.

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 fulcrum 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 believes that sound Corporate Governance is critical to enhance and retain investors' trust.

Accordingly, your Company seeks to achieve its goal with integrity and fairness. The Company's Philosophy is based on accountability, Ethical conduct, compliance with statues, Interest of all Stakeholders, 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, 2024.

(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, 2024**. 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, 2024** are as under with details of other directorships and committee memberships:-

Sr. No.	Name and DIN	Status	No. of other Directorships and Committee Memberships (Including Nidhi Mercantiles Limited)	
			Other Directorships	Committee Membership
1.	Mr. Ladhu Lal Soni DIN: 00131787	Chairman (Non – Executive Director)	02	3
2.	Mrs. Sejal Sagar Modi DIN: 06684211	Managing Director (Executive Director)	NIL	
3.	Mr. Ramesh Chandra Banger DIN: 01269363	Non – Executive Independent Director	03	3
4.	Mr. Kapil Malpani DIN: 07898719	Non – Executive Independent Director	01	3

Note 1: Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.

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.

MEETINGS OF THE BOARD AND ATTENDANCE OF THE DIRECTORS:

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, and policies and review the performance of the Company and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the directors well in advance to facilitate the directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee Meetings.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions.

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

12 (Twelve) meetings of the Board are held on:

Sr. No.	Date of Board Meeting
1	01 st April, 2023
2	17 th May, 2023
3	30 th May, 2023
4	19 th July, 2023
5	10 th August, 2023
6	05 th September, 2023
7	30 th September, 2023
8	18 th October, 2023
9	09 th November, 2023

10.	06 th December, 2023
11.	13 th February, 2024
12.	20 th March, 2024

During the year the Annual General Meeting was held on 30th September, 2023:

Sr. No.	Name of the Director	No. of Board Meeting attended	Whether attended Last AGM
1.	Mr. Ladhu Lal Soni	12	Yes
2.	Mrs. Sejal Sagar Modi	12	Yes
3.	Mr. Ramesh Chandra Banger	12	Yes
4.	Mr. Kapil Malpani	12	Yes

None of the above directors are related inter-se.

(b) 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.

(c) 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.

(d) OBLIGATIONS OF INDEPENDENT DIRECTORS:

As mandated by Regulation 25 of the Listing Regulations and Section 149(8) read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least 1 (One) Meeting in a FY, without the attendance of Non-Independent Directors and members of management. Accordingly, the Independent Directors on the Company's Board held a meeting on **31st March, 2024** 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.

(e) 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.

(f) MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD:

The Company recognizes and embraces the benefits of having a diverse Board of Directors to enhance the quality of its performance. The Company considers increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates.

The Board of the Company is composed of appropriately qualified people with a broad range of experience relevant to the business of the Company, which is important to achieve effective corporate governance and sustained commercial success of the Company. All appointments at Board level are made on merit, in the context of skills, experience, independence, knowledge and integrity which the Board requires to be effective.

The table summarizes the key skills and attributes which are considering while identifying, selecting and nominating the candidate to serve on the Board of the Company.

Sr. No.	Particulars	Description
1	Business	Experience and understanding of the Industry, business environment, economic conditions, Strategic thinking.
2	Financial	Knowledge and understanding of finance management, accountancy, ability to read and understand financial statements.
3	Board Services and governance	Experience as director on other's Board, maintaining Board and management accountability, observing good governance practices.
4	Specialized Skills	Specialized knowledge of Accounting/Finance/Law/Management/ Information Technology/Sales&Marketing/Procurement/Manufacturing/ Human Resource Management /E-commerce/ Public relations/ Corporate Social responsibility/Administration etc.
5	Leadership and Sound Judgement	Leadership and sound judgement ability in regular and complex business environment.
6	Other diversity	Representation of gender, ethnic, geographic, culture and other perspective to compliment Board's understanding of our customers, employees, governments, community and various other stakeholders in different geographies.

The following is the list of core skills/expertise/competencies possessed by the Board which are essential for the functioning of the Company in an effective manner:

Name of the Director	Area of Expertise					
	Business	Financial	Board Services & Governance	Specialised Skills	Leadership and Sound Judgement	Other Diversity
Mr. Ladhu Lal Soni	√	√	√	√	√	√
Mrs. Sejal Sagar Modi	√	√	√	√	√	√
Mr. Ramesh Chandra Banger	√	√	√	√	√	√
Mr. Kapil Malpani	√	√	√	√	√	√

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 Committee
6. Independent Director Committee

(a) AUDIT COMMITTEE:

a) 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, 2024** is as follows:-

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

(iii) MEETING AND ATTENDANCE:

The Committee met **4 (Four)** times during the year on **30th May, 2023, 10th August, 2023, 09th November, 2023 & 13th February, 2024**. 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. Ladhu Lal Soni	Member	4	4
Mr. Kapil Malpani	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 **31st March, 2024** is as follows:-

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

(iii) MEETING AND ATTENDANCE:

The Committee met **2 (Two)** times during the year on **17th May, 2023, 30th March, 2024**. The Attendances of the Members at the meetings were as follows:-

Name of the Directors	Status	No. of Meetings during the year	No. of Meetings Attended
Mr. Ramesh Chandra Banger	Chairman	2	2
Mr. Ladhu Lal Soni	Member	2	2
Mr. Kapil Malpani	Member	2	2

All the members of the Nomination & Remuneration Committee are financially literate and have Accounting or related financial management expertise. The Company has a Nomination and Remuneration Policy in place, which is disclosed on the company's website at www.nidhi.net.in.

REMUNERATION OF MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KMP:

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and KMP, may take into consideration the performance of the Company, the experience of the person, his/her background, job-profile and suitability, his/her past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director/ Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

REMUNERATION OF NON-EXECUTIVE DIRECTOR (NED):

The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of the Directors and meeting of the Audit Committees, stakeholder's relationship committees, nomination and remuneration committees. Any sitting fees paid to the Independent Director shall not be less the sitting fees paid to non-executive directors. Any incidental expense incurred by the directors with relation to the participation in the meetings of the Board and the Committee Meeting shall be reimbursed.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act read with the rules made thereunder, SEBI (LODR) Regulations and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5th January, 2017 the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors.

The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination & Remuneration Committee reviewed the performance of the individual Directors. A separate Meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Non-Executive Directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and of individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of committee meetings, etc. The criteria for performance evaluation of the individual Directors includes aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

(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 **31st March, 2024** is as follows:-

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

(iii) MEETING AND ATTENDANCE:

The Committee met **2 (Two)** times during the year on **09th November, 2023 & 13th February, 2024**.

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	2	2
Mr. Ladhu Lal Soni	Member	2	2
Mr. Kapil Malpani	Member	2	2

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 **31st March, 2024** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mrs. Sejal Sagar Modi	Chairman (Executive Director)
2.	Mr. Kapil Malpani	Member (Non-Executive, Independent Director)
3.	Mr. Ladhu Lal Soni	Member (Non- Executive Director)

(iii) MEETING AND ATTENDANCE:

The Committee met **1 (One)** time during the year on **30th March, 2024**.

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

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

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 **31st March, 2024** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mrs. Sejal Sagar Modi	Chairman (Non-Executive, Independent Director)
2.	Mr. Ladhu Lal Soni	Member (Non-Executive Director)
3.	Mr. Kapil Malpani	Member (Non-Executive, Independent Director)

(iii) MEETING AND ATTENDANCE:

The Committee met **2 (Two)** times during the year on **01st April, 2023 & 30th March, 2024**.

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. Kapil Malpani	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, 2024** is as follows:-

Sr. No.	Name of the Director	Composition
1.	Mr. Ramesh C. Banger	Chairman
2.	Mr. Kapil Malpani	Member

(iii) MEETING AND ATTENDANCE:

The Committee met **1 (One)** time during the year on **30th March, 2024**.

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. Kapil Malpani	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
2020-2021 (Annual General Meeting)	30.09.2021	03:30 p.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at Registered Office
2021-2022 (Annual General Meeting)	30.09.2022	03:30 p.m.	Through Physical mode at Registered Office
2022-2023 (Annual General Meeting)	30.09.2023	03:30 p.m.	Through Physical mode 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 PRACTICING COMPANY SECRETARY:

A certificate from **M/s. Mukesh Purohit & Company (Membership No. F13005, CP No.: 25204)**, 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 **2023-2024**.

viii) **CEO/CFO Certification:**

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

ix) CSE Listing Centre

The Company also files information through CSE Portal web based application and CSE-frontend navigation provided by CSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

x) Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated 7th June, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed it's Annual Accounts on MCA through XBRL.

xi) Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

xii) SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

xiii) 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 2023-2024. As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is displayed on the website of the Company at www.nidhi.net.in.

xiv) Unclaimed/Unpaid Dividend:

The unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 125 of the Act administered by the Central Government which can be claimed by the Shareholders/Investors.

9. 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.

10. 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

11. 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.

12. 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.

13. GENERAL SHAREHOLDER INFORMATION:

1.	38 th Annual General Meeting	
	- Date & Time	12 th September, 2024 & 11:30 a.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

Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Share in physical mode, which are lodged for transfer are processed and returned to the shareholders within the stipulated time. In compliance with the listing guidelines, every six months the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

14. DISTRIBUTION OF EQUITY SHARE AS ON 31ST MARCH, 2024:

Sr. No.	Category	Shareholder		Shareholding	
		Number	%	Number	%
1.	1-500	119	82.0689	37005	0.5892
2.	501-1000	4	2.7586	3300	0.0525
3.	1001-2000	1	0.6896	1500	0.0239
4.	3001 – 4000	2	1.3793	6650	0.1059
5.	4001 – 5000	1	0.6896	5000	0.0796
6.	5001 – 10000	4	2.7586	27000	0.4299
7.	10001- Above	14	9.6552	6200000	98.7190
	Total	145	100	6280455	100.0000

15. PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2024:

Category	No. of shares held	% of Share holding
PROMOTERS HOLDINGS		
a) Individual	Nil	Nil
b) Body Corporate	3276250	52.17%
PUBLIC HOLDINGS		
a) Institutions	Nil	Nil
b) <u>Non Institutions</u>		
• Body Corporate	2967150	47.24%
• <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%

16. DETAILS OF DEMAT SHAREHOLDING:

As on 31st March, 2024, 62,27,000 Shares representing 99.15% of total Equity Share were held in dematerialized form with NSDL.

17. 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

18. 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

19. LISTING OF SHARES AND OTHER DETAILS:

- a) The Equity Shares of the Company are listed on **The Calcutta Stock Exchange Ltd.** having Scrip Code : 24132
- b) ISIN Number of the Company : INE380R01020 (having Face Value of Rs. 2/- each)
- c) Corporate Identity Number (CIN) : L51909MH1985PLC138577
- d) The Company has paid Listing Fees upto 31st March, 2024 to The Calcutta Stock Exchange Ltd.

20. DECLARATION:

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2024.

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

Date: 30th May, 2024

Place: Mumbai

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**BUSINESS REVIEW:**

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

INDUSTRY STRUCTURE AND REVIEW:

It has been a near-normal year after three years of pandemic induced challenges but the global economy continues to face headwinds of rising inflation and tapered growth. The Indian economy continues to remain fairly resilient in the last year despite the global headwinds. However, Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. Despite this, India will remain one of the fastest growing economies in a challenging global environment.

India's GDP grew strong in FY 2024 due to steadfast domestic demand, governments unwavering focus on infrastructure spending and low base effect. Volatile commodity prices have impacted profitability, particularly of MSMEs, while export-oriented sectors face headwinds from a slowdown in their major markets. The headwinds of higher input cost and challenging global environment will continue in FY 2025 also.

While the short-term outlook seems to be challenging given the rising interest rates, external supply shocks and geopolitical tension, we do believe the government is doing the right things to ensure a sustainable growth path for the country. The union budget presented this year was very supportive of the long-term growth of the real estate sector in India through its focus on urban infrastructure and the digital economy. The governments sharply expanded capital expenditure target for the year is expected to create job opportunities and higher economic activity.

REAL ESTATE SECTOR

The post-pandemic picture for real estate sector is a paradigm shift from before. The pandemic has reinstated the importance of home ownership and the attitude of customers towards residential properties has seen a substantial shift. Preference for larger sized apartments, inclination towards reputed developers and a rising demand for townships projects are just some of the emerging trends. Fiscal 2024 was a milestone year for the Indian Real estate sector with all-time high sales. The sector showed healthy growth on the back of a high base achieved in fiscal 2023. The demand pick-up seen in the second half of fiscal 2023 has continued into fiscal 2024 and is expected to continue in fiscal 2025.

The challenges to office space demand has been the work from home trend and slowdown in global economic growth. The global slowdown directly impacts sectors like IT/ITeS which is the major occupier of office space in India. Retail real estate sector though, is back to full swing with consumption recovering beyond pre-pandemic levels and should continue the momentum.

RESIDENTIAL REAL ESTATE MARKET

The residential market has sustained the momentum seen in the latter half of fiscal 2024. The robust performance of the sector during last year signifies the strength of the underlying demand for property. The demand is driven by healthy economic recovery post pandemic, healthy affordability compared to historic levels and other favorable macroeconomic factors. The industry though faced headwinds of steep rise in raw material costs, consumer inflation and a sharp increase in borrowing costs.

The requirement for work from home setups has also emerged as a factor influencing homebuyer preferences. The demand for real estate is also seen beyond Tier-1 cities and it is likely to lead the sectors growth in the coming years.

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

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, 2024 stand at Rs. 596.50/- Lakhs against Rs. 86/- lakhs recorded in the previous year.
- The Company has been able to post Net Profit of Rs. 532.31/- Lakhs as against Net Profit of Rs. 306.89/- lakhs of previous year.

DEBT STRUCTURE:

There is no Secured Bank Loan taken by company.

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 programs 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, 2024
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 accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct as approved by the Board of Directors of the Company had been displayed at the Company's Website. All the members of the Board and Management Personnel affirmed compliance with the code for the year ending **31st March, 2024**.

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

**Date: 30th May, 2024
Place: Mumbai**

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

CERTIFICATE

BY CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER

To,
Nidhi Mercantiles Limited
B/306-309, Dynasty Business Park,
Opp. Sangam Cinema, A. K. Road,
Andheri (E), Mumbai 400059

I, **Neha Jagetia, Chief Finance Officer of Nidhi Mercantiles Limited**, to the best of my knowledge and belief, certify that:

- a) I have reviewed the attached Financial Statements and Cash Flow Statement of the Company for the year ended **31st March, 2024** and to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 2. These statements together present 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 transaction entered into by Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of Internal Control Systems of the company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which are aware and steps we have taken or propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- d) I have indicated to the auditors and the Audit committee:-
1. Significant changes, if any in internal controls over financial reporting during the year.
 2. 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
 3. Instances of significant fraud of which I 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, 2024
Place: Mumbai**

**Sd/-
Neha Jagetia
Chief Financial Officer (CFO)**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Regulation 34(3) read with Schedule V Para C Sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

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

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 400059 (hereinafter referred to as ‘the Company’), produced before 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

In our opinion and to the best of my 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 us by the Company & its officers, 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, 2024 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
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. Kapil Malpani	07898719	12/08/2022

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.

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 Mukesh Purohit & Company
Practicing Company Secretary

Date: 30th May, 2024
Place: Mumbai
UDIN: F013005F000494299

Sd/-
Mukesh Purohit
Proprietor
M. No: F13005
CP No.: 25204

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, 2024**, as stipulated in regulation 17 to 27, clauses (b) to (i) and (t) of sub-section (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015")

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

Opinion

To best of our knowledge, and according to the information, explanation and representations given to us, in our opinion, during the year ended March 31, 2024, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46, and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

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

Restriction on use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose and should not be used by any other person or for any other purpose.

**For Mukesh Purohit & Company
Practicing Company Secretary**

**Sd/-
Mukesh Purohit
Proprietor
M. No: F13005
CP No.: 25204
UDIN: F013005F000494365**

**Date: 30th May, 2024
Place: Mumbai**



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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 31st March, 2024, 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 31st March, 2024, 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.



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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 preparation and presentation of 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 are 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



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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.

The Board of Directors is 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.



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- 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.

Materiality is the magnitude of misstatement in the Financial Statement that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Financial Statement may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the Financial Statement.

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.



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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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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.



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been 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 (I) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not proposed or paid any dividend during the year. Thus, the following point is not commented on.
- vi. Based on our examination, which included test checks, performed by us on the Company have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we have not come across any instance of the audit trail feature being tampered with.



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As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For SIGMAC & CO
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2023
UDIN: 24049393BKCTVY8225



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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.so this clause 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 ended 31.03.2024.
- (e) There are no proceedings initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 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.
- (b) The Company has not been sanctioned any working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(i)(b) of the Order is not applicable.
- III. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability Partnerships or any other parties. The Company has granted loans to four companies during the year, details of the loan is stated in sub-clause (a) below. The Company has not



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granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company does not have any subsidiary so this is not applicable.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than associate as below

Particular	Loan (in lakh)
Aggregate amount during the year - Others	1,850.30
Balance outstanding as at balance sheet date - Others	5,748.65

- a) 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.
- b) 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.
- c) 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.
- d) 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 over dues of existing loans given to the same party.
- e) 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.
- 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



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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.



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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 associate. 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 associate. Accordingly, the requirement to report on clause 3(ix)(f) of the order is not applicable to the company.

- X. 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

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)(a) 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.



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- 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. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the company. Accordingly, the requirement to report on clause 3(xvi)(a) of the order is not applicable to the company.
- (a) The company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (b) The company is not a Core Investment company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the order is not applicable to the company.
- (c) There is no other Core Investment company part of the group. Hence, the requirement to report on clause 3(xvi)(d) of the order is 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



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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.

For SIGMAC & CO
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2024



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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 31st March, 2024 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 include 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.



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

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March, 2024, 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 SIGMAC & CO
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2024

NIDHI MERCANTILES LIMITED			
STANDALONE BALANCE SHEET AS AT 31 MARCH 2024			(Rs in lacs)
PARTICULARS	Note	As at 31.03.2024	As at 31.03.2023
ASSETS			
Non- current Assets			
(a) Property, Plant & Equipment	2	70.21	73.82
(b) Investment Property	3	0.14	0.15
(c) Financial Assets			
(i) Investments	4	19760.18	11953.60
(d) Other Non-current Assets	5	-	0.28
Sub-total - Non-current Assets		19830.53	12027.85
Current Assets			
(a) Inventories	6	428.46	532.64
(b) Financial Assets		-	-
(i) Trade Receivables	7	345.16	537.30
(ii) Cash and Cash Equivalents	8	22.10	11.38
(iii) Other Balances with Bank	9	20.12	108.50
(iv) Loans	10	5748.65	3957.42
(v) Other Financial Assets	11	02.60	02.49
(c) Other Current Assets	12	01.17	01.62
Sub-total - Current Assets		6568.26	5151.34
TOTAL ASSETS		26398.79	17179.19
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	125.61	125.61
(b) Other Equity	14	24294.49	16132.42
Sub-total -Shareholders' Funds		24420.10	16258.03
Non- current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Other Financial Liabilities	15	19.00	20.10
(b) Provisions	16	04.89	06.64
(c) Deferred Tax Liability	17	1234.45	249.00
(d) Other Non-current Liabilities	18	-	02.70
Sub-total - Non-current Liabilities		1258.34	278.44
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		62.00	-
(i) Trade Payables	19		
- Due to Micro Enterprises & Small Enterprises		-	-
- Due to Others		70.19	26.59
(ii) Other Financial Liabilities	20	03.26	03.15
(b) Provisions	21	0.38	0.62
(c) Other Current Liabilities	22	566.26	596.60
(d) Current Tax Liabilities (Net)	23	18.26	15.77
Sub-total - Current Liabilities		720.35	642.72
TOTAL EQUITY AND LIABILITIES		26398.79	17179.19
Basis of preparation, measurement and significant accounting policies	1		
The accompanying notes form an integral part of the Financial Statements.			For and on behalf of the board
As per our report of even date			
For S I G M A C & Co			
Chartered Accountants			
FRN : 116351W			
Sd/-		Sd/-	Sd/-
Sandeep Maheshwari		Sejal Sagar Modi	Neha Jagetia
Partner		Managing Director	Company Secretary
ICAI. M. No. 049393		DIN: 06684211	& CFO
		Sd/-	Sd/-
		Ladhu Lal Soni	Kapil Malpani
Place : Mumbai		Director	Director
Dated : 30th May, 2024		DIN: 00131787	DIN: 07898719

NIDHI MERCANTILES LIMITED			
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2024			(Rs in lacs)
Particulars	Note	Year ended 31.03.2024	Year ended 31.03.2023
Revenue			
Revenue from Operations	25	596.50	86.00
Other Income	26	490.66	421.58
Total Revenue		1087.16	507.58
Expenses			
Changes-in-Inventories	27	104.19	33.26
Cost of Material Consumed		192.52	-
Employee Benefits Expense	28	25.16	25.14
Financial Costs	29	19.77	04.49
Depreciation	30	04.48	04.52
Other Expenses	31	32.52	31.81
Total Expenses		378.64	99.22
Profit Before Tax		708.52	408.36
Tax Expense:			
- Current Tax		176.44	103.34
- Deferred Tax	17	(0.53)	(01.11)
- Short/Excess of taxes		0.30	(0.77)
Profit For the Year (A)		532.31	306.90
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		8612.58	(1646.79)
Income tax benefit/(expense) on above		(986.76)	(240.75)
Re-measurement Gain/(Loss) on defined benefit plan		03.14	(02.37)
Income tax benefit on OCI		0.79	0.60
Income tax benefit/(expense) on above			
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		7629.75	(1889.31)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		8162.06	(1582.41)
Earnings per equity share of face value of Rs. 2/-each Basic and Diluted (Rs.)	38	8.48	4.89
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 I G M A C & Co			
Chartered Accountants			
FRN : 116351W			
Sd/- Sandeep Maheshwari Partner ICAI. M. No. 049393		Sd/- Sejal Sagar Modi Managing Director DIN: 06684211	Sd/- Neha Jagetia Company Secretary & CFO
Place : Mumbai Dated : 30th May, 2024		Sd/- Ladhu Lal Soni Director DIN: 00131787	Sd/- Kapil Malpani Director DIN: 07898719

NIDHI MERCANTILES LIMITED**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024****(Rs in lacs)**

PARTICULARS	As At 31.03.2024	As At 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit before Taxes	708.52	408.36
Adjustments for		
Interest Received	(363.81)	(287.38)
Fair value (gain)/loss on investments	(08.46)	-
Rent on amortisation of Security Deposits	(02.70)	(02.70)
Interest Paid	17.23	03.57
Dividend	(76.58)	(76.58)
Gratuity Provision	01.14	0.86
Depreciation	04.48	04.52
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	279.83	50.65
Adjustments for		
Decrease/(Increase) in Inventories	104.19	33.26
Increase/(Decrease) in Trade Payables	43.60	22.98
Decrease/(Increase) in Trade Receivables	192.14	284.70
Decrease/(Increase) in Other Current Financial Assets	(0.11)	04.51
Decrease/(Increase) in Other Non-Current Assets	0.28	-
Decrease/(Increase) in Other Current Assets	0.45	(0.42)
Increase/(Decrease) in Other Non-Current Financial Liabilities	(01.10)	(21.00)
Increase/(Decrease) in Other Current Financial Liabilities	0.11	(0.34)
Increase/(Decrease) in Other Current Liabilities	(30.34)	73.94
CASH GENERATED FROM OPERATIONS	589.05	448.28
Direct Tax (Paid)/Refund	(174.22)	(222.14)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	414.82	226.14
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Flats	-	(2356.00)
Sale of Investments	814.46	1155.00
Purchase of Fixed Assets	(0.87)	(0.94)
Interest Received	363.81	287.38
Dividend Received	76.58	76.58
Maturity of/(Investment in) Bank Deposits	88.38	(100.00)
Movement in Loans and Advances	(1791.23)	624.74
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(448.87)	(313.24)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Borrowings	62.00	-
Interest Paid	(17.23)	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	44.76	-

NIDHI MERCANTILES LIMITED**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024****(Rs in lacs)**

PARTICULARS	As At 31.03.2024	As At 31.03.2023
NET INCREASE IN CASH AND CASH EQUIVALENTS	10.72	(87.11)
CASH AND CASH EQUIVALENTS (At the beginning of the year)	11.38	98.48
CASH AND CASH EQUIVALENTS (At the end of the year)	22.10	11.38

Notes:

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
2. Figures for the corresponding Previous Year's figure have been regrouped/ reclassify, wherever necessary, to facilitate comparison.

As per our Report of even date

For and on behalf of the board**For S I G M A C & Co**
Chartered Accountants
FRN : 116351WSd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211Sd/-
Neha Jagetia
Company Secretary
& CFO**Place : Mumbai**
Dated : 30th May, 2024Sd/-
Ladhu Lal Soni
Director
DIN: 00131787Sd/-
Kapil Malpani
Director
DIN: 07898719

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****Statement of Changes in Equity for the year ended 31st March, 2024****(Rs in lacs)****A. EQUITY SHARE CAPITAL**

	As at 31.03.2024	As at 31.03.2023
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)	Total
	General Reserve	Retained Earnings	Equity instruments through OCI	
Balance as at 1st April, 2022	908.59	16682.66	123.60	17714.84
Profit for the year		306.89		306.89
Other comprehensive income for the year			(1889.32)	(1889.32)
Total comprehensive income for the year				(1582.43)
Balance as at 31st March, 2023	908.59	16989.55	(1765.72)	16132.41
Balance as at 1st April, 2023	908.59	16989.55	(1765.72)	16132.42
Profit for the year		532.31		532.31
Other comprehensive income for the year			7629.75	7629.75
Total comprehensive income for the year				8162.06
Balance as at 31st March, 2024	908.59	17521.86	5864.03	24294.49

As per our Report of even date

For S I G M A C & Co
Chartered Accountants
FRN : 116351W**For and on behalf of the board****Sandeep Maheshwari**
Partner
ICAI. M. No. 049393**Sejal Sagar Modi**
Managing Director
DIN: 06684211**Neha Jagetia**
Company Secretary & CFO**Place : Mumbai**
Dated : 30th May, 2024**Ladhu Lal Soni**
Director
DIN: 00131787**Kapil Malpani**
Director
DIN: 07898719

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Basis of preparation, measurement and significant accounting policies

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 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Basis of preparation of Financial Statements

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

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

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

(b) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Basis of preparation, measurement and significant accounting policies

(c) **MATERIAL ACCOUNTING POLICIES INFORMATION**

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

Non- factory Building -60 years

Vehicles- 8 years

Computers-3 years

Office Equipments-5 years

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

ii **Investment Property**

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

iii **Inventories**

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

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

iv **Cash and Cash Equivalents:**

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

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.

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Basis of preparation, measurement and significant accounting policies

(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.

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.

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Basis of preparation, measurement and significant accounting policies

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.

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.

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 1. Basis of preparation, measurement and significant accounting policies

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.
- 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.

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****Note 1. Basis of preparation, measurement and significant accounting policies****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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****Note-2 Property, Plant & Equipment****(Rs in lacs)**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01/04/2023	ADDITIONS/ (DELETIONS)	AS AT 31/03/2024	AS AT 01/04/2023	FOR THE YEAR	AS AT 31/03/2024	AS AT 31/03/2024	AS AT 31/03/2023
Office Premises	163.63	NIL	163.63	91.80	03.50	95.30	68.33	71.83
Office Equipments	03.35	0.14	03.49	03.17	0.03	03.19	0.30	0.19
Computer	02.40	0.73	03.12	01.27	0.92	02.19	0.93	01.13
Motor Car	13.07	NIL	13.07	12.39	0.02	12.42	0.65	0.67
Total	182.45	0.87	183.31	108.63	04.47	113.10	70.21	73.82
Previous Year	181.51	0.94	182.45	104.12	04.51	108.63	73.82	77.38

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

PARTICULARS	Unit (Nos.)	(Rs in lacs)	
		As At 31.03.2024 Amount	As At 31.03.2023 Amount
(4) Non-current Investments			
<u>Investment in Equity Instruments</u>			
<u>Non-trade Investments</u>			
Investment in Associates at Cost			
Eq. Sh. of Rs. 10/- each of Ketu Sangam Infrastructure I Ltd*	15,50,000	1550.00	2356.00
Sub Total		1550.00	2356.00
<u>Investments measured at fair value through other comprehensive income</u>			
<u>(a) Investment in Equity Instruments</u>			
<u>Quoted Shares</u>			
Eq. Sh. of Rs. 10/- each of Sangam India Ltd.	38,28,868	16791.50	8247.38
Sub Total		16791.50	8247.38
<u>Unquoted Equity Shares</u>			
Eq. Sh of Rs. 10/- each of Sangam Suitings Pvt. Ltd.	1,27,600	75.04	137.07
Eq. Sh of Rs. 100/- each of Hawamahal Finance Pvt. Ltd.	30,000	158.51	153.59
Eq. Sh. of Rs. 10/- each of Laddha Construction Company Pvt.Ltd.	1,800	202.04	221.09
Eq. Sh. of Rs. 10/- each of Parishray Elegancy Pvt. Ltd.	20,000	06.01	06.25
Eq. Sh. of Re. 10/- each of Rebeca Expo Investment Co. Pvt. Ltd.	29,500	14.57	14.70
Eq. Sh. of Rs. 100/- each of Sapatrishi Commercial Co. Ltd.	22,700	202.35	57.46
Eq. Sh. of Rs. 10/- each of Sangam Ananya Developers Pvt Ltd.	7,500	0.08	0.15
Eq. Sh. of Rs. 10/- each of Marigold Investrade Pvt. Ltd.	5,08,012	388.88	388.71
Sub Total		1047.48	979.02
Pref. Sh. of Rs. 10/- each of Ketu Sangam Infrastructure I Ltd.*	3,71,200	371.20	371.20
Total Non-current Investments		19760.18	11953.60
Aggregate book value of quoted investments		11503.83	8247.38
Market value of quoted investments		11503.83	8247.38
Aggregate book value of unquoted investments		1418.68	1350.22
Investment are valued at Fair Value as per IND AS policy			

* These Shares are Pledged with Catalyst Trusteeship Limited (Trustee) for Secured Loan taken by Ketu Sangam Infrastructure (I) Ltd for Rs.283.02 crores.

NIDHI MERCANTILES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	As At 31.03.2024	(Rs in lacs) As At 31.03.2023			
(3) Non-current Investments					
<u>Investment in Immovable Property</u>					
Office Building at Bhilwara, Rajasthan	0.23	0.23			
- Gross Value of Carrying Amount	0.23	0.23			
Depreciation					
Amount brought forward	0.09	0.08			
Addition during the year	0.01	0.01			
Accumulated Depreciation	0.10	0.09			
Net Carrying Value	0.14	0.15			
(a) The Company's investment property consists of a commercial property in India.					
(b) Fair Value of investment property is Rs.3.58 lacs (Previous Year Rs.3.40 Lacs)					
The fair value measurement is categorised in level 3 fair value hierarchy.					
(5) Other Non-current Assets					
Security deposits	-	0.28			
	-	0.28			
(6) Inventories					
Stock-in-trade					
-- Plots	53.69	53.69			
-- Finished Row Houses	14.51	14.51			
-- Finished Shops - Commercial Complex-Plot No. 1	210.39	434.40			
-- Finished Shops - Flats Second Floor - Plot No.1	119.82	-			
-- Finished Shops - Commercial Complex-Plot No. 2	30.04	30.04			
	428.46	532.64			
(7) Trade Receivables					
(Unsecured, considered good)					
(i) Undisputed Trade receivables – considered good	345.16	537.30			
(ii) Undisputed Trade Receivables – considered doubtful	-	-			
(iii) Disputed Trade Receivables considered good	-	-			
(iv) Disputed Trade Receivables considered doubtful	-	-			
Credit Impaired	06.00	-			
	351.16	537.30			
Less: Provision for Expected Credit Loss	06.00	-			
	345.16	537.30			
Trade Receivables Outstanding Ageing Schedule	< 6 MTHS	6 MTHS -1YR	1-2 YR	2-3 YR	More than 3 YR
(i) Undisputed Trade receivables – considered good	38.60	02.00	-	-	310.56
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Total FY 2023-24	38.60	02.00	-		310.56
Trade Receivables Outstanding Ageing Schedule	< 6 MTHS	6 MTHS - 1YR	1-2 YR	2-3 YR	More than 3 YR
(i) Undisputed Trade receivables – considered good	-	16.00	-	415.05	106.25
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Total FY 2022-23	-	16.00	-	415.05	106.25
(8) Cash and Cash Equivalents					
<u>Cash Balance</u>					
Cash on Hand				0.17	0.33
<u>Balance with Bank</u>					
In Current Account				21.93	11.04
				22.10	11.38
(9) Other Balances with Bank					
Term Deposit Accounts				20.12	108.50
				20.12	108.50

NIDHI MERCANTILES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	(Rs in lacs)																																									
	As At 31.03.2024	As At 31.03.2023																																								
(10) Loans																																										
(Unsecured, considered good)																																										
-- Loans to Others																																										
InterCorporate Loan	5170.52	3957.42																																								
Advance Against Property																																										
- Investment in Flat (underconstruction)	578.13	-																																								
	5748.65	3957.42																																								
(11) Other Financial Assets																																										
Other Receivables																																										
Less than 6 months	02.60	02.49																																								
6 months - 1 years	-	-																																								
	02.60	02.49																																								
(12) Other Current Assets																																										
Interest accrued on Bank Deposits	01.17	01.62																																								
	01.17	01.62																																								
(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 except Promoters Holding																																										
	<table border="1"> <thead> <tr> <th rowspan="2">Name of Promoters</th> <th colspan="2">FY 2023-24</th> <th colspan="2">FY 2022-23</th> <th rowspan="2">% change during the year</th> </tr> <tr> <th>No of shares</th> <th>% of Total Shares</th> <th>No of shares</th> <th>% of Total Shares</th> </tr> </thead> <tbody> <tr> <td>SANGAM SUITING PVT LTD</td> <td style="text-align: right;">20,70,000</td> <td style="text-align: right;">32.96</td> <td style="text-align: right;">20,70,000</td> <td style="text-align: right;">32.96</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>SANGAM E-COM LIMITED</td> <td style="text-align: right;">6,16,250</td> <td style="text-align: right;">9.81</td> <td style="text-align: right;">6,16,250</td> <td style="text-align: right;">9.81</td> <td style="text-align: center;">NA</td> </tr> </tbody> </table>		Name of Promoters	FY 2023-24		FY 2022-23		% change during the year	No of shares	% of Total Shares	No of shares	% of Total Shares	SANGAM SUITING PVT LTD	20,70,000	32.96	20,70,000	32.96	NA	SANGAM E-COM LIMITED	6,16,250	9.81	6,16,250	9.81	NA																		
Name of Promoters	FY 2023-24			FY 2022-23		% change during the year																																				
	No of shares	% of Total Shares	No of shares	% of Total Shares																																						
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d. Shareholding of Promoters at the end of the Year and Change during the year	<table border="1"> <thead> <tr> <th rowspan="2">Name of Promoters</th> <th colspan="2">FY 2023-24</th> <th colspan="2">FY 2022-23</th> <th rowspan="2">% change during the year</th> </tr> <tr> <th>No of shares</th> <th>%</th> <th>No of shares</th> <th>% of Total Shares</th> </tr> </thead> <tbody> <tr> <td>SANGAM SUITING PVT LTD</td> <td style="text-align: right;">20,70,000</td> <td style="text-align: right;">32.96</td> <td style="text-align: right;">20,70,000</td> <td style="text-align: right;">32.96</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>SANGAM E-COM LIMITED</td> <td style="text-align: right;">6,16,250</td> <td style="text-align: right;">9.81</td> <td style="text-align: right;">6,16,250</td> <td style="text-align: right;">9.81</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>SARVODAYA HOLDINGS PRIVATE LIMITED</td> <td style="text-align: right;">2,90,000</td> <td style="text-align: right;">4.62</td> <td style="text-align: right;">2,90,000</td> <td style="text-align: right;">4.62</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>HAWAMAHAL FINANCE PVT LTD</td> <td style="text-align: right;">3,00,000</td> <td style="text-align: right;">4.78</td> <td style="text-align: right;">3,00,000</td> <td style="text-align: right;">4.78</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>SONMOD MARKETING PRIVATE LIMITED</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">NA</td> </tr> </tbody> </table>		Name of Promoters	FY 2023-24		FY 2022-23		% change during the year	No of shares	%	No of shares	% of Total Shares	SANGAM SUITING PVT LTD	20,70,000	32.96	20,70,000	32.96	NA	SANGAM E-COM LIMITED	6,16,250	9.81	6,16,250	9.81	NA	SARVODAYA HOLDINGS PRIVATE LIMITED	2,90,000	4.62	2,90,000	4.62	NA	HAWAMAHAL FINANCE PVT LTD	3,00,000	4.78	3,00,000	4.78	NA	SONMOD MARKETING PRIVATE LIMITED	-	-	-	-	NA
Name of Promoters	FY 2023-24			FY 2022-23		% change during the year																																				
	No of shares	%	No of shares	% of Total Shares																																						
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HAWAMAHAL FINANCE PVT LTD	3,00,000	4.78	3,00,000	4.78	NA																																					
SONMOD MARKETING PRIVATE LIMITED	-	-	-	-	NA																																					
(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	17521.86	16989.55																																								
c. Items of Other Comprehensive Income																																										
- Fair value of Equity Instruments through OCI	5864.03	(1765.72)																																								
	24294.49	16132.42																																								
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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		(Rs in lacs)																																											
		As At 31.03.2024	As At 31.03.2023																																										
(15) Other Non-current Financial Liabilities																																													
Security Deposits		19.00	20.10																																										
		<u>19.00</u>	<u>20.10</u>																																										
(16) Non-Current Provisions																																													
Provision for Gratuity		04.89	06.64																																										
		<u>04.89</u>	<u>06.64</u>																																										
(17) Other Non-current Liabilities																																													
Deferred Rent Income		-	02.70																																										
		<u>-</u>	<u>02.70</u>																																										
(19) Trade Payables																																													
Due to Micro Enterprises & Small Enterprises			-																																										
Due to Others		70.19	26.59																																										
		<u>70.19</u>	<u>26.59</u>																																										
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(20) Other Current Financial Liabilities																																													
Other Payables - Expenses																																													
Less than 6 months		03.26	03.15																																										
		<u>03.26</u>	<u>03.15</u>																																										
(21) Short-term Provision																																													
Provision for Gratuity		0.38	0.62																																										
		<u>0.38</u>	<u>0.62</u>																																										
(22) Other Current Liabilities																																													
Statutory dues		02.40	0.80																																										
Advance received from Customers		511.56	543.50																																										
Other Payables		52.30	52.30																																										
		<u>566.26</u>	<u>596.60</u>																																										
(23) Current Tax Liabilities (Net)																																													
Provision for Tax (net of taxes paid)		18.26	15.77																																										
		<u>18.26</u>	<u>15.77</u>																																										
(24) Contingent Liabilities and Commitments																																													
a. The Company has given Corporate guarantees to Catalyst Trusteeship Limited for Secured Loan taken by Keti Sangam Infrastructure (I) Ltd for a Sum of Rs.28303 Lacs (PY Rs.60000 lacs).																																													

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

	Year ended 31.03.2024	(Rs in lacs) Year ended 31.03.2023
(25) Revenue from Operations		
Sales of Products		
Real Estate:		
-- Shop Sales	454.00	27.00
-- Row Houses / Flats	133.50	43.00
Trading:		
-- Plots & allied Sales	09.00	16.00
	596.50	86.00
(26) Other Income		
Rent Income	39.11	54.92
Rent on amortisation of Security Deposits	02.70	02.70
Interest Income	363.81	287.38
Dividend - on Non-current Investments	76.58	76.58
Investments measured at fair value through profit & loss		
--Realised	08.46	-
--Unrealised	-	-
	490.66	421.58
(27) Changes-in-Inventories		
Finished Stock		
Developed Plots		
Opening Stock:		
- Plots	53.69	59.78
- Row Houses	14.51	29.42
- Shops - Commerical Complex - Plot 1	434.40	446.66
- Shops - Commerical Complex - Plot 2	30.04	30.04
	532.64	565.90
Closing Stock:		
- Plots	53.69	53.69
- Row Houses	14.51	14.51
- Shops - Commerical Complex - Plot 1	210.39	434.40
- Flats Second Floor - Plot No.1	119.82	-
- Shops - Commerical Complex - Plot 2	30.04	30.04
	428.45	532.64
Cost of Finished Stock / Change in Inventories	104.19	33.26
(28) Employee Benefits Expense		
Salary	06.54	07.77
Director's Remuneration	17.46	16.31
Gratuity Expenses	01.15	0.86
Staff Welfare	0.01	0.20
	25.16	25.14

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

	(Rs in lacs)	
	Year ended 31.03.2024	Year ended 31.03.2023
(29) Financial Costs		
Interest on deferment of advance tax	02.54	-
Interest on delayed payment of statutory dues	-	0.92
Other Finance Costs on Deferment of Rent	03.90	03.57
Interest Cost on Unsecured loan	13.33	-
	19.77	04.49
(30) Depreciation		
- on Fixed Assets (Note 2)	04.47	04.51
- on Investment Property (Note 3)	0.01	0.01
	04.48	04.52
(31) Other Expenses		
Publication Expenses	0.39	0.34
Remuneration to Auditors'		
- For Audit	0.59	0.59
- For Tax Audit	-	-
- For Other Matters	-	-
Secretarial Audit Fees	0.68	0.60
Professional Fees	05.94	01.21
Society Maintenance Charges	03.46	03.22
Property tax	02.09	02.09
Electricity Charges	04.93	04.75
Depository Charges	0.59	0.73
Custodial Fees	0.28	0.35
Conveyance & Vehicle Running Expenses	0.80	01.13
Travelling Expenses	0.84	0.50
Bank Charges	0.09	0.03
Telephone Expenses & Internet Charges	01.77	0.90
Miscellaneous Expenses	01.85	01.97
Listing Fees	0.47	0.47
Insurance Charges	0.30	0.31
Computer Repairs & Maintenance	0.23	0.14
ROC Filing Fees	0.05	0.11
Repairs & Maintenance	0.87	01.37
Security deposit Written off	0.28	-
Sundry Write off	-	-
Corporate Social Responsibility Expenses (refer Note 40)	-	11.00
Provision for Expected Credit Loss	06.00	-
	32.52	31.81

NIDHI MERCANTILES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
(17) INCOME TAXES

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

(Rs in lacs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
I. Income Tax Expenses recognised in the Statement of Profit and Loss		
Current tax		
In respect of Current year	176.44	103.34
Deferred tax		
In respect of current year	(0.53)	(01.11)
Income Tax Expenses recognised in the Statement of Profit and Loss	175.91	102.23

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 31.03.2024	Year ended 31.03.2023
Statutory income tax rate	25.17%	25.17%
Profit before tax	708.52	408.36
Income tax as per above rate	178.33	102.78
Adjustments:		
Expenses not deductible for tax purposes	04.83	05.60
Tax effect due to exempt income		
Tax benefits for income assessed under house property	(02.80)	(04.15)
Effect of Investment measured at FVTPL	(02.13)	-
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	0.98	0.90
Tax on LTGC		-
Deduction for Expense	(01.04)	(01.10)
Others	(0.53)	(01.11)
Income tax as per statement of profit and loss	176.96	102.24
Adjustments in respect of current income tax of previous year		
Income tax as per statement of profit and loss	176.96	102.24

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

As at 31st March, 2024

Particulars	Balance Sheet 01.04.2023	Profit and Loss	OCI	Balance Sheet 31.03.2024
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(09.92)	0.08		(09.84)
Difference in carrying value and tax base of investments measured at Fair Value in OCI	(240.75)		(986.76)	(1227.51)
Provision for Post Retirement Benefit	01.67	0.44	0.79	02.90
Deferred Tax (Expense)/Benefit		0.53	(985.97)	
Deferred Tax (Liabilities)/Assets	(249.00)			(1234.45)

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

As at 31st March, 2023

Particulars	Balance Sheet 01.04.2023	Profit and Loss	OCI	Balance Sheet 31.03.2023
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(09.96)	0.03		(09.93)
Difference in carrying value and tax base of investments measured at Fair Value in OCI	-	-	(240.75)	(240.75)
Provision for Post Retirement Benefit	-	01.08	0.60	01.67
Deferred Tax (Expense)/Benefit		01.11	(240.15)	
Deferred Tax (Liabilities)/Assets	(09.96)			(249.01)

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****(32) FINANCIAL INSTRUMENTS****ACCOUNTING CLASSIFICATIONS AND FAIR VALUES**

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

The categories used are as follows:

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

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1

	(Rs in lacs)		Level
	As at 31.03.2024	As at 31.03.2023	
FINANCIAL ASSETS			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	17838.98	9226.40	Quoted Equity Investment-Level 1; Unquoted Equity investment- Level-3
Financial assets measured at amortised cost/ carrying amount			
Investments	371.20	371.20	
Trade Receivables	345.16	537.30	
Cash and Cash Equivalents	22.10	11.38	
Other Balances with Bank	20.12	108.50	
Loans	5748.65	3957.42	
Other Financial Assets	02.60	02.49	
	24348.81	14214.69	
FINANCIAL LIABILITIES			
Financial Liabilities measured at amortised cost			
Borrowings	-	-	
Trade Payables	70.19	26.59	
Security Deposits	19.00	20.10	
Other Financial Liabilities	03.26	03.15	
	92.45	49.84	

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****(33) FINANCIAL RISK MANAGEMENT**

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

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

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

Trade Receivables:

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

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

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

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

Ageing of Account receivables :

Ageing of Account receivables :	(Rs in lacs)	
	31.03.2024	31.03.2023
Outstanding for a period exceeding six months from the date they are due for payment	312.56	537.30
Other Debts	38.60	-
TOTAL	351.16	537.30

- (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

(Rs in lacs)

31-Mar-24	Less than 1 year	1-5 years	Total
Trade Payables	46.58	23.61	70.19
Other Financial Liabilities	03.26	19.00	22.26
Total	49.84	42.61	92.45
31-Mar-23	Less than 1 year	1-5 years	Total
Trade Payables	-	26.59	26.59
Other Financial Liabilities	03.15	20.10	23.25
Total	03.15	46.69	49.84

NIDHI MERCANTILES LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****(33) FINANCIAL RISK MANAGEMENT**

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

a. Interest rate risk:

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

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

Particulars	(Rs in lacs)	
	31.03.2024	31.03.2023
Fixed-rate instruments- Financial Liabilities	NIL	NIL

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	(Rs in lacs)	
	31.03.2024	31.03.2023
Net Debt	-	-
Total Equity	24420.10	16258.03
Net Debt to Equity ratio	-	-

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

NIDHI MERCANTILES LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(34) Analytical Ratio

Sr.No.	Ratios	Numerator	Denominator	31.03.2024	31.03.2023	% of Change	Reason for Variance 2024
1	Current Ratio	Current Assets	Current Liabilities	9.12	8.01	13.86	Current assets and Current Liabilities both increased as compared to previous year therefore ratio increased proportionately
2	Debt-Equity	Total Debt	Shareholder's Equity	NA	NA		
3	Debt Service Coverage Ratio	Earning for Debt Service= Net Profit after Tax + Non cash operating expenses(Depreciation)	Debt Service= Interest & Lease Payments +Principal Repayments	NA	NA		
4	Return on Equity Ratio(in %)	Net Profit after Tax - Preference Dividend	Average Shareholder's Equity	2.62%	1.80%	0.82%	Increased Net profit for the current year.
5	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	0.62	0.06	933.33	Increase in cost of good sold for the current year
6	Trade Receivables turnover ratio	Net Credit Sales= Gross Credit Sales-Sales Return	Average Trade Receivables	1.35	0.13	938.46	Sales and Trade receivables increased as compared to previous year.
7	Trade payables turnover ratio	Net Credit Purchases= Gross Credit Purchases-Purchase Return	Average Trade Payables	6.13	2.20	178.64	Cost of material consumed increased in current year
8	Net capital turnover ratio	Net Sales= Total sales - sales return	Working Capital = Current assets - Current liabilities	0.10	0.02	400.00	Net Sales increased as compared to previous year
9	Net profit ratio	Net Profit	Net Sales = Total sales - sales return	48.96%	60.46%	-11.50%	Increased sales in current year
10	Return on Capital employed(in %)	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	2.84%	2.50%	0.34%	Increased sales in current year
11	Return on investment(in %)	Interest(Finance Income)	Average Investment	2.78%	2.99%	-0.21%	Increased Average Investments in current year

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(35) The Gratuity liability as per Actuarial Valuation has been duly provided. The disclosure in respect of the defined Gratuity Plan are given below:	(Rs in lacs)	
	As on 31/03/2024	As on 31/03/2023
a. Assumptions :		
Retirement Age	60 years	60 years
Attrition Rate	10 % p.a	10 % p.a
Future Salary Rise	10 % p.a.	10 % p.a.
Rate of Discounting	7.41 % p.a	7.41 % p.a
b. Table Showing change in Benefit Obligation :		
Liability at the beginning of the year	7.26	4.03
Interest Cost	0.49	0.28
Current service Cost	0.66	0.58
Past Service Cost-Vested		
Benefits Paid		
Actuarial (gain)/loss on obligations	-3.14	2.37
Liability at the end of the year	5.27	7.26
c. Amount Recognised in Balance Sheet :		
Liability at the end of the year	5.27	-7.26
Fair Value of Plan Assets at the end of the year		
Funded Status (Shortfall) / Excess	5.27	-7.26
Net Assts / (Liability) Recognised in Balance sheet	5.27	-7.26
d. Expenses Recognised in Statement of Profit & Loss :		
Current Service Cost	0.66	0.58
Interest Cost	0.49	0.28
Past Service Cost-Vested	0.00	0.00
Expenses Recognised in Statement of Profit & Loss Account	1.15	0.86
e. Expenses Recognised in Statement of Other Comprehensive Income for Current Period :		
Net Actuarial (Gain) or Loss recognised in the year	3.14	-2.37
Expenses recognised in other comprehensive income	3.14	-2.37
f. Balance Sheet Reconciliation :		
Opening Net Liability	7.26	4.03
Expenses as above	1.15	0.86
Expenses recognised in other comprehensive income	-3.14	2.37
Employer's Contribution	0.00	0.00
Amount Recognised in Balance Sheet	5.27	7.26

(36) 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 (Resigned)	Key Management Personnel
Neha Jagetika (Appointed)	Key Management Personnel
Keti Sangam Infrastructure Ltd	Associates Company

ii. Transaction with Related Parties during the year :-

	2023-24	2022-23
<u>Key Management Personnel</u>		
Salary	3.93	5.27
Director's Remuneration	17.46	16.31
<u>Associates Company</u>		
Sale of Investment - 806000 Equity Shares	814.46	-

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

	2023-24	2022-23
<u>Key Management Personnel</u>		
Director's Remuneration Payable	0.87	1.058
Salary Payable	0.37	-
Conveyance Allowance Payable	0.17	0.17
<u>Associates Company</u>		
Corporate Guarantee (Rs in crores)	282.03	600.00

(37) 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

Primary Segment Information:**(Rs in lacs)**

Particulars	Trading		Real Estate		Unallocable		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
A. REVENUE								
- External Sales	09.00	16.00	587.50	70.00	-	-	596.50	86.00
- Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	09.00	16.00	587.50	70.00	-	-	596.50	86.00
B. RESULTS								
- Segment result before interest and tax	-	06.10	296.70	27.17	428.50	360.11	728.29	412.85
- Finance Costs	-	-	-	-	(19.77)	(04.49)	(19.77)	(04.49)
Profit before Tax	-	-	-	-	-	-	708.52	408.36
- Taxes	-	-	-	-	-	-	(176.21)	(101.46)
Net Profit	09.00	06.09	290.79	27.17	408.73	355.62	532.31	306.90
C. OTHER INFORMATION								
- Segment Assets	162.75	279.00	616.87	790.94	25,619.17	16,109.25	26398.79	17179.19
- Segment Liabilities	260.61	260.61	373.44	361.78	1,344.64	298.77	1978.69	921.16
- Capital Expenditure								
- Segment Depreciation	NIL	NIL	NIL	NIL	04.48	04.52	04.48	04.52

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

(38) Earnings Per Share (EPS)**2023-24****2022-23**

a) Weighted Average Number of Equity Shares outstanding during the year.	62,80,455	62,80,455
b) Net Profit after tax available for Equity Shareholders	532.31	306.90
c) Basic and Diluted Earnings Per Share (Rs.)	8.48	4.89
d) Nominal Value per Share (Rs.)	2/-	2/-

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

(39) Revenue from Contracts with Customers**(Rs in lacs)****i) Revenue from Operations****2023-24****2022-23**

Revenue from contract with customers	587.50	70.00
--------------------------------------	--------	-------

ii) Contract Balances

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

Trade Receivables	242.10	311.99
Contract Liabilities	76.75	248.50

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

Opening Balance	248.50	262.00
Less : Revenue recognised during the year from balance at the beginning of the year	186.50	27.00
Add : Advance received during the year not recognised as revenue	14.75	13.50
	76.75	248.50

(40) Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. NIL (P.Y. Rs.10.80 lacs) on Corporate Social Responsibility (CSR) activities. In the Previous Financial Year the Net profit is below Rs.5 crore, the amount to spend under CSR is NIL

Particulars	2023-24	2022-23
Amount required to be spent by the company during the year	NA	10.80
Amount of expenditure incurred	NA	11.00
Shortfall at the end of the year	-	-
Excess carry forward in future	0.20	0.20
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	NA	Promoting education
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

(41) Disclosure regarding loan given pursuant to section 186(4) of the Companies Act, 2013.

Name of the Party	(Rs in lacs)		Purpose for which amount utilised and other terms and conditions
	2023-24	2022-23	
Sangam Finserv Limited (Formerly known as Suchitra Finance & Trading Co. Ltd.)	102.62	329.24	Loan receivable on demand, loan given for business purpose
Kalyan Sangam Infratech Limited	740.61	218.40	Loan receivable on demand, loan given for business purpose
Sangam Ananya Devoplers Pvt Ltd	3,130.70	2,919.61	Loan receivable on demand, loan given for business purpose
Sangam E-com Limited	1,196.58	490.18	Loan receivable on demand, loan given for business purpose

(42) The other disclosure requirement under Part I and Part II in Division I of Schedule III to the Companies Act, 2013 (as amended) is either NIL or not Applicable

(43) Previous year figures

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

As per our report of even date

For S I G M A C & Co
Chartered Accountants
FRN : 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393

Place : Mumbai
Dated : 30th May 2024

For and on behalf of the board

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Neha Jagetia
Company Secretary
& CFO

Sd/-
Kapil Malpani
Director
DIN: 07898719



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIDHI MERCANTILES LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Nidhi Mercantiles Limited (“the Holding Company”) and its associate (collectively referred to as “the Group”), which comprise the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial Statements, including a summary of 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 and based on the consideration of report of other auditor on separate financial statement and on the other financial information of the associate referred to in the Other Matters section below, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2024, the consolidated profit including other comprehensive profit, and their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules 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.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 Holding Company's Board of Directors is responsible for preparation and presentation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements, consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appear to be materially misstated.



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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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management of the companies included in Group are responsible for assessing the 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 or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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



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economic decisions of users taken on the basis of these consolidated financial statements.

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

- i. identify and assess the risks of material misstatement of the consolidated 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.
- ii. 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- iii. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- v. evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible



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for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, 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.

Other Matter

We did not audit the financial statements/ financial information of the associate Company, whose Unaudited financial statements / Unaudited other financial information reflect total assets of Rs. 38,676.28 lacs as at 31st March, 2024 and total revenues of Rs. 9,932.20 lacs, total net profit after tax of Rs 3,834.62 lacs and total comprehensive income of Rs. 3,834.62 lacs for the year ended on that date, as considered in the Consolidated Financial Statements.

These Unaudited financial statements and Unaudited other financial information have been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate Company, are based solely on Unaudited financial statements and Unaudited other financial information.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements and other financial information certified by the Management. Report on Other Legal and Regulatory Requirements.

Report on Other Legal and Regulatory Requirements

- A.** 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 paragraph 3 and 4 of the Order, to the extent applicable.
- B.** As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and



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the other financial information of associate, as noted in the 'Other Matter' paragraph we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law have been maintained by the Company and its associate including relevant record relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of books and records of the Company and its Associate read with certificate of the Management
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive profit, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Company taken on record by the respective Board of Directors and report of statutory auditors and certificate of the management of the associate companies, none of the directors of the Company and its associate is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to these consolidated financial statements of the holding company and its associate Company, a company incorporated in India, refer to our separate Report in Annexure "B" and
- g. 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 information and according to the explanations given to us:
 - i. The Group does not have any pending litigation which would impact its financial position in its financial statements.



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- ii. The Group did not have any foreseeable losses in respect of derivative contracts. The Group has not entered into any long-term contracts requiring provision for material foreseeable losses.
- iii. There was no amount which were required to be transferred to the Investor 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 sources or kind of funds) by the Holding Company or its associate company incorporated in India to or in any other persons 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 persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its associate company 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 associate company 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 associate company 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.

For S I G M A C & C O
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2024
UDIN: 24049393BKCTVZ9278



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Annexure A to the Independent Auditors' report on the consolidated financial statements

With reference to the Annexure A referred to in the Independent Auditors' Report to the member of the Company on the consolidated financial statement for the year ended March 31, 2024, we report the following:

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, in our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the holding company included in the consolidated financial statements. we have not received audited financial statement of the associate Company and therefore we cannot comment upon the same.

For S I G M A C & C O
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2024



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ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph B(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 Limited (“the Holding Company”) as of and for the year ended 31st March, 2024, in conjunction with our audit of the consolidated financial statements of the Holding Company and its Associate which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 include 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 the respective 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 of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding company’s internal financial controls over financial reporting with reference to these consolidated 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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



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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 and audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, 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 consolidated financial statements.

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

A company's internal financial control over financial reporting with reference to these consolidated 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 consolidated 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 consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company and its Associate, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal control over financial reporting criteria established by the Holding Company and its Associate 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.



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Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal control over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to its Associate, as we have not received the audited financial statement so we cannot comment upon the same.

For SIGMAC & CO
Chartered Accountants
FRN: 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393
Place: Mumbai
Dated: 30th May, 2024

NIDHI MERCANTILES LIMITED**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024**

		(Rs in lacs)	
	Note	As at 31.03.2024	As at 31.03.2023
ASSETS			
Non- current Assets			
(a) Property, Plant & Equipment	2	70.21	73.82
(b) Investment Property	3	0.14	0.15
Investment in Associate	4	3460.34	3307.68
(c) Financial Assets			
(i) Investments	4	18210.18	9597.60
(d) Other Non-current Assets	5	-	0.28
Sub-total - Non-current Assets		21740.87	12979.53
Current Assets			
(a) Inventories	6	428.46	532.64
(b) Financial Assets			
(i) Trade Receivables	7	345.16	537.30
(ii) Cash and Cash Equivalents	8	22.10	11.38
(iii) Other Balances with Bank	9	20.12	108.50
(iv) Loans	10	5748.65	3957.42
(v) Other Financial Assets	11	02.60	02.49
(c) Other Current Assets	12	01.17	01.62
Sub-total - Current Assets		6568.25	5151.35
TOTAL ASSETS		28309.12	18130.88
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	125.61	125.61
(b) Other Equity	14	26204.82	17084.10
Sub-total -Shareholders' Funds		26330.43	17209.71
Non- current Liabilities			
(a) Financial Liabilities			-
(i) Borrowings			-
(ii) Other Financial Liabilities	15	19.00	20.10
(b) Provisions	16	04.89	06.64
(c) Deferred Tax Liability	17	1234.45	249.00
(d) Other Non-current Liabilities	18	-	02.70
Sub-total - Non-current Liabilities		1258.34	278.44
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		62.00	-
(i) Trade Payables	19		
- Due to Micro Enterprises & Small Enterprises			-
- Due to Others		70.19	26.59
(ii) Other Financial Liabilities	20	03.26	03.15
(b) Provisions	21	0.38	0.62
(b) Other Current Liabilities	22	566.26	596.60
(c) Current Tax Liabilities (Net)	23	18.26	15.77
Sub-total - Current Liabilities		720.35	642.73
TOTAL EQUITY AND LIABILITIES		28309.12	18130.88
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 S I G M A C & Co		For and on behalf of the board	
Chartered Accountants			
(Firm Regn. No. 116351W)			
Sd/-		Sd/-	Sd/-
Sandeep Maheshwari		Sejal Sagar Modi	Neha Jagetia
Partner		Managing Director	Company Secretary
ICAI M. No. 049393		DIN: 06684211	& CFO
Place : Mumbai		Sd/-	Sd/-
Dated : 30th May, 2024		Ladhu Lal Soni	Kapil Malpani
		Director	Director
		DIN: 00131787	DIN: 07898719

NIDHI MERCANTILES LIMITED**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024**

Particulars	Note	(Rs in lacs)	
		Year ended 31.03.2024	Year ended 31.03.2023
Revenue			
Revenue from Operations	25	596.50	86.00
Other Income	26	490.66	421.58
Total Revenue		1087.16	507.58
Expenses			
Changes-in-Inventories	27	104.19	33.26
New Construction Cost		192.52	-
Employee Benefits Expense	28	25.16	25.14
Financial Costs	29	19.77	04.49
Depreciation	30	04.48	04.52
Other Expenses	31	32.52	31.81
Total Expenses		378.64	99.22
Profit Before Tax		708.52	408.36
Tax Expense:			
- Current Tax		176.44	103.34
- Deferred Tax	17	(0.53)	(01.11)
- Short/Excess of taxes		0.30	(0.77)
Profit For the Year (A)		532.31	306.90
Share of Profit in Associates		958.65	858.42
Total Profit For the Year		1490.96	1165.32
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		8612.58	(1646.80)
Income tax benefit/(expense) on above		(986.76)	(240.75)
Re-measurement Gain/(Loss) on defined benefit plan		03.14	(02.37)
Income tax benefit on OCI		0.79	0.60
Income tax benefit/(expense) on above			
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		7629.75	(1889.32)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		9120.71	(724.00)
Earnings per equity share of face value of Rs. 2/-each			
Basic and Diluted (Rs.)	37	23.74	18.55
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 S I G M A C & CO		For and on behalf of the board	
Chartered Accountants			
(Firm Regn. No. 116351W)			
		Sd/-	Sd/-
		Sejal Sagar Modi	Neha Jagetia
		Managing Director	Company Secretary
		DIN: 06684211	& CFO
Sd/-			
Sandeep Maheshwari			
Partner			
ICAI M. No. 049393		Sd/-	Sd/-
Place : Mumbai		Ladhu Lal Soni	Kapil Malpani
Dated : 30th May, 2024		Director	Director
		DIN: 00131787	DIN: 07898719

NIDHI MERCANTILES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

	(Rs in lacs)	
	As At	As At
	31.03.2024	31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
a) Net Profit before Taxes	708.52	408.36
Adjustments for		
Interest Received	(363.81)	(287.38)
Fair value (gain)/loss on investments	(08.46)	-
Rent on amortisation of Security Deposits	(02.70)	(02.70)
Interest on deferment of advance tax		
Interest Paid	17.23	03.57
Dividend	(76.58)	(76.58)
Gratuity Provision	01.14	0.86
Depreciation	04.48	04.52
b) OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	279.82	50.65
Adjustments for		
Decrease/(Increase) in Inventories	104.18	33.26
Increase/(Decrease) in Trade Payables	43.60	22.98
Decrease/(Increase) in Trade Receivables	192.14	284.70
Decrease/(Increase) in Other Current Financial Assets	(0.11)	04.51
Decrease/(Increase) in Other Non-Current Assets	0.28	
Decrease/(Increase) in Other Current Assets	0.45	(0.42)
Increase/(Decrease) in Other Non-Current Financial Liabilities	(01.10)	(21.00)
Increase/(Decrease) in Other Non-Current Liabilities		-
Increase/(Decrease) in Other Current Financial Liabilities	0.11	(0.34)
Increase/(Decrease) in Other Current Liabilities	(30.34)	73.94
CASH GENERATED FROM OPERATIONS	589.04	448.28
Direct Tax (Paid)/Refund	(174.22)	(222.14)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	414.82	226.14
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	-	(2356.00)
Sale of Investments	814.46	1155.00
Purchase of Fixed Assets	(0.87)	(0.94)
Interest Received	363.81	287.38
Dividend Received	76.58	76.58
Maturity of/(Investment in) Bank Deposits	88.38	(100.00)
Movement in Loans and Advances	(1791.23)	624.74
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(448.87)	(313.24)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Borrowings	62.00	-
Interest Paid	(17.23)	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	44.77	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	10.72	(87.10)
CASH AND CASH EQUIVALENTS (At the beginning of the year)	11.38	98.48
CASH AND CASH EQUIVALENTS (At the end of the year)	22.10	11.38

Notes:

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

As per our Report of even date

For S I G M A C & CO
Chartered Accountants
(Firm Regn. No. 116351W)

Sd/-
Sandeep Maheshwari
Partner
ICAI M. No. 049393

For and on behalf of the board

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Neha Jagetia
Company Secretary
& CFO

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Kapil Malpani
Director
DIN: 07898719

Place : Mumbai
Dated : 30th May, 2024

NIDHI MERCANTILES LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024****Statement of Changes in Equity for the year ended 31st March, 2024****A. EQUITY SHARE CAPITAL**

	As at 31st March, 2024	(Rs in lacs) As at 31st March, 2023
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	Nil	Nil
Balance at the end of the reporting year	125.61	125.61

B. OTHER EQUITY

	Reserves and Surplus			Items of Other Comprehensive Income (OCI)	Total
	Capital Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	
Balance as at 1st April, 2022		908.59	16682.66	123.60	17714.85
Capital Reserve created during the year on consolidated of Associate Company	93.26				93.26
Profit for the year			1165.32		1165.32
Other comprehensive income for the year				(1889.32)	(1889.32)
Total comprehensive income for the year					(724.00)
Balance as at 31st March, 2023	93.26	908.59	17847.98	(1765.72)	17084.10
Balance as at 1st April, 2023	93.26	908.59	17847.98	(1765.72)	17084.11
Profit for the year			1490.96		1490.96
Other comprehensive income for the year				7629.75	7629.75
Total comprehensive income for the year					9120.71
Balance as at 31st March, 2024	93.26	908.59	19338.94	5864.03	26204.82

As per our Report of even date

For S I G M A C & Co
Chartered Accountants
(Firm Regn. No. 116351W)

For and on behalf of the board

Sd/-
Sandeep Maheshwari
Partner
ICAI M. No. 049393

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Neha Jagetia
Company Secretary
& CFO

Place : Mumbai
Dated : 30th May, 2024

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Kapil Malpani
Director
DIN: 07898719

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 Accounting.

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) Basis of Preparation of Consolidated Financial Statements.

The Consolidated financial statement comprise the financial statement Nidhi Mercantiles Limited (the Company) and its proportionate interest in Associate.

Associates have been accounted for in the consolidated financial statements using the equity method of accounting whereby the investment is initially recorded at cost, identifying goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition changes in the investor's share of the net assets of the respective investee.

The components considered in preparation of the Consolidated Financial Statements are:

Name of the Associate	Country of Incorporation	% of interest in the Associate as at 31st March, 2024	% of interest in the Associate as at 31st March, 2023
Keti Sangam Infrastructure Limited	India	25.00%	38.00%

(c) 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.

Note : 1

- 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.

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

Non- factory Building -60 years

Vehicles- 8 years

Computers-3 years

Office Equipments-5 years

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

ii Investment Property

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

iii Inventories

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

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

iv Cash and Cash Equivalents:

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

Note : 1**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.

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.

Note : 1**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.

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.

Note : 1**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.
- 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.

Note : 1

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024****Note-2 Property, Plant & Equipment****(Rs in lacs)**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01/04/2023	ADDITIONS/ (DELETIONS)	AS AT 31/03/2024	AS AT 01/04/2023	FOR THE YEAR	AS AT 31/03/2024	AS AT 31/03/2024	AS AT 31/03/2023
Office Premises	163.63	NIL	163.63	91.80	03.50	95.30	68.33	71.83
Office Equipments	03.35	0.14	03.49	03.17	0.03	03.20	0.29	0.18
Computer	02.40	0.73	03.13	01.27	0.92	02.19	0.94	01.13
Motor Car	13.07	NIL	13.07	12.39	0.02	12.41	0.66	0.68
Total	182.45	0.87	183.32	108.63	04.47	113.10	70.21	73.82
Previous Year	181.51	0.94	182.45	104.12	04.51	108.63	73.82	77.38

NIDHI MERCANTILES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

	As At 31.03.2024		(Rs in lacs) As At 31.03.2023	
	Unit (Nos.)	Amount	Unit (Nos.)	Amount
(4) Non-current Investments				
Investment in Equity Instruments				
Non-trade Investments				
Investment in Associate at Cost				
Eq. Sh. of Rs. 10/- each of Ketu Sangam Infrastructure I Ltd	15,50,000	1550.00	23,56,000	2356.00
		1550.00		2356.00
Add: - Accumulated share in profit/(loss) at the beginning of the year		951.68		93.26
: Share of Profit from Associates		958.65		858.42
		<u>3460.34</u>		<u>3307.68</u>
Investments measured at fair value through other comprehensive income				
(a) Investment in Equity Instruments				
Quoted Shares				
Eq. Sh. of Rs. 10/- each of Sangam India Ltd.	38,28,868	16791.50	38,28,868	8247.38
Sub Total		<u>16791.50</u>		<u>8247.38</u>
Unquoted Equity Shares				
Eq. Sh of Rs. 10/- each of Sangam Suitings Pvt. Ltd.	1,27,600	75.04	1,27,600	137.07
Eq. Sh of Rs. 100/- each of Hawamahal Finance Pvt. Ltd.	30,000	158.51	30,000	153.59
Eq. Sh. of Rs. 10/- each of Laddha Construction Company Pvt.Ltd.	1,800	202.04	1,800	221.09
Eq. Sh. of Rs. 10/- each of Parishray Elegancy Pvt. Ltd.	20,000	06.01	20,000	06.25
Eq. Sh. of Re. 10/- each of Rebeca Expo Investment Co. Pvt. Ltd.	29,500	14.57	29,500	14.70
Eq. Sh. of Rs. 100/- each of Sapatrishi Commercial Co. Ltd.	22,700	202.35	22,700	57.46
Eq. Sh. of Rs. 10/- each of Sangam Ananya Developers Pvt Ltd.	7,500	0.08	7,500	0.15
Eq. Sh. of Rs. 10/- each of Marigold Investrade Pvt. Ltd.	5,08,012	388.88	5,08,012	388.71
		<u>1047.48</u>		<u>979.02</u>
Pref. Sh. of Rs. 10/- each of Ketu Sangam Infrastructure I Ltd.	3,71,200	371.20	3,71,200	371.20
Total Non-current Investments		<u>18210.18</u>		<u>9597.60</u>
Aggregate book value of quoted investments		<u>16791.50</u>		<u>8247.38</u>
Market value of quoted investments		<u>16791.50</u>		<u>8247.38</u>
Aggregate book value of unquoted investments		<u>1418.68</u>		<u>1350.22</u>

Investment are valued at Fair Value as per IND AS policy

* These Shares are Pledged with Catalyst Trusteeship Limited (Trustee) for Secured Loan taken by Ketu Sangam Infrastructure (I) Ltd for Rs.283.02 crores.

NIDHI MERCANTILES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

	As At 31.03.2024	(Rs in lacs) As At 31.03.2023			
(3) Non-current Investments					
<u>Investment in Immovable Property</u>					
Residential Flats at Goregoan, Mumbai					
Office Building at Bhilwara, Rajasthan	0.23	0.23			
- Gross Value of Carrying Amount	0.23	0.23			
Depreciation					
Amount brought forward	0.09	0.08			
Addition during the year	0.01	0.01			
Accumulated Depreciation	0.10	0.09			
Net Carrying Value	0.14	0.15			
(a) The Company's investment property consists of a commercial property in India.					
(b) Fair Value of investment property is Rs.3.58 lacs (Previous Year Rs.3.40 Lacs) The fair value measurement is categorised in level 3 fair value hierarchy.					
(5) Other Non-current Assets					
Security deposits	-	0.28			
	-	0.28			
(6) Inventories					
Stock-in-trade					
-- Plots	53.69	53.69			
-- Finished Row Houses	14.52	14.51			
-- Finished Shops - Commercial Complex-Plot No. 1	210.39	434.40			
-- Finished Shops - Flats Second Floor - Plot No.1	119.82	-			
-- Finished Shops - Commercial Complex-Plot No. 2	30.04	30.04			
	428.46	532.64			
(7) Trade Receivables					
(Unsecured, considered good)					
(i) Undisputed Trade receivables – considered good	345.16	537.30			
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Credit Impaired	06.00	-			
	351.16	537.30			
Less: Provision for Expected Credit Loss	06.00	-			
	345.16	537.30			
Trade Receivables Outstanding Ageing Schedule	< 6 MTHS	6 MTHS -1YR	1-2 YR	2-3 YR	More than 3 YR
(i) Undisputed Trade receivables – considered good	38.60	02.00	-	-	310.56
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Total FY 2023-24	38.60	02.00	-	-	310.56
Trade Receivables Outstanding Ageing Schedule	< 6 MTHS	6 MTHS -1YR	1-2 YR	2-3 YR	More than 3 YR
(i) Undisputed Trade receivables – considered good		16.00		415.05	106.25
(ii) Undisputed Trade Receivables – considered doubtful					
(iii) Disputed Trade Receivables considered good					
(iv) Disputed Trade Receivables considered doubtful					
Total FY 2022-23	-	16.00	-	415.05	106.25
(8) Cash and Cash Equivalents					
<u>Cash Balance</u>					
Cash on Hand				0.17	0.33
<u>Balance with Bank</u>					
In Current Account				21.93	11.04
				22.10	11.38
(9) Other Balances with Bank					
Term Deposit Accounts				20.12	108.50
				20.12	108.50

NIDHI MERCANTILES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

	As At 31.03.2024	(Rs in lacs) As At 31.03.2023
(10) Loans		
(Unsecured, considered good)		
-- Loans to Others		
InterCorporate Loan	5170.52	3957.42
Advance Against Property		
- Investment in Flat (underconstruction)	578.13	-
	5748.65	3957.42
(11) Other Financial Assets		
Other Receivables		
Less than 6 months	02.60	02.49
6 months - 1 years	-	-
	02.60	02.49
(12) Other Current Assets		
Interest accrued on Bank Deposits	01.17	01.62
	01.17	01.62
(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 except Promoter's holding

Name of Promoters	FY 2023-24		FY 2022-23		% of Change during the year
	No of shares	%	No of shares	%	
SANGAM SUITTING PVT LTD	20,70,000	32.96	20,70,000	32.96	NA
SANGAM E-COM LIMITED	6,16,250	9.81	6,16,250	9.81	NA

- d. Share holdings of Promoters at the end of the Year and Change during the Year.

Name of Promoters	FY 2023-24		FY 2022-23		% of Change during the year
	No of shares	%	No of shares	%	
SANGAM SUITTING PVT LTD	20,70,000	32.96	20,70,000	32.96	NA
SANGAM E-COM LIMITED	6,16,250	9.81	6,16,250	9.81	NA
SARVODAYA HOLDINGS PRIVATE LIMITED	2,90,000	4.62	2,90,000	4.62	NA
HAWAMAHAL FINANCE PVT LTD	3,00,000	4.78	3,00,000	4.78	NA
SONMOD MARKETING PRIVATE LIMITED	-	-	-	-	NA

(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	19338.94	17847.98
c. Items of Other Comprehensive Income		
- Fair value of Equity Instruments through OCI	5864.03	(1765.72)
d. Capital Reserve (on Consolidation of Associates company)	93.26	93.26
	26204.82	17084.10

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

	As At 31.03.2024	(Rs in lacs) As At 31.03.2023			
(15) Other Non-current Financial Liabilities					
Security Deposits	19.00	20.10			
	19.00	20.10			
(16) Non-Current Provisions					
Provision for Gratuity	04.89	06.64			
	04.89	06.64			
(17) Other Non-current Liabilities					
Deferred Income	-	02.70			
	-	02.70			
(19) Trade Payables					
Due to Micro Enterprises & Small Enterprises	-	-			
Due to Others	70.19	26.59			
	70.19	26.59			
Trade Payable Outstanding Ageing Schedule	< 6 MTHS	6 MTHS -1YR	1-2 YR	2-3 YR	More than 3 YR
Due to Micro Enterprises & Small Enterprises	-	-	-	-	-
Due to Others	-	-	-	-	-
Due to Others - UnDisputed	46.58	-	-	-	23.61
Due to Others - Disputed	-	-	-	-	-
Total FY 2023-24	46.58	-	-	-	23.61
Trade Payable Outstanding Ageing Schedule	< 6 MTHS	6 MTHS -1YR	1-2 YR	2-3 YR	More than 3 YR
Due to Micro Enterprises & Small Enterprises					
Due to Others					
Due to Others - UnDisputed					26.59
Due to Others - Disputed					
Total FY 2022-23	-	-	-	-	26.59
(20) Other Current Financial Liabilities					
Current maturity of long-term borrowings					
Other Payables - Expenses					
Less than 6 months		03.26			
		03.26			
(21) Short-term Provision					
Provision for Gratuity		0.38			
		0.38			
(22) Other Current Liabilities					
Statutory dues		02.40			
Advance received from Customers		511.56			
Other Payables		52.30			
		566.26			
(23) Current Tax Liabilities (Net)					
Provision for Tax (net of taxes paid)		18.26			
		18.26			
(24) Contingent Liabilities and Commitments					
a. The Company has given Corporate guarantees to Catalyst Trusteeship Limited for Secured Loan taken by Keti Sangam Infrastructure (I) Ltd for a Sum of Rs.28303 Lacs (PY Rs.60000 lacs).					

NIDHI MERCANTILES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

	Year ended 31.03.2024	(Rs in lacs) Year ended 31.03.2023
(25) Revenue from Operations		
Sales of Products		
Real Estate:		
--Shop Sales	454.00	27.00
--Row Houses	133.50	43.00
Trading:		
--Plots & allied Sales	09.00	16.00
	596.50	86.00
(26) Other Income		
Rent Income	39.11	54.92
Rent on amortisation of Security Deposits	02.70	02.70
Interest Income	363.81	287.38
Dividend - on Non-current Investments	76.58	76.58
Investments measured at fair value through profit & loss		
--Realised	08.46	-
--Unrealised	-	-
	490.66	421.58
(27) Changes-in-Inventories		
Finished Stock		
Developed Plots		
Opening Stock:		
- Plots	53.69	59.78
- Row Houses	14.51	29.42
- Shops - Commerical Complex - Plot 1	434.40	446.66
- Shops - Commerical Complex - Plot 2	30.04	30.04
	532.64	565.90
Closing Stock:		
- Plots	53.69	53.69
- Row Houses	14.51	14.51
- Shops - Commerical Complex - Plot 1	210.39	434.40
- Shops - Commerical Complex - Plot 2	30.04	30.04
Second Floor - NTC Project Flats	119.82	-
	428.45	532.64
Cost of Finished Stock / Change in Inventories	104.19	33.26
(28) Employee Benefits Expense		
Salary	06.54	07.77
Director's Remuneration	17.46	16.31
Gratuity Exps	01.15	0.86
Staff Welfare	0.01	0.20
	25.16	25.14

NIDHI MERCANTILES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

	Year ended 31.03.2024	(Rs in lacs) Year ended 31.03.2023
(29) Financial Costs		
Interest on Borrowings		
Interest on deferment of advance tax	02.54	-
Interest on delayed payment of statutory dues	-	0.92
Other Finance Costs on Deferment of Rent	03.90	03.57
Interest Cost on Unsecured Loan	13.33	-
	19.77	04.49
(30) Depreciation		
- on Fixed Assets (Note 2)	04.47	04.51
- on Investment Property (Note 3)	0.01	0.01
	04.48	04.52
(31) Other Expenses		
Publication Expenses	0.39	0.34
Remuneration to Auditors'		
- For Audit	0.59	0.59
- For Tax Audit	-	-
- For Other Matters	-	-
Secretarial Audit Fees	0.68	0.60
Professional Fees	05.94	01.21
Society Maintenance Charges	03.46	03.22
Property tax	02.09	02.09
Electricity Charges	04.93	04.75
Depository Charges	0.59	0.73
Custodial Fees	0.28	0.35
Conveyance & Vehicle Running Expenses	0.80	01.13
Travelling Expenses	0.84	0.50
Bank Charges	0.09	0.03
Telephone Expenses	01.77	0.90
Miscellaneous Expenses	01.85	01.97
Listing Fees	0.47	0.47
Insurance	0.30	0.31
Computer Repairs & Maintenance	0.23	0.14
ROC Filing Fees	0.05	0.11
Repairs & Maintenance	0.87	01.37
Security Deposit written off	0.28	-
Sundry Write off	-	-
Corporate Social Responsibility Expenses (refer Note 40)	-	11.00
Provision for Expected Credit Loss	06.00	-
	32.52	31.81

NIDHI MERCANTILES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024
(16) INCOME TAXES

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

Particulars	Year ended	(Rs in lacs)
	31.03.2024	Year ended 31.03.2023
I. Income Tax Expenses recognised in the Statement of Profit and Loss		
Current tax		
In respect of Current year	176.44	103.34
Deferred tax		
In respect of current year	(0.53)	(01.11)
Income Tax Expenses recognised in the Statement of Profit and Loss	175.91	102.23

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, 2024	Year ended 31st March, 2023
Statutory income tax rate	25.00%	25.00%
Profit before tax	708.52	408.36
Income tax as per above rate	177.13	102.09
Adjustments:		
Expenses not deductible for tax purposes	03.05	05.60
Tax effect due to exempt income		NIL
Tax benefits for income assessed under house property	(02.95)	(04.15)
Effect of Investment measured at FVTPL	(02.13)	
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	0.98	0.90
Tax on LTGC	0.85	
Deduction for Expense	(01.04)	(01.10)
Others	(0.08)	(01.11)
Income tax as per statement of profit and loss	175.13	101.55
Adjustments in respect of current income tax of previous year		NIL
Income tax as per statement of profit and loss	175.13	101.55

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

As at 31st March, 2024

Particulars	Balance Sheet 1.4.2023 Amt (Rs.)	Profit and Loss Amt (Rs.)	OCI Amt(Rs.)	Balance Sheet 31.03.2024 Amt (Rs.)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(09.92)	0.08		(09.84)
Difference in carrying value and tax base of investments measured at Fair Value in OCI	(240.75)		(986.76)	(1227.51)
Provision for Post Retirement Benefit	01.67	0.44	0.79	02.90
Deferred Tax (Expense)/Benefit		0.53	(985.97)	
Deferred Tax (Liabilities)/Assets	(249.00)			(1234.45)

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

As at 31st March, 2023

Particulars	Balance Sheet 1.4.2022 Amt (Rs.)	Profit and Loss Amt (Rs.)	OCI Amt(Rs.)	Balance Sheet 31.03.2023 Amt (Rs.)
Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961.	(09.96)	0.03		(09.93)
Difference in carrying value and tax base of investments measured at Fair Value in OCI			(240.75)	(240.75)
Provision for Post Retirement Benefit		01.08	0.60	01.67
Deferred Tax (Expense)/Benefit		01.11	(240.15)	
Deferred Tax (Liabilities)/Assets	(09.96)			(249.01)

NIDHI MERCANTILES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024****(32) FINANCIAL INSTRUMENTS****ACCOUNTING CLASSIFICATIONS AND FAIR VALUES**

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

The categories used are as follows:

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

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

	(Rs in lacs)		Level
	As at 31.03.2024	As at 31.03.2023	
FINANCIAL ASSETS			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	17838.98	9226.40	Quoted Equity Investment-Level 1; Unquoted Equity investment- Level-3
Financial assets measured at amortised cost/ carrying amount			
Investments	371.20	371.20	
Trade Receivables	345.16	537.30	
Cash and Cash Equivalents	22.10	11.38	
Other Balances with Bank	20.12	108.50	
Loans	5748.65	3957.42	
Other Financial Assets	02.60	02.49	
	24348.81	14214.69	
FINANCIAL LIABILITIES			
Financial Liabilities measured at amortised cost			
Borrowings	-	-	
Trade Payables	70.19	26.59	
Security Deposits	19.00	20.10	
Other Financial Liabilities	03.26	03.15	
	92.45	49.84	

(33) FINANCIAL RISK MANAGEMENT

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

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

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

Trade Receivables:

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

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

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

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

Ageing of Account receivables :

Ageing of Account receivables :	(Rs in lacs)	
	31.03.2024	31.03.2023
Outstanding for a period exceeding six months from the date they are due for payment	312.56	537.30
Other Debts	38.60	-
TOTAL	351.16	537.30

- (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

(Rs in lacs)

31-Mar-24	Less than 1 year	1-5 years	Total
Trade Pavables	46.58	23.61	70.19
Other Financial Liabilities	03.26	19.00	22.26
Total	49.84	42.61	92.45
31-Mar-23	Less than 1 year	1-5 years	Total
Trade Pavables	-	26.59	26.59
Other Financial Liabilities	03.15	20.10	23.25
Total	03.15	46.68	49.83

(33) FINANCIAL RISK MANAGEMENT

(iii) **Market risk :** Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of certain commodities. Thus, 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		(Rs in lacs)
	31.03.2024	31.03.2023
Fixed-rate instruments- Financial Liabilities	NIL	NIL

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	31.03.2024	31.03.2023
Net Debt	NIL	NIL
Total Equity	26330.43	17209.71
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.

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(34) The Gratuity liability as per Actuarial Valuation has been duly provided. The disclosure in respect of the defined Gratuity Plan are given below:	(Rs in lacs)	
	As on 31/03/2024	As on 31/03/2023
a. Assumptions :		
Retirement Age	60 years	60 years
Attrition Rate	10 % p.a	10 % p.a
Future Salary Rise	10 % p.a.	10 % p.a.
Rate of Discounting	7.41 % p.a	7.41 % p.a
b. Table Showing change in Benefit Obligation :		
Liability at the beginning of the year	7.26	4.03
Interest Cost	0.49	0.28
Current service Cost	0.66	0.58
Past Service Cost-Vested		
Benefits Paid		
Actuarial (gain)/loss on obligations	-3.14	2.37
Liability at the end of the year	5.27	7.26
c. Amount Recognised in Balance Sheet :		
Liability at the end of the year	5.27	-7.26
Fair Value of Plan Assets at the end of the year		
Funded Status (Shortfall) / Excess	5.27	-7.26
Net Assts / (Liability) Recognised in Balance sheet	5.27	-7.26
d. Expenses Recognised in Statement of Profit & Loss :		
Current Service Cost	0.66	0.58
Interest Cost	0.49	0.28
Past Service Cost-Vested	0.00	0.00
Expenses Recognised in Statement of Profit & Loss Account	1.15	0.86
e. Expenses Recognised in Statement of Other Comprehensive Income for Current Period :		
Net Actuarial (Gain) or Loss recognised in the year	3.14	-2.37
Expenses recognised in other comprehensive income	3.14	-2.37
f. Balance Sheet Reconciliation :		
Opening Net Liability	7.26	4.03
Expenses as above	1.15	0.86
Expenses recognised in other comprehensive income	-3.14	2.37
Employer's Contribution	0.00	0.00
Amount Recognised in Balance Sheet	5.27	7.26

(35) Related Party Transaction
i. List of Related Parties with whom transaction have taken place & Relationship:

Name of the Related Parties	Relationship
Sejal Sagar Modi	Key Management Personnel
Vishakha Pandya (Resigned)	Key Management Personnel
Neha Jagetika (Appointed)	Key Management Personnel
Keti Sangam Infrastructure Ltd	Associates Company

ii. Transaction with Related Parties during the year :-

	2023-24	2022-23
<u>Key Management Personnel</u>		
Salary	3.93	5.27
Director's Remuneration	17.46	16.31
<u>Associates Company</u>		
Sale of Investment - 806000 Equity Shares	814.46	-

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

<u>Key Management Personnel</u>		
Director's Remuneration Payable	0.87	1.058
Salary Payable	0.37	-
Conveyance Allowance Payable	0.17	0.17
<u>Associates Company</u>		
Corporate Guarantee (Rs in crores)	282.03	600.00

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
(36) 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

Primary Segment Information:
(Rs in lacs)

Particulars	Trading		Real Estate		Unallocable		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
A. REVENUE								
- External Sales	09.00	16.00	587.50	70.00	-	-	596.50	86.00
- Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	09.00	16.00	587.50	70.00	-	-	596.50	86.00
B. RESULTS								
- Segment result before interest and tax	-	06.10	296.70	27.17	428.50	360.11	728.29	412.85
- Finance Costs	-	-	-	-	(19.77)	(04.49)	(19.77)	(04.49)
<i>Profit before Tax</i>	-	-	-	-	-	-	708.52	408.36
- Taxes	-	-	-	-	-	-	(176.21)	(101.46)
Net Profit	09.00	06.09	290.79	27.17	408.73	355.62	532.31	306.90
C. OTHER INFORMATION								
- Segment Assets	162.75	279.00	616.87	790.94	25,619.17	16,109.25	26398.79	17179.19
- Segment Liabilities	260.61	260.61	373.44	361.78	1,344.64	298.77	1978.69	921.16
- Capital Expenditure								
- Segment Depreciation	NIL	NIL	NIL	NIL	04.48	04.52	04.48	04.52

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

(37) Earnings Per Share (EPS)
2023-24
2022-23

a) Weighted Average Number of Equity Shares outstanding during the year.	62,80,455	62,80,455
b) Net Profit after tax available for Equity Shareholders	1,490.96	1,165.32
c) Basic and Diluted Earnings Per Share (Rs.)	23.74	18.55
d) Nominal Value per Share (Rs.)	2/-	2/-

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

(38) Revenue from Contracts with Customers
(Rs in lacs)
i) Revenue from Operations
2023-24
2022-23

Revenue from contract with customers	587.50	70.00
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ii) Contract Balances

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

Trade Receivables	242.10	311.99
Contract Liabilities	76.75	248.50

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

Opening Balance	248.50	262.00
Less : Revenue recognised during the year from balance at the beginning of the year	186.50	27.00
Add : Advance received during the year not recognised as revenue	14.75	13.50
	76.75	248.50

NIDHI MERCANTILES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024
(39) Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. NIL (P.Y. Rs.10.80 lacs) on Corporate Social Responsibility (CSR) activities. In the Previous Financial Year the Net profit is below Rs.5 crore, the amount to spend under CSR is NIL

Particulars	2023-24	2022-23
Amount required to be spent by the company during the year	NA	10.80
Amount of expenditure incurred	NA	11.00
Shortfall at the end of the year	-	-
Excess carry forward in future	0.20	0.20
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	NA	Promoting education
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

(40) Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Associate:

Name of Entity	Net Assets i.e. Total Assets minus Total Liability (Rs in lacs)		Share in Profit/(Loss)	
	As a % of Consolidated Net	(Rs in lacs)	As a % of Consolidated Profits	(Rs in lacs)
The Company				
Nidhi Merchandiles Limited	92.74	24,420.10	35.70	532.31
Associate				
Keti Sangam Infrastructure (I) Limited	13.14	3,460.34	64.30	958.65
Sub Total				
Inter-Company Elimination & Consolidation	5.89	1,550.00		-
Consolidated Net Asset and Profit After	100.00	26,330.44	100.00	1,490.96

(41) Statement pursuant to section 129(3) of the Companies Act, 2013 relating to Associate
(Rs in lacs)

Name of Associate Company	Keti Sangam Infrastructure (I) Limited
Latest audited Balance Sheet Date	31-03-2024
<u>Shares of Associate held by the Company at the</u>	
Number of Shares	15,50,000
Amount of Investment in Associate	1,550.00
Extent of Holding (%)	25%
Reasons why the associate is not consolidated	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	26,330.43
Profit for the year	
i. Considered in Consolidation	958.65
ii. Not considered in Consolidation	NIL

(42) Disclosure regarding loan given pursuant to section 186(4) of the Companies Act, 2013.

Name of the Party	(Rs in lacs)		Purpose for which amount utilised and other terms and conditions
	2023-24	2022-23	
Sangam Finserv Limited (Formerly known as Suchitra Finance & Trading Co. Ltd.)	102.62	329.24	Loan receivable on demand, loan given for business purpose
Kalyan Sangam Infratech Limited	740.61	218.40	Loan receivable on demand, loan given for business purpose
Sangam Ananya Devoplers Pvt Ltd	3,130.70	2,919.61	Loan receivable on demand, loan given for business purpose
Sangam E-com Limited	1,196.58	490.18	Loan receivable on demand, loan given for business purpose

NIDHI MERCANTILES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(43) The other disclosure requirement under Part I and Part II in Division I of Schedule III to the Companies Act, 2013 (as amended) is either NIL or not Applicable

(44) **Previous year figures**

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

As per our report of even date

For S I G M A C & Co
Chartered Accountants
FRN : 116351W

Sd/-
Sandeep Maheshwari
Partner
ICAI. M. No. 049393

For and on behalf of the board

Sd/-
Sejal Sagar Modi
Managing Director
DIN: 06684211

Sd/-
Neha Jagetia
Company Secretary
& CFO

Sd/-
Ladhu Lal Soni
Director
DIN: 00131787

Sd/-
Kapil Malpani
Director
DIN: 07898719

Place : Mumbai
Dated : 30th May 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th (Thirty-Eight) 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 **Thursday, September 12th, 2024** at 11:30 a.m. to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone & Consolidated financial statements of the Company for the year ended March 31st March, 2024, including the audited Balance Sheet, 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.

SPECIAL BUSINESS:

3. Appointment of Mr. Rajendra Kumar Kaliya (DIN: 00450314) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a Special 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force), approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Rajendra Kumar Kaliya (DIN: 00450314) who was appointed as an Additional Independent Director on the Board of the Company with effect from 12th August, 2024 who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and LODR Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of 5 consecutive years commencing from 12th August 2024 to 11th August, 2029 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

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

Date: 16th August, 2024

Place: Mumbai

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 38th 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 remote e-voting are given in this Notice under Note No. 21. 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. 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.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
5. 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.
6. Pursuant to Regulation 42 of the SEBI (Listing obligation and Disclosure Requirements), 2015, The Register of Members & Share Transfer Books will be closed from Thursday, 05th September, 2024 to Thursday, 12th September, 2024 (both days inclusive).
7. 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.
8. 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.
9. As per the mentioned 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.

10. Shareholders whose shareholding is in electronic mode are requested to direct notifications about change of address and update about bank account details to their respective Depository Participant (“DP”)
11. The shareholders are requested to note that as per the provisions of the SEBI circular No. SEBI/HO/MIRSD-POD-1/P/CIR/2023/37 dated 16th March 2023 (subsumed as a part of SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 17th May 2024), has mandated that with effect from April 1, 2024 for all shareholders holding shares in physical form to furnish PAN, Choice of Nomination, Contact details (Postal Address with PIN and Mobile Number), Bank A/c details, and Specimen signature for their corresponding folio numbers.
12. 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 M/s Bigshare Sevices Private Limited for facilitating remote e-voting through electronic means, as the authorized e-Voting’s agency.
13. 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

14. 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 Bigshare Sevices Private Limited (agency for providing the Remote e-Voting facility i.e. www.bigshareonline.com)
15. 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.
16. 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.
17. Members/Proxies are requested to bring with the attendance slip duly filled in and hand it over at the entrance.

18. 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.
19. 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.
20. 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.
21. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The voting period begins on 09th September, 2024 at 9:00 a.m. (IST) and ends on 11th September, 2024 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 of 05th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare/NSDL 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.

1. Pursuant to above said SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website 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. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link 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. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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.nsd.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 BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<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 BIGSHARE and you will be redirected to i-Vote 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 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

2. Login method for e-Voting for shareholders other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.

- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note: If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.

Note: The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

21. 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 ivote@bigshareonline.com without which the vote shall not be treated as valid.

22. 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 05th September, 2024. A person who is not a member as on cut off date should treat this notice for information purpose only.

23. 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, 09th August, 2024.
24. The shareholders shall have one vote per equity share held by them as on the cut-off date of 05th September, 2024. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
25. 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 05th September, 2024 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
26. 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. 05th September, 2024 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.
27. **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.
28. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nidhi.net.in. The same will be communicated to the listed stock exchanges viz. The Calcutta Stock Exchange Ltd (CSE).
29. The Company has listed its shares on: The Calcutta Stock Exchange Ltd, 07, Lyons Range, Kolkata-700001.
30. The Listing Fees of these Exchanges have been paid regularly.
31. 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 Director
For Nidhi Mercantiles Limited**

**Date: 16th August, 2024
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 IN PURSUANCE OF SECTION 102 OF THE COMPANIES ACT, 2013:**ITEM NO. 3:**

Appointment of Mr. Rajendra Kumar Kaliya (DIN: 00450314) as an Independent Director of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board, on 12th August, 2024, appointed Mr. Rajendra Kumar Kaliya (DIN: 00450314) as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (Five) years with effect from 12th August, 2024 to 11th August 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution. The Company has received the following from Mr. Rajendra Kumar Kaliya:

- a. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”);
- b. Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
- c. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- d. Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- e. Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;
- f. A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

The Nomination and Remuneration Committee (NRC) had previously finalized the desired attributes for the selection of the independent director(s). Based on those attributes, the NRC recommended the candidature of Mr. Rajendra Kumar Kaliya. In the opinion of the Board, Mr. Rajendra Kumar Kaliya fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mr. Rajendra Kumar Kaliya’s skills, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director. A copy of the draft letter for the appointment of Mr. Rajendra Kumar Kaliya as an Independent Director setting out the terms and conditions is available for electronic inspection by the members during normal business hours on working days up to 12th September, 2024.

The resolution seeks the approval of members for the appointment of Mr. Rajendra Kumar Kaliya as an Independent Director of the Company for a term of 5 (Five) years effective from 12th August, 2024 to 11th August 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought for the appointment of Mr. Rajendra Kumar Kaliya as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Mr. Rajendra Kumar Kaliya, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 3. The Board recommends the special resolution as set out in Item no. 3 of this notice for the approval of members.

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	53
Qualification	Chartered Accountant
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. Raghini Infrastructure Private Limited 2. Dharia Farms Private Limited
Membership/Chairmanships of Audit and Stakeholders Remuneration Committee	Refer to Report on Corporate Governance
Disclosure of inter-se relationships between directors and KMP:	NIL
Listed entities (other than the Nidhi Group) in which Soni holds directorship and committee membership:	NIL
Listed entities from which Soni has resigned in the past three year	NIL
Remuneration proposed to be paid	NIL
Key terms and conditions of reappointment	As per AGM notice
Date of first appointment to the Board, last drawn remuneration and number of Board meetings attended	20 th January, 2007

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. Rajendra Kumar Kaliya
Directors Identification Number (DIN)	00450314
Age	59
Qualification	Commerce Graduate
Expertise in Specific Area	He is a person of integrity with 25 years of experience and expertise in finance, taxation, and other related fields
Date of first Appointment on the Board of the Company	12 th August, 2024
Shareholding in Nidhi Mercantiles Ltd.	NIL
List of Directorship held in other Companies	NIL
Membership/Chairmanships of Audit and Stakeholders Remuneration Committee	NIL (except appointed in committees of Nidhi Mercantile limited)
Disclosure of inter-se relationships between directors and KMP:	NIL
Listed entities (other than the Nidhi Group) in which Rajendra Kaliya holds directorship and committee membership:	NIL
Listed entities from which Rajendra Kaliya has resigned in the past three year	NIL
Remuneration proposed to be paid	As per appointment letter
Key terms and conditions of appointment	As per appointment letter
Date of first appointment to the Board, last drawn remuneration and number of Board meetings attended	12 th August, 2024
Skills and capabilities required for the role and the manner in which Rajendra Kaliya meets such requirements:	As per AGM notice

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

**Date: 16th August, 2024
Place: Mumbai**

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

NIDHI MERCANTILES LIMITED

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

ATTENDANCE SLIP
38th ANNUAL GENERAL MEETING
Thursday, September 12th, 2024

I/ We hereby record my /our presence at the 38th ANNUAL GENERAL MEETING of the Company on Thursday, September 12th, 2024 at B/306-309, Dynasty Business Park, Opp. Sangam Cinema, Andheri (E), Mumbai - 400059 at 11:30 a.m.

Full Name of the Member/ Proxy holder (in BLOCK LETTERS):-	
Regd. Folio No. :-	
DP ID:-	
Client ID:-	
No. of Shares held:-	

I record my presence at the Annual General Meeting

Signature of Member/ Proxy holder/Authorised signatory

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.
3. Shareholders attending the meeting in person or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.
4. Members are informed that no duplicate slips will be issued at the venue of the meeting and they are requested to bring this slip for the meeting.

NIDHI MERCANTILES LIMITED

Regd. Off: B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A.K. Road, Andheri (E), Mumbai - 400059
Tel No: 022- 61115222, **Fax No:** 022-28227865, **Email id:** nml.mumbai@gmail.com, **website:** www.nidhi.net.in
CIN: L51909MH1985PLC138577

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]

38th ANNUAL GENERAL MEETING (Thursday, September 12th, 2024)

Name of the Member(s):		E-mail ID :	
Registered address:		Folio No./ Client ID	
		DP ID:	

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 |
| 2. | Name: | Address: |
| | E-mail Id: | Signature:....., or failing him |
| 3. | Name: | Address: |
| | E-mail Id: | Signature:....., or failing him |

As my/or proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the company, to be held on Thursday, September 12th, 2024 at 11:30 a.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 the Standalone & Consolidated financial statements of the Company for the year ended March 31 st March, 2024, including the audited Balance Sheet, 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.		
02	To Re-appoint Mr. Ladhu Lal Soni (DIN: 00131787) , who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
03	To consider and approve Appointment of Mr. Rajendra Kumar Kaliya (DIN: 00450314) as an Independent Director of the Company for a period of 5 (Five) years and that he shall not be liable to retire by rotation.		

Affixed Revenue Stamp of Rs. 1

Signed this _____ day of _____, 2024.

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:	
4	Postal address	
5	Class of Shares	

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the **38th Annual General Meeting** of the Company to be held on **Thursday, September 12th, 2024 at 11:30 a.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 **16th August , 2024** by conveying my / our assent or dissent to said resolution (s) by placing the tick (✓) mark in the box against the respective matters.

Resolution No.	Description of Resolution	For	Against
Ordinary Business			
01	To approve and adopt the Standalone & Consolidated financial statements of the Company for the year ended March 31 st March, 2024, including the audited Balance Sheet, 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.		
02	To Re-appoint Mr. Ladhu Lal Soni (DIN: 00131787) , who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
03	To consider and approve Appointment of Mr. Rajendra Kumar Kaliya (DIN: 00450314) as an Independent Director of the Company for a period of 5 (Five) years and that he shall not be liable to retire by rotation.		

**Place: Mumbai
Date: 16th August, 2024**

Signature of the Member

ROUTE MAP

Venue:- B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A.K. Road, Andheri (E), Mumbai (M.H.) - 400059

Landmark:- Opp. Sangam Cinema, A.K. Road

Day, Date & Time:- Thursday, September 12th, 2024 at 11:30 a.m.

